

Friday November 13,  
2020

## News Release

### Insurers and builders joining forces to improve Australian homes

The Insurance Council of Australia (ICA) and Master Builders Australia (MBA) are uniting to develop proposals that will help strengthen homes and communities against natural disasters.

The industry groups have heeded key findings from the Royal Commission into National Natural Disaster Arrangements and will host a series of roundtable discussions to create a pathway towards national policies that improve property resilience, building standards and land-use planning.

The Building Stronger Homes Roundtable will enable builders and insurers to work together, harnessing industry insights from both insurance data and builders experience, to help map actions that can improve the resilience and insurability of existing and future Australian homes.

The final report of the Royal Commission recognised the importance of mitigation and resilience, better building standards and land-use planning in protecting properties and communities from natural disasters.

It recommended the establishment of a national body to champion making Australia more resilient to natural disasters, focusing on reducing long-term disaster risk and harmonising approaches. It also recommended mandatory consideration of natural disaster risk in land-use planning decisions and stronger building standards.

ICA CEO Andrew Hall said: "Australians' homes are their greatest financial asset. The Royal Commission has identified clear priorities that can reduce the risks to homes. Whatever efforts we can take to reduce vulnerability and reduce the risk of loss must be a priority for industry and Australian governments."

MBA CEO Denita Wawn said: "The building and insurance sectors are committed to exploring practical and effective ways to deliver better building quality outcomes that enable industry to deliver more resilient buildings and give consumers confidence.

"This includes keeping premiums at a sustainable and affordable level for consumers and the building and construction supply chain."

The first roundtable will be convened in Canberra on Thursday November 26, attended by senior industry and government leaders. Experts in science, banking and finance, behavioural and market economics will also be invited to participate in the roundtables.

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The joint mitigation and resilience roundtables will identify key national priorities for ensuring Australian homes (including apartments and social housing) are resilient, secure and insurable in the long term. They will focus on:

- The built environment and codes
- The importance and structure of land-use planning
- Current and potential mitigation and hazard reduction investment priorities
- The importance of information systems, data, and coordination

A final report from the roundtables will be presented at the conclusion by mid-2021.

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### **ABOUT THE INSURANCE COUNCIL OF AUSTRALIA:**

The Insurance Council of Australia is the representative body of the general insurance industry in Australia. Our members represent about 95 per cent of total premium income written by private sector general insurers. Insurance Council members, both insurers and reinsurers, are a significant part of the financial services system.

Insurance Council members provide insurance products ranging from those usually purchased by individuals (such as home and contents insurance, travel insurance, motor vehicle insurance) to those purchased by small businesses and larger organisations (such as product and public liability insurance, professional indemnity insurance, commercial property, and directors and officers insurance).

June 2020 Australian Prudential Regulation Authority statistics show that the general insurance industry generates gross written premium of \$51.4 billion a year and has total assets of \$135.4 billion. The industry employs about 60,000 people and on average pays out about \$171.1 million in claims each working day.

Over the 12 months to the end of June 2020 the industry's net profit after tax (NPAT) was \$1.0 billion – a 70.5 per cent decrease from the prior year's NPAT of \$3.5 billion. The industry's underwriting result was \$1.4 billion, falling by 39 per cent from \$2.3 billion in the prior year. <http://www.insurancecouncil.com.au/about-us>

### **ABOUT THE MASTER BUILDERS AUSTRALIA:**

Master Builders Australia promotes the interests, viewpoints and contribution of its 32,000 members and Australia's \$200 billion building and construction industry.

Master Builders is the only national voice representing all sectors of the industry. Comprised of firms large and small our members include large national, international, residential, and commercial builders and civil contractors, smaller local sub-contractors, suppliers and professional industry advisers. <https://www.masterbuilders.com.au/About-Us/Who-we-are>