

### Introduction

Any property which is identified as being flood prone will have a message placed on the property's Section 10.7 Planning Certificate (as is the same for other potential hazards, including bushfire, landslip, coastal hazards, contamination, road widening). This is a flag that indicates that flood related development controls apply to the land.

This simply means that if there is a development proposal on the land, such as a new house, then it would need to consider the flood risk so that the future occupants can live safely on the land.

Council [flood information](#) is publicly available. It is also available to the Insurance industry. All insurance companies can choose to use Council flood information, but some of them also choose to carry out their own flood studies to be able to assess their risk.

Their assessment of risk will be focussed on the term of the premium, which is normally 12 months. So, the impacts of future climate change are not likely to affect premiums.

Insurance companies are not all the same, they can assess risk in different ways, and they may classify flooding in different ways.

Council always recommends that you shop around to ensure that your premium is appropriate. You should therefore make your own enquiries about how your insurance company classifies flooding (and stormwater), and how this relates to your insurance provisions and premiums. [Insurance Council of Australia \(ICA\)](#) may provide helpful information

### Frequently asked questions

#### **Will identifying my lot by Council as being subject to flood related development controls affect my insurance premiums?**

Yes, it may.

Insurers use data from a variety of sources, including the flood information generated as part of a floodplain risk management study and plan. They can use this data to define the potential risk of flooding and to cost insurance premiums accordingly (i.e. high-risk properties will have higher premiums relative to low-risk properties). As updated flood information is made available to insurers, they will be able to re-evaluate the flood risk for individual properties and adjust insurance premiums. In some instances, premiums may go up and in other instances premiums may go down.

If you are not satisfied with the cost or

## Flood property risks and insurance

coverage of your insurance, you can shop around to find another product suitable for your needs. The Insurance Council Australia has setup some websites to help people [find an insurer](#) and [better understand insurance](#) in general.

### What is Council doing to help reduce the cost of flood insurance?

New developments or building works are to be undertaken to a standard that can better respond to current and future flood risks, such as setting appropriate floor heights or using flood-proof building materials, which can reduce the impact a flood will have on the property. This will also reduce the chance of having to make a claim on your insurance.

Council is also working to make information about the potential impact of floods – including flood levels and floor levels – more easily available to owners, buyers, lenders and insurers. When insurers are uncertain about flood risk they are likely to charge more for flood cover, so the provision of clear, up to date information by Council helps the insurer to be more accurate in their risk assessment. This often means a reduction in premiums.

### Why am I charged a premium even though my property is not affected by the 1% AEP?

There are floods that are bigger than the 1 in 100 chance flood that have the potential to overwhelm most flood mitigation structures, including levees and dams. So, although your home might be outside the 1 in 100 chance flood zone, there is still a possibility that your home could become inundated, which is why insurers have to cover even the most rare and extreme flood events.

In most cases, if your property is only at a risk from a very rare and extreme flood, the risk is very small and, as a result, the premium charged should reflect the lower risk. However, very rare and extreme events can also cause very severe damage. So, despite the low probability, the potential cost of fixing the damage caused by the flood could be very high.

If there is information that a property is at risk from a very rare and extreme event some insurers may take that into account when deciding how much to charge you.

### Related Links

- [Insurance Council of Australia \(ICA\)](#)
- [Online Mapping Tool](#)