

Opening Remarks 2014 Regulatory Update

Mr Mark Milliner
President, Insurance Council of Australia

Friday February 28, 2014

Hilton Sydney

(Mark will be introduced by **MC Darren Isenberg at 9.05am**)

- Thank you Darren. Good morning everyone, and welcome to the Insurance Council's Annual Regulatory Update seminar.
- It's a very busy agenda today, and I am delighted to see such a strong showing.
- I'd like to welcome all of our special guests today.
- In particular I would like to acknowledge:
 - Senator Arthur Sinodinos, Assistant Treasurer and Minister for Financial Services.
 - Shadow Treasurer Chris Bowen and our regulators – Ian Lauchlin from APRA and Peter Kell from ASIC.
- In my view, this year's event is one of the most important the ICA has held in recent times.
- A few months ago Australians voted in a new Federal Government.
- With the change in government comes a fresh political and economic agenda, and the general insurance sector is watching closely to see how this will play out in coming months and years.

- Our Industry is strong – Well capitalised and performing well. As an industry we protect what matters to businesses and people and we are there for our customers when they need us most.
- This seminar provides the first real opportunity for insurers to hear from the Government about its goals as well as the Opposition's perspective.
- The seminar will examine issues that go to the heart of this industry – what insurance is, how insurers behave, and what the possibilities might be for the future.
- In particular, the final plenary session focusing on the upcoming root-and-branch Financial System Inquiry has implications for most of us.
- It's been 16 years since the Wallis Inquiry led to reforms in Australia's financial services system.
- This time around, the Abbott Government's brief to David Murray centres on deregulation and how it could benefit competition, efficiency, market stability and consumer protection.
- In this current climate, reconnecting with the underlying social and economic purpose of insurance has never been more important.
- This is what will give us an even stronger relationship with our customers and create what I hope will be a wider partnership with government and the many other stakeholders with a keen interest in a viable insurance industry.
- In all of our advocacy activities, the customer interest must come first.
- Insurance affordability is one important issue where we provide such a focus.
- We have an opportunity to join forces with governments at all levels to address this issue on a number of fronts.

- In the short term, I believe it's up to individual insurers to develop relief strategies for those living in natural disaster zones and deemed most in need of financial support. The role for government is longer term and involves safeguarding communities from weather events through mitigation.
- One of the real pleasures of my 20 year career in insurance was working with government to get a flood levee built in Roma – a Queensland town so often devastated by inundation. Once the levee is completed the risk of flooding will reduce and of course premiums will also reduce.
- There are plenty of other issues on the ICA's agenda whether that's CTP reform and smash repairers in NSW, tax reform in all States and working with our regulators to avoid over-prudence in prudential policies.
- Australia remains a serious player in the global insurance context because we are serious about doing the right thing – by our customers, our industry, for growth in the economy and for the financial well being of the country.
- I'd like to take quick moment to thank Rob Whelan and his team at the ICA for all of their work and acknowledge the ongoing value you give to this industry.
- I thank all our guest speakers sitting on our plenary and breakout panels.
- I'm pleased the ICA has put together an exciting program, and I trust you'll find it informative and thought-provoking.
- Thank you.