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Industry urged to back flood and drought cover for cattle

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The north Queensland floods have again exposed the dearth of insurance products available to the cattle industry, according to risk adviser OBA Consulting.

The company's MD Brett O'Brien says the loss of more than 500,000 head of cattle is virtually uninsured as hardly any insurers offer livestock cover for flood and also drought, due to the high cost involved.

"I think it's because it is expensive and it is a glaring omission in the Australian risk landscape," he told insuranceNEWS.com.au.

Mr O'Brien, also a fourth-generation cattle farmer, is trying to secure backing from the Government and insurers to change the status quo.

"It's my mission to bring it to market, but it is going to take government subsidy and the co-operation of the government sector and also the Australian insurance industry.

"We have always insured cattle for loss due to fire, but we just haven't done it for flood and drought because insurers haven't offered it."

He has contacted federal Agriculture and Water Resources Minister David Littleproud and a number of insurers, and says the feedback has been positive so far.

"Everyone agrees it is a good idea," Mr O'Brien said. "However, it needs a little bit of Government pushing. How long it takes, I don't know, but the sooner it's part of the products here in Australia, the better.

"In a country such as ours where agriculture forms such an enormous part of the national landscape, it is imperative that the coverage is available."

The Insurance Council of Australia (ICA) has already responded positively.

ICA spokesman Campbell Fuller told insuranceNEWS.com.au it "would like to be" part of initial discussions to develop a product to help Australian farmers protect from natural disaster livestock loss".

The Cattle Council of Australia estimates the Queensland floods cost the industry about \$5 billion, including livestock and infrastructure losses.

It says most producers would have no cover for commercial breeding herd losses caused by floods because of the huge insurance costs.

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