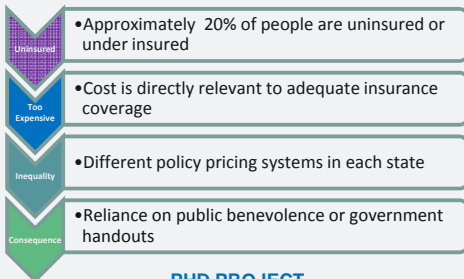


# REFORMING THE INSURANCE REGIME FROM A POST DISASTER RECOVERY REGIME TO THE CREATION OF A RESILIENT AUSTRALIA

Rachel Anne Carter<sup>1</sup>

<sup>1</sup> Associate Lecturer and PhD Candidate (in conjunction with Bushfire CRC) School of Law, Faculty of Law and Management, La Trobe University, Bundoora, VIC.

## THE PROBLEM



## PHD PROJECT

The primary work done towards my PhD project at the current has been an exploration of the problems with both the existing and the historical insurance regulatory regime. In particular I have looked at the various systems of funding the fire services and the implication of the states which impose levies upon insurance in order to have this achieved.

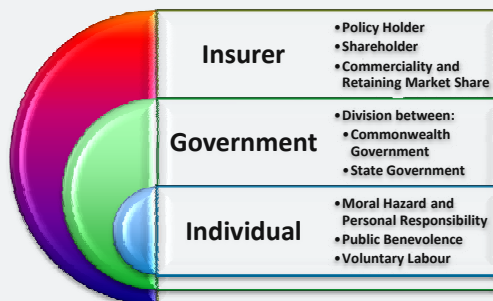
Currently as a result of the flooding in Queensland in January 2011, the flooding in Victoria during the same time and Cyclone Yasi there has been a move towards considering the viability of having a system facilitating a greater uptake of adequate insurance coverage. Essentially in order for any reform to be effective, it is essential that the current legal and regulatory regime is looked at in order to discern the problems which have simply been implanted from colonial times and have been retained with the fabric of the insurance law. I have been trying to use interdisciplinary approach whereby looking at sociological considerations in order to truly understand how individuals have responded to the legal regime dealing with insurance in the past and thus try to rectify this particularly through a move towards resilience rather than the current system which is premised largely upon recovery.

## RESEARCH USES FOR SOCIETY

Australia has much to learn from the increase in catastrophic disasters, particularly the recent flooding in Queensland and the cumulative effects of Cyclone Yasi (resulting in 99% of the state declared a disaster zone and in excess of \$5.6 billion in property losses). This project will be beneficial in seeking to explore ways to increase levels of adequate insurance coverage and mitigating losses resulting to individuals, society and governments resulting from catastrophic events.

## QUESTIONS – DISPROPORTIONATELY HIGH LEVELS OF UNDER INSURANCE AND UN-INSURANCE

- What is the cost of not having adequate insurance after a fire or flood both to the individual and to society at large?
- What are the problems within the legal regulatory system that contribute to a low insurance uptake?
- What sociological factors contribute to an individual's decisions to obtain insurance and the level of coverage they obtain? How does this implicate the legal regulatory regime?
- What are the most efficient risk minimisation strategies?
- Which of the key stakeholders should bear the greatest loss for property damage arising from natural disasters?
- How can we move from a post disaster regime to mitigating potential losses and creating a more resilient Australia?



## IMPACTS AND IMPORTANCE OF RESEARCH

In 2010- 2011 my research has seen me working with the Australasian Strategic Policy Institute in co-authoring a paper dealing with creating greater resilience for Australia against property losses arising from catastrophic disasters. After the flooding in Queensland in January 2011, I did much of the media coverage in print, radio and television format dealing with the issue of insurance pertaining to the catastrophic property losses. Subsequently I have appeared before the Senate Economics References Committee in May 2011, with my key submissions focusing upon the problems pertaining to the insurance market in Australia particularly resulting from catastrophic events. I have also presented at a number of conferences both domestically and internationally.

## RESEARCH PUBLICATIONS

- Edward Mortimer, Anthony Bergin and Rachel Anne Carter, 'Sharing the Risk: Distributing the Cost of Natural Disasters in Australia' (Australasian Strategic Policy Institute, 2011).
- Rachel Anne Carter, 'Mitigating Future Disasters in Australia- The Role of the Government, the Insurers and the People' paper presented at 9<sup>th</sup> Conference on Catastrophic Insurance in Asia, Beijing, China, June 2011.
- Rachel Anne Carter, 'Risk and the Decision to Insure in Australia: The Black Saturday Fires' to be presented in July 2010 at Disasters and Sociological Studies Workshop, Onati, Spain.
- Rachel Anne Carter, 'Wild Fires- The Legal Regulatory System of Insurance and Emergency Services Funding' (2011) *Southern Cross University Law Review* (2011).
- Rachel Carter, 'Flood Insurance Must be Made Accessible to All', *The Australian* (Australia) 13 January 2011, 14.
- Rachel Carter, Submission No 1 to Senate Economics References Committee, Parliament of Australia, *Inquiry into the State Governments Insurance and the Flood Levy*, 13 April 2011.
- Evidence to Senate Economics References Committee, Parliament of Australia, Canberra, 13 May 2011, 17 (Rachel Anne Carter).

