

February 22, 2012

Government and industry continue to work together to strengthen regulatory framework

Insurers and the Federal Government today pledged to continue to build on the strengthened relationships developed following last year's unprecedented series of natural disasters.

Opening today's Insurance Council of Australia (ICA) 2012 Regulatory Update event, ICA President Rob Scott said insurers should be pleased with their responses to a challenging year.

"During 2011 we worked closely with Government at all levels to work through the issues in a constructive manner and we made enormous progress," Mr Scott said.

"The industry should be pleased with how it responded, notwithstanding the unprecedented level of public, media and especially political attention we have gained.

"Without insurance, communities would still be paralysed, thousands of businesses would still be shut and tens of thousands of homes would be unliveable."

Mr Scott said insurers had handled more than 275,000 catastrophe claims in 2011, which resulted in insurance losses of almost \$5 billion.

In a video address to Regulatory Update delegates, Financial Services Minister Bill Shorten said he expected another busy year of regulatory change in the industry.

"While much of the attention that's been placed on the industry in recent times has been in relation to natural disasters I can see a broader regulatory agenda emerging," he said.

"I can see change relating to two objectives. Increasing the range of risks people can insure against and, improving transparency and availability of insurance to people that want protection.

"I look forward to working with insurers during 2012 and building on our achievements of the past year."

ICA CEO Rob Whelan said governments and the industry needed to continue working together and build on achievements from this year.

He said changes to the Code of Practice, working towards a standard definition of

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flood, introducing a 10-point plan for Government to mitigate flood risk and starting work to develop key fact statements for consumers showed the desire within the industry to adapt.

“Actions speak louder than words, and these moves show the industry’s commitment to work

with Government and consumers to ensure cover is available and everyone can benefit from this protection”.

The ICA Regulatory Update is an annual forum for the insurance industry and regulators.