



Council Tackles Rising Home Insurance Premiums in Warren

Thursday, November 14, 2024

Residents of Warren are expressing concern over the rising costs of home insurance premiums, which many believe are linked to flood risk assessments. In response, Warren Shire Council is taking steps to address the issue and ensure residents aren't unfairly impacted by high premiums.

The Council has engaged with the Insurance Council of Australia (ICA), which manages the National Flood Information Database (NFID). This database, used by insurers to assess flood risk across 90% of Australia, is updated with new flood studies from Local Government Areas (LGAs). The NFID is a key tool for insurers but is not publicly available and can only be accessed by insurers under a licence.

Council has learned that past flood studies for Warren are not available in the required format for inclusion in the NFID. In response, the Council has secured funding from the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) to conduct a new flood study for the town. The study is currently in the tendering stage and will be the first step in a three-stage floodplain risk management process.

Once the flood study is completed, Council will apply for additional funding for Stage 2 – a Floodplain Risk Management Study and Plan. This plan will help identify and manage flood risks, with further actions to follow if necessary. If required, Stage 3 – Implementation will be pursued. Each stage is expected to take at least 12 months.

While Council believes the town is sufficiently protected from flooding, thanks to the levee designed to protect against a 1% Annual Exceedance Probability (AEP) flood event, accurate data is essential for updating the NFID. This updated data will ensure insurers have the correct information to assess flood risk and, ultimately, set fairer insurance premiums.

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