



How did individuals experience financial recovery from the 2022 floods?

1 Australia has the highest level of secondary disasters, including floods, exacerbated by climate change in the world (Aon, 2020)

2 In advanced economies, like Australia, many individuals protect assets through private sector insurance: "Australians know how important insurance is" (ICA, 2023)

3 However, insurance premiums are increasingly unaffordable (Actuaries Institute, 2023), and flood insurance is unavailable in particularly high-risk places (Climate Council, 2022)

4 83% of Australian homes are underinsured for disaster (ICA, 2019), comparatively less than other advanced economies (Swiss Re, 2020)

5 The 2022 QLD and NSW floods were the costliest extreme weather event in Australian history (ICA, 2022)

7 Given this, my research asks "What do people *really* do to financially recover after an extreme weather disaster?"

8 Preliminary findings (4mo into data collection) suggest people call on a range of options:

"We've got a fund [...] that's more than enough to cover it [a future flood] and we're self-insuring."

"The cavalry isn't coming. When floods are on, the community is the main game"

"I was thinking, 'Where am I going to start?' A young bloke touched me on the shoulder and said, 'Do you want a hand, mate?', I said, 'That's a bit of an understatement'"

"Like many disasters, people came together to help and support one another"

6 Interviews with flood-affected individuals suggest affordability is a key issue for insurance relationship:

"Every time there's a flood the insurance policy doesn't just go up slightly, they almost double. It's getting harder and harder"

"The premiums they want for insuring against flood are ridiculous [...] and they keep tying up more and more what's not included"

"It's impossible for people to take out insurance, [...] there's no point trying to find insurance because you can't afford it"

9 Some rely on personal savings; some turn to organisations like their church, lawyers, financial counsellors, and mental health services; some take it upon themselves to establish community groups for future events; and some rely on the kindness of strangers.

10 This study will contribute to understanding variation in experiences of financial protection from disaster by uncovering how individuals feel about insurance, and what alternative financial recovery mechanisms they may have in place. It is particularly salient, given the recent parliamentary inquiry into people's experiences of insurance following the 2022 floods.