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Insurers and Queensland Government work together to address insurance affordability

The Insurance Council of Australia (ICA) today congratulated the Queensland Government for offering to provide full access to flood data to the insurance industry under a Memorandum of Understanding signed this week.

The Memorandum between the Newman Government and the ICA sets out a program intended to help address issue of insurance affordability in Queensland.

The program of work includes:

- An exchange of data between the ICA and the Queensland Government
- Identification of areas lacking flood mapping data
- Consultation with the ICA on future mitigation planning
- Joint research and development into new and better information to help assess extreme weather vulnerability.

ICA CEO Rob Whelan said: “The ICA congratulates the Queensland Government for its efforts in improving the quality of information available to the insurance industry.

“This is a significant step that will help reduce much of the uncertainty in assessing risk and calculating insurance premiums for Queensland households and businesses.

“Queensland recently released flood mapping studies for 104 flood-risk towns across the state. It is finalising studies for a further 60 towns, which will be completed this financial year. These will help insurers refine their assessments of risk in many flood-prone regions.

“The Queensland Government has also made significant commitments to investing in physical mitigation works. Many at-risk households in communities where flood mitigation works have been completed, including Charleville, have experienced a plunge in premiums.”

Mr Whelan said the Memorandum was the latest proof of the productive collaborative and cooperation between the Queensland Government, the state’s Department of Natural Resources and Mining (DNRM), and the ICA.

Under the Memorandum, the ICA and Queensland Government have agreed to work together on the following common issues:

1. **Government Hazard and Related Data:** to encourage more precise insurance pricing, DNRM will provide to the ICA and its members with:
 - a. At no cost, access to all State Government-held elevation data (DEMs)

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- b. At no cost, all subsequent elevation data acquired as part of its forward program
 - c. At no cost, ongoing access to flood mapping developed in the State
2. **Future Hazard Mapping:** DNRM and the ICA will work together on identifying areas of the State lacking detailed elevation data and flood mapping information
3. **Insurance Managed Hazard and Related Data:** to ensure transparency and understanding of underwriting data used by industry, the ICA will provide the government, at no cost:
 - a. At no cost, licensed access to the Queensland chapter of the insurance industry- developed National Flood Information Database (NFID), used by most insurers as a core input to assessing flood risk at address level across the State
 - b. At no cost, all future updates to NFID developed as a result of improved flood mapping and DEM data released by government.
4. **Future Mitigation Planning:** The ICA agrees to be consulted and to provide relevant input and data, where it is able to do so, to help assess the value of mitigation planning in Queensland. Key inputs will include assistance with understanding the insurance affordability outcomes that may arise from mitigation projects being considered.
5. **Special Insurance Affordability Projects:** Joint research and development into new and better information to help assess extreme weather vulnerability. DNRM, the ICA and partners will identify key research opportunities to improve the acquisition, extraction and analysis of information to improve its accuracy and ultimately the affordability of insurance, including:
 1. Opportunities to pilot Building Resilience Rating processes developed by industry as part of the Property Resilience and Exposure Program, in key local government areas, to identify where development controls are performing well and therefore where claims are less likely to occur, as well as where mitigation and development controls may be used to improve insurance affordability outcomes for the community
 2. Focused attention and activity on Strata Insurance, identifying opportunities to address the drivers of premium growth, most notably in Tropical Queensland
 3. Opportunities to explore remote sensing to detect highset from lowset homes and advanced techniques to estimate floor levels in flood hazard areas.

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