

Thursday August 27, 2020

## \$3.85 billion already paid in natural disaster claims as insurers overcome pandemic upheaval

Insurers have already paid \$3.85 billion to customers affected by last summer's bushfires, floods and hailstorms, according to industry data released today by the Insurance Council of Australia (ICA).

ICA CEO Rob Whelan said the industry was well ahead of its normal natural disaster response, with more than 83 per cent of bushfire claims already closed.

He said the industry had received more than 297,780 claims from four ICA-declared Catastrophes during the 2019-20 summer, with losses of almost \$5.4 billion.

Insurers have spent \$3.85 billion in property repairs and rebuilding works, emergency accommodation and support, replacement of contents, new and repaired vehicles, plant and equipment, and financial settlements.

Mr Whelan said insurers had maintained their focus on helping households and businesses affected by natural disasters, despite a dramatic curtailing of services and resources since the start of the COVID-19 pandemic and the challenges of working in remote regions.

"The pandemic complicated our industry's ability to physically respond in a timely manner, to get assessors and tradespeople into affected areas, overcome logistical challenges, source materials and labour, and to begin repairs and rebuilds," he said.

"However, insurers have worked tirelessly since the summer catastrophes and during the COVID-19 crisis, managing lockdown and social distancing constraints to continue their work to help customers and communities across southern and eastern Australia.

"This was the worst natural disaster season I have experienced in my 10½ years as chief executive of the Insurance Council.

"The industry's efforts to help their customers through the emotional, physical and financial blows caused by these catastrophes is the best I've seen, despite the complications of COVID-19, and insurers continue to fine-tune their response.

"The insurance industry will continue to work to assist affected communities and policyholders and work through the remaining open claims to help people move on and rebuild their homes and lives."

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The latest industry figures show:

**Summer bushfires (VIC, NSW, SA, QLD):**

- 38,416 claims received with losses estimated at \$2.33 billion
- More than 83.5 per cent of 9389 home building claims have been closed (repairs and rebuilding works completed, payments made)
- More than 93.7 per cent of 14,237 contents claims have been closed (items repaired or replaced, or payments made)
- More than 88.5 per cent of 1613 domestic motor vehicle claims and 90.5 per cent of 1332 commercial motor claims have been closed (vehicles repaired or replaced, or payments provided)
- More than 81 per cent of 8738 commercial property claims and about 81 per cent of 1285 business interruption claims have been closed

**November hailstorms (SE QLD):**

- 29,782 claims received with losses of \$481.92 million
- More than 82 per cent of 9858 residential building claims and 86.2 per cent of 1677 contents claims have been closed
- About 94 per cent of 15,259 domestic motor claims and 1801 commercial motor claims have been closed
- More than 84 per cent of 1125 commercial property claims have been closed

**January hailstorms (ACT, VIC, NSW):**

- 129,201 claims received with losses estimated at \$1.625 billion
- About 90 per cent of claims lodged were for household losses, with 10 per cent commercial claims
- 72.4 per cent of 38,793 residential building claims and 73.5 per cent of 10,462 contents claims have been closed
- Almost 85 per cent of 67,435 domestic motor claims and 75.5 per cent of 6954 commercial motor claims have been closed
- More than 66 per cent of 5214 commercial property claims and 52.7 per cent of 146 business interruption claims have been closed

**February East Coast storms and floods (QLD, NSW):**

- 100,384 claims received with losses estimated at \$958 million
- More than 70 per cent of 58,845 residential building claims and almost 75 per cent of 26,901 contents claims have been closed
- Almost 92 per cent of 5954 domestic motor claims and 79 per cent of 306 commercial motor claims have been closed
- 65 per cent of 8758 commercial property claims and 63 per cent of 351 business interruption claims have been closed

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