

Wednesday October 14, 2020

ICA welcomes Queensland LNP's \$50m commitment to boost cyclone resilience

Queensland Opposition Leader Deb Frecklington's \$50 million election promise to create more resilient homes could deliver lower insurance premiums to many households exposed to cyclone and storms.

The proposed grants of up to \$15,000 under the Tradie Boost scheme would deliver local jobs and make Queensland more resilient along coastal regions from Bundaberg to Thursday Island and west to the Northern Territory border.

Insurance Council of Australia CEO Andrew Hall said the election promise was aligned with consistent ICA calls for resilience programs to strengthen properties in northern Queensland.

"It supports the Insurance Council's long-held position that governments should focus on measures that will provide long-lasting change by addressing the underlying cause of insurance affordability issues," he said.

"Queensland's recent Household Resilience Scheme is proof that projects designed to improve the ability of homes to withstand the impact of cyclones and storms can also reduce household premiums.

"The Insurance Council is working on projects to better understand the exposure and vulnerability of Queensland homes. These include work with Queensland Fire and Emergency Services and local governments in Queensland to address severe wind risks, as well as James Cook University and Risk Frontiers on reducing housing vulnerability in a changing climate environment."

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ABOUT THE INSURANCE COUNCIL OF AUSTRALIA:

The Insurance Council of Australia (ICA) is the representative body of the general insurance industry in Australia. ICA 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>