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Growth in flood cover shows consumers are making informed decisions

Data released today by the Insurance Council of Australia shows nearly four in five Australian household insurance policies contain flood insurance.

Insurance Council Chief Executive Rob Whelan said: “The data demonstrates that flood insurance is available to all Australian property owners in a variety of policy formats designed to suit individual circumstances, and that consumers are much more aware of flood cover.

“Consumers are making well-considered decisions about their risks and their insurance requirements.

“The home and contents insurance market is highly competitive. Consumers can choose to purchase products with flood cover as a standard inclusion, products that allow the customer to opt out of the flood component, or products that exclude flood from the policy.”

The data is available at: <http://insurancecouncil.com.au/industry-statistics-data/flood-cover>

Mr Whelan said the purchase of flood insurance had grown significantly since 2006, when it was a relatively new residential product and only 3 per cent of policies had flood cover. He said about 7 per cent of Australian consumers had some exposure to flood risks.

The information is being supplied to the Commonwealth Treasury each quarter as part of an insurance industry undertaking to help the Federal Government monitor consumer choices concerning the purchase of residential flood insurance policies. The data released today is the first set submitted. It shows active policies as of June 30, 2012, and includes a breakdown of policies issued in the quarter to June 30.

Mr Whelan said the insurance industry’s www.findaninsurer.com.au website, which was launched in July, provided consumers with details of insurers that offered flood insurance.

Editors Note: The figures are extrapolated from a statistically significant sample of the market in each state (above 90 per cent). Policy data is submitted to the Insurance Council of Australia by a representative cross-section of member companies. Not all insurers have supplied data and the tables may contain a small margin of error. The tables are subject to change according to fresh data being collated and normal commercial factors, and are available only on a statewide basis.