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Insurable Costs of NSW Storms Continue to Rise

The total number of insurance claims now received by the general insurance industry as a result of the storms in NSW on 8-11 June is 63,000.

With the industry working quickly to finalise claims the total cost of the claims is now estimated to top \$750 million. This represents a significant injection of funds by insurers back into the effected regional economy in the Newcastle, Hunter and Central Coast regions.

“This places the June 2007 NSW storm event as a very significant disaster with extensive loss and damage to commercial and residential property and vehicles.” Chief Executive of the Insurance Council of Australia, Kerrie Kelly said.

“When the current claims figures are broken down it is clear that the most affected by the storms are householders with 65% of the claims relating to residential property. The next largest related to commercial property accounting for 19% of claims, then vehicles at 12% and a smaller group including rural, marine and industrial at around 4% of total claims to date.”

“Early estimates based upon applications for government relief are that 1 in 5 people affected by this storm event had no insurance cover at all. This initial assessment of non-insurance in NSW resonates with research commissioned by the Insurance Council of Australia that shows 26% of all NSW households do not have any form of home and contents insurance,” said Ms Kelly.

The claim costs are expected to continue to increase over the coming months as the more complex commercial and industrial claims are finalised. These types of claims often involve a more lengthy assessment process.

Ms Kelly said the general insurance industry continues to provide resources in the effected area to ensure a speedy assessment and recovery process.

“The general insurance industry continues to work closely with the NSW Government through the state recovery taskforce. The communication and coordination arrangements, including the industry’s Catastrophe Coordination Arrangements, have worked extremely well in ensuring a close working relationship with the general insurance industry and the government during this severe weather event.” Ms Kelly said.

Media Contact: Paul Giles 02 9253 5160 or 0415 131 005