

May 19, 2011

Australians Back Insurance Industry Plan To Tackle Disasters

An online survey (conducted for the Insurance Council of Australia) has found Australians support the insurance industry's calls for a ban on the building of residences in flood-prone areas.

They also back the need for a national database of flood risk properties, the need for a standard definition for flood in all policies, and a requirement for insurers to set out what is and isn't covered in a policy.

"More than 1600 people were surveyed by Roy Morgan Research earlier this year. Results show people believe local, state and federal Governments have a major role to play in protecting against floods," said Rob Whelan, CEO of the Insurance Council.

"Australians understand there is no simple solution to the flood insurance debate, and we need to develop a national approach to better deal with the challenges presented by floods."

The general insurance industry has advocated for many years the need for a multi-faceted approach to tackle disasters.

"Insurers have moved to make necessary changes on issues such as a standard definition for flood, Governments must also make changes on issues they are responsible for such as land use, flood mitigation and building standards," Mr Whelan said.

Australians were divided as to whether insurance companies should pay out on claims where households had not taken out flood cover.

Of people canvassed 42% did not believe insurers should pay such claims, 37% believed insurers should pay river flood claims even when the cover hadn't been purchased, while 21% were undecided.

Mr Whelan said there was strong community support for the provision of concessions or rebates to households which had purchased flood cover with 71% in favour.

"The idea of compulsory flood cover for all households was not supported by the vast majority of people surveyed," Mr Whelan said.

Media Contact: 02 92 53 5160 / 0432 121 116