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Insurance Council launches information module focused on insurance affordability programs

The Insurance Council of Australia (ICA) today launched a new online module aimed at raising community awareness of ongoing affordability initiatives.

ICA CEO Rob Whelan said developing web-based information around existing affordability initiatives was the next logical step toward communicating the relationship between risk, available data and premiums to consumers and all levels of government.

Available at insurancecouncil.com.au/affordability, the module shows how the industry is tackling the impacts of extreme weather and the availability of hazard data to help understand risk and develop sustainable responses to managing catastrophes.

The module provides insights into four key industry initiatives including:

**National Flood Information Database (NFID)**
- Forms part of a broader project to increase availability of flood insurance cover to the Australian community
- Combines all available government flood mapping into a format that is practical for underwriting of flooding risks at address level, rather than at postcode or lower resolutions

**ICA Data Globe**
- Coordinates access to an extensive visual database of natural hazard mapping information, including flood, earthquake, bushfire, storm surge and cyclone exposures
- Helps identify where mapping is missing, or where mitigation efforts to reduce hazards may deliver an insurance affordability outcome
- Allows stakeholders to download the latest data available

**James Cook University (JCU) Engineering Inspections**
- Is a key recommendation of an independent study by JCU recommending strata-title properties in North Queensland undergo regular engineering inspections to ensure they are resistant to future extreme weather events, and to improve understanding of how the buildings might perform during these events
- Designed to help strata owners and strata managers address vulnerabilities that may exist with their buildings and reduce preventable damage
- Once developed, governments can consider adopting the scheme to assist strata owners and managers identify and potentially manage vulnerabilities to their buildings in regions exposed to extreme weather

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Property Resilience and Exposure Program (PREP)
- Provides local government and the insurance industry with more robust information on the resilience of housing stock and local hazards
- Enables councils to engage with the industry on affordability issues, where the primary drivers may be poor-quality hazard data, or a lack of information on development controls and existing buildings
- Seeks to improve the alignment between data and hazard mapping relied upon by insurers to price risk, and the information local governments harness for development control and town planning purposes

Each program helps demonstrate the relationship between hazard exposures, building vulnerability and premiums. They also help support government mitigation programs by identifying affordability gains for the mitigation options being considered.

The module will be regularly updated with additional data and further affordability efforts will continue to be discussed and developed over time.

"The ICA is working closely with governments and consumers to increase community understanding of risks and work towards practical solutions to combat the affordability challenges facing at-risk communities," Mr Whelan said.

"Close collaboration between industry and government is critical to identifying these solutions, and communities needs clear signposts about steps they can take to manage their own exposure to risk from natural disasters.

"Efforts to reduce existing hazards may often deliver an insurance affordability outcome for local residents."

The insurance industry and ICA continue to advocate the importance of state and local governments investing in physical mitigation measures to protect communities from natural hazards, as well as improving land use planning and making buildings more resilient to extreme weather.

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