



# Insurance as catastrophe: A geography of house and contents insurance in bushfire-prone places



Kate Booth <sup>a,\*</sup>, Andrew Harwood <sup>b</sup>

<sup>a</sup> School of Social Sciences, University of Tasmania, Private Bag 22, Hobart, Tasmania 7001, Australia

<sup>b</sup> Geography, University of Tasmania, Private Bag 78, Hobart, Tasmania 7001, Australia

## ARTICLE INFO

### Article history:

Received 27 September 2015

Received in revised form 30 November 2015

Accepted 5 December 2015

Available online 29 December 2015

### Keywords:

Amenity migrants

Fire

Disaster

Housing

Insurance

Place

## ABSTRACT

Insurance is increasingly identified as the disaster management technique of choice; a benign tool that can be utilised to reduce the impacts of disaster and aid recovery. For householders in disaster-prone places, individual rational agency is assumed to inform decision-making surrounding house and contents insurance purchase. In this paper, we present findings from interviews with householders in places with high bushfire risk that significantly unsettle such accounts. Drawing upon four identified themes – trade-offs, networks, virtue and promise – we observe that for these householders, the uncertainty and anxiety created through a lack of transparency on behalf of insurers, the construction of insurance as an individual endeavour, and the rendering of household materiality as object, renders insurance catastrophic. Attempts at calculation for insurance coverage are momentary rather than monetary; as constituting an entanglement of insurantal moments constructed within conflicting emotions, morality and the familial, rather than fiscal accountability. For our participants this provides a stronger logic for choosing not to have insurance than for having insurance. We conclude with signposts for further research, including advancing the theorisation of insurance in the context of the everyday.

© 2015 Elsevier Ltd. All rights reserved.

## 1. Introduction

Individuality and rationality are ideas that dominate understandings of house and contents insurance and how this insurance matters in disaster-prone places (e.g. [Kunreuther and Michel-Kerjan, 2015](#); [Kunreuther et al., 2011](#); [Tarr, 2011](#)). Insurance is conceived as a benign disaster management technology that can be effectively mobilised through the provision of information to individuals, enabling these individuals to make rational decisions regarding insurance purchase and coverage. Those who fail to make rational choices – who do not insure or are inadequately insured – are thus deemed responsible for their own loss should disaster strike ([King et al., 2013](#)).

Yet insurance is identified in other forums as anything but a benign tool. Foucaultian scholars describe insurance as a “schema of rationality, a way of breaking down, rearranging, ordering certain elements of reality” ([Ewald, 1991: 199](#)). In the literature of financialisation, Grove conceives insurance as a “mechanism of government that regulates and produces life” ([Grove, 2010: 538](#)). Drawing upon the work of Latour, [Ossandón \(2014\)](#) describes

insurance as a spatially and temporally diverse participant in (re) assembling the social, and sociologist [Liz McFall \(2011\)](#) identifies insurance as an emotionally laden promise that exceeds the rationale of fiscal accountability.

With insurance increasingly being identified as the disaster management technique of choice ([Lobo-Guerrera, 2010](#)) and the frequency and intensity of ‘natural’ disasters predicted to increase in light of anthropogenic climate change ([Booth and Williams, 2012](#); [King et al., 2013](#)) there is significant need for accounts of house and contents insurance that challenge the assumptions of individuality and rationality, and instead consider this type of insurance as socially embedded and enabled.

Australian human geographers are at the forefront of research looking at the everyday context of changing social perceptions of bushfires and risk ([Eriksen and Head, 2014](#)). Yet there is little engagement with insurance in this literature. As observed by [Hall \(2010, 2011\)](#) there are also significant gaps regarding geographies of finance and economics that focus on every day and place-based accounts. More attention needs to be paid to how financial technologies matter or work in the context of everyday lives in everyday places, and this includes an urgent need for producing geographies of insurance in disaster-prone places. If house and contents insurance is to be employed effectively in disaster

\* Corresponding author.

E-mail addresses: [Kate.Booth@utas.edu.au](mailto:Kate.Booth@utas.edu.au) (K. Booth), [Andrew.Harwood@utas.edu.au](mailto:Andrew.Harwood@utas.edu.au) (A. Harwood).

management, then more complex and nuanced understandings are warranted.

In this paper, we present findings from interviews with residents in areas at high risk of bushfire.<sup>1</sup> In these interviews we talked with householders about their everyday perceptions of house and contents insurance: what they understood insurance to be; where it sat in relation to other dimensions of bushfire preparation and recovery; factors influencing decision-making regarding insurance purchase and coverage; and how householders understood or imagined insurance to work should their place of residence be impacted by a major bushfire. Given the lack of previous research and the plethora of theory that could be of relevance, we choose to take an inductive approach in both framing these interviews and the identification and interpretation of emerging themes. As well as providing signposts for on-going research, our aim here is to add to the social theorisation of insurance as a means of contributing depth to understanding how insurance matters, and could matter, in disaster-prone places.

As described below, much of the work of Australian human geographers concerns bushfire risk management and how to enable better management outcomes, for example, how to improve household and community engagement with risk and risk mitigation measures. While we provide some insights in this regard in terms of insurance, in this paper our primary concern is deepening conceptual understanding. Moving the insights we provide here towards policy and practice are part of a larger, on-going project.

