

Insurance Council of New Zealand

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Information For Property Owners

The Insurance Council has been advised that the Taupo District Council is undertaking a review of their district plan which will include incorporating new information on flood risks related to Lake Taupo and its major tributaries into the District Plan. Part of that review will include the effects of climate change which may include an increased flood risk from more frequent and intense storms.

It is well understood that as risk increases, this impacts the cost and availability of insurance. Property owners will be keen to understand the impact of the District Plan Review on the availability of insurance and their premium levels in the future if flood risk information is put on their LIMs or property titles.

Insurers believe that increased transparency and awareness of risk is a good thing for homeowners and communities. This can lead to community and local and central government action to plan for and mitigate impact of damage caused by the identified risks. This can then lead to more resilient, safer and stronger communities which will have greater access to affordable insurance.

Property owners are required to disclose to their insurer if their property has been identified as being at risk from any natural hazard by their local Council, through information being placed on the properties LIM or by way of a Section 74 notice on the property title. Failure to disclose may risk claims being declined following a flood.

Insurers are in the business of knowing how much risk properties carry, including from natural hazards such as flooding and landslips, whether a Council designates them in a district plan or not. Insurers have ongoing awareness of natural hazards and evaluate this risk throughout the country.

All insurance cover is assessed on a case by case basis, where insurers consider the likelihood and impact of all risks to a property, including natural hazards. Insurers gather all relevant information when they make their assessments.

The review of district plans by Local Authorities provides modelled information that establishes risk profiles for the next 50 to 100 years for wide areas of land. In most cases this does not have an immediate effect for property owners on the availability of insurance or its affordability as the changes are likely to occur over a long period of time.



Terry Jordan
Operations Manager