

# **Opening Remarks**

## **2019 Annual Dinner**

**Mr Rob Whelan**

**CEO, Insurance Council of Australia**

- Thank you Lee Lin for your warm introduction. I'm delighted you've taken the dress code and given it your unique and colourful twist
- We have a busy agenda for tonight, so I'm pleased we have Lee Lin here to keep us on track
- Tonight I acknowledge the traditional custodians of the land on which we meet – the Gadigal people of the Nation
- I pay respect to elders past and present, and extend that respect to other Aboriginal and Torres Strait people here, on behalf of all guests and the Insurance Council Board
- We will soon hear from the President of the Insurance Council, Richard Enthoven, who will be providing his and the Board's views on the significant issues facing the industry, and some critical policy initiatives that the industry will be adopting
- But as is now our well-established tradition at this event, formalities and speeches will be held to a minimum as tonight is about celebrating our industry and its achievements and having the opportunity to catch up with friends and colleagues

- There is no denying it has been a tough year for us all. We have had the Hayne Royal Commission and all that has come from that watershed review, and a number of major natural disasters that have kept us more than a little busy
- So tonight we should take the opportunity to reflect on what the past 12 months have meant for our industry and how resilient we are.
- It's also important we maintain our sense of humour and maybe have a laugh at our own expense from time to time
- Helping along on this before main course we'll be entertained by one of Australia's most talented comedians, Anh Do, whom most of you know through his stand-up act and his ABC TV show Brush with Fame
- Now while Anh won't be doing any portraits of any of us tonight I'm sure he will be demonstrating his creative talents through his humorous insights
- It's great to see such strong support from the industry here tonight – we have almost 400 guests. Thank you all for making time in your busy schedules
- And we have a number of special guests here that I'd like to acknowledge and welcome
- We have many members of the NSW Parliament here tonight including from Cabinet and shadow Cabinet:
  - The Deputy Premier, Mr John Barilaro
  - Speaker-Designate Jonathan O'Dea MP

- Interim Leader of the NSW Opposition, Penny Sharpe MLC
- Minister for Police and Emergency Services, David Elliott MP
- Assistant Speaker Mark Coure MP
- Cabinet Secretary Alister Henskens MP
- Parliamentary Secretary for Transport and Roads, Eleni Petinos MP
- Parliamentary Secretary for Health, Natasha Maclaren-Jones MLC
- Shadow Minister for Small Business, Jenny Aitchison MP
- Shadow Minister for Women, Sophie Cotsis MP
- Shadow Minister for Innovation and Better Regulation Yasmin Catley MP
- Shadow Minister for Rural Affairs, Primary Industries, Lands and Western NSW, Mick Veitch MLC
- Member for North Shore Felicity Wilson MP

WELCOME TO YOU ALL – WE ALSO HAVE:

- APRA Executive Board Member Geoff Summerhayes
- AFCA Lead Ombudsman John Price
- Reserve Bank head of economic analysis Alex Heath, representing Reserve Bank Deputy Governor Guy Debelle
- NIBA CEO Dallas Booth

- And ANZIIF CEO Prue Willsford
- Regrettably, the impending Federal Election means we won't be honoured tonight by any federal MPs or Senators – there are quite a few other functions in the lead up to the election.
- Before introducing the ICA President I'd like to make a few observations of the past year's events and how the ICA is responding to the post-Hayne world
- The raft of regulatory change that will sweep through the financial services sector will be game changing, and General Insurance will inevitably be impacted
- Implementing the many recommendations of the Hayne report is and will be challenging. Particularly so because in some respects the recommendations are less than clear in their intent
- And there are the interaction effects between recommendations, existing law and prospective legislation – not all of which are fully understood
- Nevertheless we must adapt to these changes and implement in a way that ensures the industry remains efficient, competitive and delivering positive consumer outcomes
- Fundamental to this will be how the industry crafts and delivers a benchmark Code of Practice. This is where the ICA is devoting much of its resources

- This signature piece of work is the industry's statement and commitment to continuous improvement for our customers. It better the law and adapts to the changing needs of a dynamic society
- Accommodating the needs of a diverse community and the demands for greater accountability through enforcement has put considerable strains on the development of a new Code
- Balancing flexibility and principled intentions that Hayne considered essential in a Code, with the hard-wired legally enforceable commitments he also required, is a challenge
- Difficult as it may be, we must strike that balance to ensure the Code delivers the enhanced consumer focus that will continue to drive our industry forward
- A draft Code was presented to the ICA Board this morning for its consideration and we will await industry feedback
- I'd like to acknowledge the extraordinary effort of the ICA team lead by Fiona Cameron along with the National Code Committee chaired by Annabelle Butler. It has been a Herculean task and they have done it with great patience and diligence
- While much time and energy has been absorbed in navigating the changing regulatory environment, we must continue to deliver on our core promises to our customers
- This has been evidenced again this year with a number of major natural disasters – the most impactful of these being the extraordinary flooding event that all but submerged Townsville and the surrounding hinterland

- The industry response to this disaster was outstanding. Assessors and claims staff were deployed as soon as access was available and quickly after there were emergency payments made and repairs begun.
- Happily many residents and some businesses had taken out flood cover knowing that they lived on a vulnerable flood plain. Regrettably, some didn't decide to avail themselves of flood cover, which continues to be a challenge for the industry to build awareness of the very real and growing risks of extreme weather
- Today, only three months later, about 30 per cent of claims have been finalised despite immense logistical challenges
- More than a third of a billion dollars has already been paid in repairs, rebuilds, emergency accommodation and other services, with total estimated insurance losses of \$1.132 billion
- This is where the industry demonstrates its true worth and the commitments made in our policies and Code of Practice are put into effect – and where they fall short of community expectations we seek to learn and improve
- While we can make efforts to improve and become more efficient we can't manage the full burden of a volatile climate on our own
- As we experience a rapidly changing political and regulatory environment, we also must accept our climate is changing.
- The ICA has long advocated for a partnership with Government at all levels to enhance our community's ability to adapt to the current effects of climate change.

- We applaud the growing awareness and policy responses to a warming planet with both sides of politics. However most policy initiatives are focused on emissions reduction over the next decade
- As important as that is to the future of the planet there is also a more prescient issue to be concerned with and that is the current impacts of an altering climate on highly vulnerable parts of the country
- Our President will have more to say on this issue presently
- In closing I acknowledge my staff and member company representatives for their diligence and dedication on committees, working groups and strategic projects throughout the year
- Your contributions are much valued and appreciated, and I thank each of you
- I also thank my staff, especially Denise Katsenos, for their efforts in organising this magnificent dinner tonight – fantastic job
- It is now my pleasure to welcome to the podium the ICA President and Chairman of the Board, Mr Richard Enthoven