



# News release

Insurance Council  
of Australia

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## Submission to Parliamentary flood inquiry demonstrates acute flood risk

New data analysis published today by the Insurance Council of Australia (ICA) shows that nearly a quarter of a million properties in Australia are exposed to 1-in-20 year flood risk.

Included in the ICA's [submission](#) to the House of Representatives Standing Committee on Economics' inquiry into insurers' responses to 2022 major floods claims, the data shows that 229,455 properties have a 5 per cent flood annual exceedance probability (AEP), commonly known as a 1-in-20 year flood risk.

More than half of these (123,475) are in New South Wales, with the bulk of the remainder in Queensland and Victoria.

More than 674,000 properties in Australia face a 1, 2 or 5 per cent AEP, commonly described as 1-in-100, 1-in-50, and 1-in-20 year floods respectively.

Data from the National Flood Information Database included in the submission shows that New South Wales, Queensland and Victoria have 78.1 per cent of all properties nationally but account for:

- 98.7 per cent of properties exposed to 5 per cent AEP
- 94.3 per cent of properties exposed to 2 per cent AEP
- 91.2 per cent of properties exposed to 1 per cent AEP
- 94 per cent of properties exposed to a 1, 2 or 5 per cent AEP
- 86.3 per cent of properties exposed to a probable maximum flood (the largest flood that could be expected to occur at that location)

Despite flood events accounting for more than 54 per cent of losses from declared insurance events in the last five years, only 4.4 per cent of properties nationally are exposed to 1 per cent, 2 per cent or 5 per cent AEP.

The ICA's submission highlights the need for urgent action to address the protection gap – the difference between the cost of recovering from extreme weather events in Australia and the insurance in place to cover those events.

The submission notes that last year was a record year for flood losses in Australia, with in excess of 300,000 flood claims so far totaling \$7.4 billion.

Comment attributable to Andrew Hall, CEO Insurance Council of Australia:

The ICA is committed to working with all stakeholders to improve the way the insurance industry responds to floods and we welcome the opportunity to make a submission to the House Economics Committee.

Our data analysis also shows that damage from flood is wildly disproportionate to the number of properties known to be exposed to flood risk, so by targeting mitigation efforts to those most affected we can relieve the burden on us all.

To better protect lives and property and stabilise insurance premiums, we need to see greater investment by governments at all levels in measures that increase protection of homes and communities from the impacts of extreme weather events.

Governments must also amend land use planning legislation to include a mandatory requirement for planning approvals to consider property and community resilience to extreme weather, and improve building codes so future homes are made more resilient.