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FINANCIAL SYSTEM
DIVISION

COR 2012/00350

Legal Aid
NEW SOUTH WALES

The General Manager
Financial System Division
The Treasury Langton Crescent
PARKES ACT 2600

20 APR 2012

Dear Sir or Madam

RE: Reforming Flood Insurance: A proposal to improve availability and transparency

I write in response to Treasury's consultation paper *Reforming Flood Insurance: A Proposal to Improve Availability and Transparency* ('the consultation paper').

The Consumer Action Law Centre has prepared a Joint Consumer submission ('Joint Consumer submission') in response dated 3 April 2012.¹

I write to support the Joint Consumer submission as prepared by Consumer Action Law Centre, including the support within that submission for the National Disaster Insurance Review ('NDIR') Panel's key finding on the need for mandatory flood cover in all home and contents policies.

I do not support the model proposed in the consultation paper - that insurers would be required to offer flood cover in home building and home contents insurance policies and that insurers can allow consumers to 'opt out' from flood cover ('the opt out model'). As outlined in the Joint Consumer submission, the opt out model will simply not address the key aim of NDIR review, being to ensure the availability of flood cover for those most at risk of flood.

By way of background, Legal Aid NSW has been involved in various consultations regarding NDIR, including stakeholder engagement with the NDIR Panel in 2011. Legal Aid NSW was also part of consumers consultations leading up to the development of the report entitled *NDIR – A Consumer Perspective on NDIR Issues Paper*, as well as with consumer representatives preparing and contributing to the Joint Consumer submission we are currently endorsing.

Please do not hesitate to contact us if you have any queries regarding this. The contact person at Legal Aid NSW is David Coorey, Civil Division, Sydney on Ph 9219 5824.

Yours sincerely



Bill Grant
Chief Executive Officer

¹ The submission has a typographical error dating the submission 3 April 2011.

Tel: 9219 5000 • Fax: 9219 5935 • NRS: 133 677 • LawAccess NSW: 1300 888 529

Address: 323 Castlereagh Street, Sydney 2000 • PO Box K847, Haymarket NSW 1238 • DX 5 Sydney

Website: www.legalaid.nsw.gov.au • ABN 81 173 463 438

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