

2018 ICA Annual Dinner Speech

Richard Enthoven, President of the Insurance Council of Australia

Good evening everyone and **welcome** to the Insurance Council's Annual Dinner.

For those of you that are a bit surprised to see me giving the President's speech tonight, I ask that you consider for a moment how **surprised I am** to be giving it!

I'd like to start tonight by acknowledging Rob Whelan and the entire team at the Insurance Council for their tireless efforts to promote and support the industry during a period of intense industry scrutiny. The sheer number of reviews, enquiries and, of course, the Royal Commission have imposed a complex and emotionally charged workload onto the team at the ICA. On behalf of the board and members of the ICA – I'd like to **thank the ICA team** for your efforts, resilience and for rising to the challenge during this stressful period.

Amid the kind words and support I have received following my appointment as ICA President, the term "poisoned chalice" has also, privately, been shared with me. But I don't see it that way. I see the role as an **enormous privilege to advocate for** an industry that despite our acknowledged shortcomings, protects the **quality of people's lives** when they, and their families, are most vulnerable. As such, I'd like to recognise the thousands of insurance professionals, many of whom are here tonight, who leave their own loved ones each day, to serve our customers.

It is likely that in the coming weeks and months, this important service will get overlooked amid the **increased scrutiny** about our industry's shortcomings. While accepting responsibility for these shortcomings, and doing all we can to substantively address them, let's remember that our industry has so **much** to be proud of.

The unprecedented level of scrutiny that we as an industry face represent enormous challenges and opportunities. We are being implored to respond to **vexed** social problems like financial hardship, mental health and the national scourge that is domestic violence. Our customers and the broader community are telling us, in no uncertain terms, that they expect more **transparency and accountability** from us.

As an industry, we are by nature conservative, risk averse and data driven. This means that it will be **deeply uncomfortable and counter-cultural** for us to address many of these issues. However, these are evolving times and the practices which may have served us well in the past may no longer do so.

Fortunately, the industry had the foresight some 15 months ago to launch an independent review of our highly regarded Code of Practice. The ICA has consulted broadly and, rightly, has been praised for the rigorous Code review process we have undertaken. I'd like to thank you all for your input. And now, I'd like to ask for your **bravery**. I'd like us to work together over the next 6 months to finalise an enhanced Code and ensure that it will, once again, set the bar for best practice and thereby position our industry for **future success**.

Not all our choices will be easy. Indeed, some will be challenging in the extreme. And, we will not meet every requirement of every stakeholder. However, **I am confident** that by putting our best foot forward we will deliver an enhanced Code that better meets the community's expectations, delivers more certain outcomes for our customers and allows all of us in the industry to hold **our heads high**.

One of the **true privileges** of a career in insurance is that we go to work every day knowing we are making a real and significant difference in people's lives. By being brave today and making insurance a part of the solution to complex social issues like domestic violence, we pave the way for the next generation of insurance professionals to **be bold**, to use our industry to help create the societal changes they wish to see and to enjoy the same career privileges afforded to us in this room.

It is important to acknowledge that some of the choices we make will result in more claims being paid. It is therefore vital that we communicate, in **no uncertain terms**, that the direct result of this is the need to charge more for our products and services. Our customers, regulators and the broader community need to understand, and recognise, this inherent trade-off. And, we should not skirt from our responsibility to explain the trade-offs clearly.

Indeed, the **opportunity** that is currently in front of us is to do so as we deliver an enhanced Code that reinforces the merit of self-regulation. By doing this we'll go a long way towards **rebuilding the trust** that the insurance industry richly deserves.

Thank you and I hope that you all have a wonderful evening.