



TITLE: When Disaster Strikes: how house and contents insurance matters in disaster-prone places

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House and contents insurance is a key safety net in modern Australian life. It has been identified as critical to the nation's effective management of natural disaster events, and trends toward the privatisation and individualisation of risk means that insurance is becoming more important than ever. Yet insurance remains a poorly understood, under-developed and under-utilised mechanism in disaster management.

Recent experience from major natural disasters suggests that rates of house and contents non-insurance and under-insurance are significant. For the 2003 Canberra bushfires in which 500 homes were destroyed or severely damaged *estimates* for rates of under-insurance vary from between 27 percent and 81 percent. For the 2009 Victorian Black Saturday bushfires in which over 2000 homes were destroyed it is *suggested* that about 13 percent of all property losses were not insured.

In this research we begin to address the lack of robust research regarding how house and contents matters for residents in places prone to natural disasters. We present findings from quantitative and qualitative pilot work that indicates that the everyday context of insurance and bushfire decision-making is complex and largely non-fiscal, and that there are significant variations based on socio-economic and geographic variables.