

Friday July 27, 2018

Gold Coast Council mapping is not affecting insurance premiums

Campbell Fuller, General Manager Communications and Media Relations for the Insurance Council of Australia (ICA) says:

“Gold Coast City Council’s new maps factor in a 0.8m rise in sea level by 2100.

“This is not affecting insurance premiums, nor the availability of household insurance.

“Insurers price the risk of a flood for the 12 months that the policy is active. They do not factor in sea level changes that may occur in 80-plus years.

“The coastal risks of storm surge, coastal erosion and gradual sea level rise are excluded by most general insurance policies in Australia.

“At present, insurers have some limited understanding of riverine flood risk on the Gold Coast, using older data to assess flood risk for properties. The use of older and limited data causes significant uncertainty for insurers, which must be factored in to premiums.

“Furthermore, without access to Council’s flood data it is difficult for insurers to lower premiums where flood mitigation works may have been undertaken to reduce the risk to homes and businesses.

“The ICA urges the Gold Coast City Council to provide the necessary riverine (not climate change) flood models and data for inclusion in the National Flood Information Database (NFID). NFID allows all insurers to gain a better understanding of the flood risk to individual properties and then price that risk.

“Insurers would like to use the latest local government data for underwriting purposes to enable them to fine-tune their premiums.

“Almost every local government in Australia that has a flood risk has shared their data with the ICA, and in many cases this has resulted in lower premiums for many householders.

“The ICA believes local governments should factor in existing risk and the impact of climate change for development purposes, and to ensure property owners are aware of current and future risks.”

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