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Brokers welcome commitment to disaster mitigation

The National Insurance Brokers Association has welcomed comments by the Queensland Premier, Campbell Newman, that there needs to be a greater commitment to reducing the potential impact of natural disasters before they occur.

Mr Newman said that governments must acknowledge the need to direct greater resources to mitigation measures which would help to protect communities from the next disaster.

NIBA CEO, Dallas Booth, said it had been clearly demonstrated that the amount of money required for effective mitigation was much less than the cost of relief measures and rebuilding after an event.

“With the cost of extreme weather events getting higher and higher, the cost of insurance is also increasing, and as we have seen, becoming unaffordable for many people in high risk areas.

“This is a real concern for brokers, who have difficulty getting affordable insurance cover for their clients.

“We can see examples of how effective disaster management and mitigation in places like Grafton and Lismore can reduce the impact on the local community. These measures can have a significant impact on keeping premiums affordable.

“The industry has argued in many submissions to government that insurance is only one part of the response to a natural disaster. Insurance and government relief payments can only repair and replace after the event, when communities have already suffered trauma.

“We acknowledge the difficulties governments face in finding the money for capital works, but the equation is simple and the benefits are clear. Hopefully all levels of government can work together on this approach,” Mr Booth said.

He said for those seeking advice about the best insurance cover for their needs, NIBA had established a consumer information website and 1300 number which directed consumers to brokers in their area.

Consumer information

*NIBA operates a website, www.needabroker.com.au, and an inquiry number: **1300-53-10-73** which enables people to identify brokers in their area. The website also provides information about understanding insurance, consumer issues and what services a broker can provide.*

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NIBA is an independent industry association representing 500 firms and more than 2600 intermediaries, who handle almost 90% of the commercial insurance transacted in Australia. Brokers play a major role in insurance distribution, handling \$18 billion in premiums annually and placing around half of Australia's total insurance business.