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## ICA supports National Disaster Insurance Review

The Insurance Council of Australia (ICA) has welcomed the National Disaster Insurance Review announced by the Federal Government today.

ICA Chief Executive Officer, Mr Rob Whelan, said the National Disaster Insurance Review has the full support of the general insurance industry.

“We believe this review provides a great opportunity for the general insurance industry to contribute to current debate on how Australian communities can be more resilient to extreme weather events,” he said.

“Disaster insurance is critical when it comes to protecting Australian communities but there are other important measures that also need to be taken to better mitigate against events such as the recent Queensland flood.”

Mr Whelan said the ICA and its member companies have spent many years making representations to all levels of government in a bid to reduce the damage caused by serious disasters and to help communities recover more quickly from these devastating events.

“To do this we need to implement a range of measures which the industry has outlined in its 10 Point Plan,” he said.

“While working towards a standard definition for flood and improved disclosure to enhance consumer understanding of insurance cover are important initiatives, there is still a lot of other work to do in the area of flood mitigation and mapping.

“For example, the ICA supports proper flood mapping which would allow the industry to underwrite a wider range of insurance products to supplement those already available.

“Other measures of importance include improved building standards, better land-use planning as well as the introduction of preventative infrastructure projects such as levees, barrages, flood gates and improved drainage.”

**\* 10 Point Plan Attached**

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## 10 Point Plan to Tackle Disasters

### Summary of Objectives

- 1. Standard definition for flood:** Reform of the *Insurance Contracts Act* to include a common definition of flood for reference by insurers that offer flood insurance (to maintain competition and consumer choice, retain the right to derogate and amend the definition under the 'unusual terms' section of the Act).
- 2. Improved disclosure:** Industry commitment to simplify and improve insurance product disclosure statement summary arrangements to enhance consumer understanding of insurance cover.
- 3. Provision of adequate flood data:** Agreement from Government to establish an open source nationally consistent and contemporary digital terrain model, to allow the accurate mapping of flood risks nationwide and communication of those risks by government to property owners.
- 4. Removal of insurance taxes:** Commitment across all Governments to encourage greater personal responsibility in the community through implementation of recommendation number 79 of the Henry Tax Review to abolish all insurance taxes, including fire services levies.
- 5. Improved land-use planning:** Commitment by Government to develop national landuse planning criteria that prohibits inappropriate land-use in Australia.
- 6. Improve building standards:** Commitment by Government to improve the community's disaster resilience by modernising the Building Code of Australia to include minimum standards for the durability of property to natural hazards.
- 7. Improve community infrastructure:** Recovery funds dedicated to preventative infrastructure projects including levees, barrages, flood gates and improved drainage.
- 8. Education and financial literacy campaign:** Government and industry commit to a community education campaign to increase awareness of insurers' obligations to consumers and dispute resolution arrangements. This includes promoting the insurance industry Code of Practice.
- 9. Measure effectiveness of disaster relief payments:** Introduce annual reporting by the Productivity Commission on the effectiveness of State and Federal disaster relief payments.
- 10. Better advice to consumers:** Commitment by Government to ensure the advice provisions in the *Corporations Act* do not impede discussion between consumers and insurers on appropriate insurance cover needs.