

Thursday May 28, 2020

## Insurance bill for season of natural disasters climbs over \$5.19 billion

The cost of insurance claims from four natural disaster catastrophes declared over the 2019-20 summer has passed \$5.19 billion, with more than 15,000 new claims worth \$270 million lodged in the past four weeks.

ICA Head of Communications Campbell Fuller said: “Thousands of new claims and property loss assessments have pushed total claims to more than 288,100 and the estimated damage bill to more than \$5.19 billion.

“Insurers have already paid more than \$2.85 billion for emergency accommodation, business interruption, repair and rebuilding work, replacement of motor vehicles and goods, services and settlements. This is despite the widespread impact of the natural disaster season and the handbrake effect of COVID-19.

“Almost 50 per cent of claims from the four storm, bushfire and hailstorm catastrophes have been closed by insurers – an extraordinary result for households and businesses affected by these disasters.”

The COVID 19 pandemic was declared a Catastrophe on March 11, 2020. The industry is assessing the impact it is having on claims and customers.

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### **EDITORS NOTE:**

#### **Australian Bushfire Season for NSW, QLD, SA & VIC, declared on November 8, 2019:**

- Claims lodged: 38,181
- Estimated insurance losses: \$2.32 billion
- State impact: NSW (81 per cent), VIC (8 per cent), SA (8 per cent), QLD (3 per cent)
- Almost two-thirds of 9086 residential building claims have been closed (repairs and rebuilding works completed or payments made)
- More than 80 per cent of 14,033 contents claims have been closed (items repaired or replaced, or payments made)
- More than 70 per cent of 2843 motor vehicle claims have been closed (vehicles repaired or replaced, or payments provided)
- More than half of 1233 business interruption claims have been closed

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**South-East Queensland hailstorm, declared on November 17, 2019:**

- Claims lodged: 28,642
- Estimated insurance losses: \$451 million

**January hailstorms (VIC, ACT, NSW, QLD), declared on January 19, 2020:**

- Claims lodged: 124,693
- Estimated insurance losses: \$1.525 billion

**East Coast storms and floods, declared on February 10, 2020:**

- Claims lodged: 96,594
- Estimated insurance losses: \$896 million

**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. December 2019 Australian Prudential Regulation Authority statistics show that the general insurance industry generates gross written premium of \$50.2 billion a year and has total assets of \$129.7 billion. The industry employs about 60,000 people and on average pays out about \$152.3 million in claims each working day. Industry underwriting profit for the year to June 30, 2019, was \$2.3 billion.

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).