

## **Sally Priest: Resilient Housing and Insurance Futures**

Insurance is not just about replacing lost possessions and fixing up your house it's about making sure you have a good recovery as well, says Sally Priest, a specialist in flood insurance and a member of the expert panel for *Resilient Communities: Doing Better in Bad Times*.

Dr Priest is Senior Research Fellow at the Flood Hazard Research Centre at Middlesex University in London and has focused on the social consequences of flooding and the role that insurance can play in the resilience of older people.

"New Zealand has a small population and a large risk from severe natural events. Plus a growing proportion of the population are older people on fixed incomes which raises issues of affordability when it comes to insurance," Sally says.

For instance residents in a high-risk area such as the Flockton Cluster in Christchurch, which has been badly flooded several times already this year, have some tough decisions to make.

"With my insurance hat on it is a justifiable move for insurers to increase premiums and deductibles to protect themselves from increasing exposure and frequent risk, however it is very difficult for the individual householder living in that situation.

"If someone can't afford the deductible you will not get a good recovery – is that fair?"

She also questions the dual system in New Zealand where EQC provides funding for earthquake damage but not flooding. "Why should someone who is at high earthquake or high volcanic risk benefit from a system, whereas someone at flood risk is being hammered by increased premiums and increased deductibles?"

Sally praised the value of the *Resilient Communities* research in looking at how householders can reduce their risk and improve their recovery from a flood, such as learning about the site risks to their property, building with appropriate materials, and being prepared to cope if disaster strikes.

"The aim is to reduce vulnerability of buildings and people and increase resilience and ability to recover to a better position," she says.

"Communication is also important to a good recovery. We saw in the severe floods in the UK this year that people could reduce damage and distress if they had some warning. They had time to lift up belongings, take their precious items and move their car to higher ground."

It is vital that insurance companies communicate well with their customers. Sally says there has been a loss of trust with insurance companies following the Canterbury earthquakes. "One of the lessons is the need to improve communication between EQC and insurers and

customers. Where customers have been satisfied they will stay loyal to their insurance company, stay protected and maybe bring across their car and other insurance too.

"It is a win/win for the company and customer if customers are treated well," says Sally.