## 2. Geographies of bushfire risk

There is a growing body of work looking at risk and risk perceptions in the context of everyday life. This work embodies a move beyond externalised and objectified notions of risk; of risks as existing primarily as natural forces devolved from social and cultural networks (Parkhill et al., 2010). While researchers investigating risk in the context of the everyday draw upon an understanding of risk as a socio-cultural phenomenon, Beck's (1992) idea of a risk society is critiqued for overlooking the everyday experiences and perceptions of risk in the context of social and cultural, and temporal and spatial diversity (Tulloch and Lupton, 2003).

In the Australian context, Eriksen and Head (2014) observe a 'cultural turn' in geographical bushfire research that is producing a dominance of human geographical perspectives. This shift recognises that as 'natural' disasters or hazards are socio-cultural in their construction, bushfires are not simply natural phenomenon that can be defined and managed in technical terms, but embody historic, social and political complexity. As complex socio-cultural entities, bushfires require forms of management that are also socially and politically engaged.

This 'turn' also complicated behavioural approaches to understanding and improving bushfire preparedness, response and recovery. Eriksen and Gill (2010) observe the limitations of such approaches in that they separate risk knowledge and risk action, and tend to overlook the gap between what people know and intend, and what they actually do. Identifying indicators for particular perceptions and behaviours does not necessarily translate into knowledge that is effective in changing these perceptions and behaviours. There is need to engage with the socio-cultural complexities of the knowledge/action gap (Eriksen and Gill, 2010; Eriksen and Prior, 2013). Thus, there is interest in engaging with complex social patterns and changes when looking to understand and act on bushfire risk. This includes a focus on the gendered dimensions of bushfire risk perception and management (Eriksen

and Gill, 2010; Eriksen et al., 2010; Eriksen, 2013, 2014); the role of economic factors such as deregulation and privatisation in rural communities (Whittaker et al., 2012); and the interaction of socio-cultural, psychological and experiential backgrounds in constructing risk perceptions and the role of friends, family and communities in risk preparedness (Prior, 2010).

Important spatial and temporal (as well as social) variegations in bushfire risk perception and management are adding further nuance and complexity to the picture (Prior, 2010). For example, there is strong evidence supporting the need for understandings of risk engagement that are non-universal, about more than the delivery of information, and acknowledging that engaging with uncertain and unpredictable events is difficult for householders. In this regard, Eriksen and Head (2014) argue that local knowledge is important for understanding and effectively implementing disaster management.

Insurance and its role in bushfire management is a neglected area in this literature. This is despite numerous major governmental reports and inquiries highlight the importance of insurance in disaster management (e.g. ASIC, 2005; COAG, 2004a, 2004b; Ellis et al., 2004; Esplin et al., 2003; QFCI, 2012; TAGT, 2011; Teague et al., 2009, 2010), and non-insurance and under-insurance as a recognised source of post-disaster vulnerability (Booth and Williams, 2012; King et al., 2013). When insurance is mentioned, it is most commonly referenced as a tool for recovery rather than a factor in understanding and implementing preparedness, response and recovery (Booth and Williams, 2012). Lists or descriptions of household preparedness actions invariably focus on structures, maintenance and planning, and overlook or exclude insurance (e.g. Prior, 2010; Whittaker et al., 2013). However, there is some evidence that insurance status plays a role in risk perceptions (e.g. Collins, 2009; Paton et al., 2008) and response decision-making and behaviours (e.g. Paveglio et al., 2010, 2012, 2014; Whittaker et al., 2012).

Two Australian studies provide further insights here. In interviews with residents in a rural area of south-eastern Australia, Eriksen and Gill (2010) observe that even those who can afford insurance do not necessarily purchase adequate or indeed any insurance cover, though eighty-eight percent of those interviewed do have insurance policies. For newcomers, insurance coverage acts as a justification for living in the bush and also appears to contribute to a lack of engagement with fire management activities. For long-term residents stronger connections to the place results in a greater likelihood to defend property, though some farmers feel that the expense of insurance cannot be justified (Eriksen and Gill, 2010).

In another rural area, Whittaker et al. (2012) observe that insurance is the primary strategy for recovering from losses, though also find that while most participants have house insurance, many are not insured or are under-insured for farm assets such as fences and livestock. They suggest that many factors may contribute to decision-making in this regard, including the prioritisation of the long-term and ongoing hazard of drought over the low probability and one-off event of bushfire, and limited financial resources associated with pressures resulting from changes in farming and rural communities.

## 3. Methods

In this pilot study we conducted interviews with seven individuals residing in places at high risk of bushfire in regional and rural south-eastern Tasmania, Australia (Table 1). To recruit these participants we drew on our personal networks (convenience sampling), and employed purposive sampling to ensure that our participants represented a diversity of socio-demographic

<sup>1</sup> 'Bushfire' is the Australian term for wildfires, with the word 'bush' describing tracts of sparsely inhabited land.

Download English Version:

<https://daneshyari.com/en/article/5073622>

Download Persian Version:

<https://daneshyari.com/article/5073622>

[Daneshyari.com](https://daneshyari.com)