

December 21, 2011

Cost of 2011's catastrophes passes \$4.3 billion as builders take a break

Insurable losses relating to the catastrophes of 2011 have passed \$4.3 billion, according to final Insurance Council of Australia figures for the year.

ICA chief executive Mr Rob Whelan said Australia had been struck by several of the biggest catastrophes of recent times, and insurers had received nearly 190,000 claims with a total reserved value of \$4.352 billion.

He said builders and tradespeople had been hard at work since January rebuilding homes and businesses, and policyholders in disaster regions could expect to see some reduction in work taking place over the next month as many tradespeople and builders took a well-earned break over Christmas and New Year.

"The insurance industry thanks all those who have worked so hard over the past 11 months to restore these communities affected by last summer's disasters. Though most homes and businesses have now been repaired in these areas, work continues on many others, pending various approval processes and decisions being made by policyholders."

The final catastrophe figures for 2011 are:

Catastrophe	Number of claims lodged	Total reserved value of claims
Queensland floods	58,463	\$2.4 billion
Cyclone Yasi	72,203	\$1.33 billion
Perth bushfires	410	\$35 million
Victorian floods	7952	\$122 million
Victorian severe storms	49,396	\$412.3 million
Margaret River bushfires	392	\$52.3 million
TOTAL	188,816	\$4.35 billion

Mr Whelan said the figures were a sobering reminder of the important role insurance played in helping communities recover from disasters, but creating more resilient communities should be a high priority for federal, state and local governments.

"Insurance can't stop these catastrophes. It can only help once it's over," he said. "It's the role of governments to put in place the measures that make our communities safer places in which to live, especially those with a known exposure to risk from events such as flooding, cyclones and bushfires."

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“Unless governments improve land use planning and building codes, remove some of the cost impediments to taking out insurance, and build the physical barriers to protect those at risk, communities will remain vulnerable.

“Further, we remain concerned that new communities may be built in inappropriate areas with houses that are not designed to be robust in disasters.”

Mr Whelan said Australia’s catastrophes were a significant contributor to global catastrophes, with reinsurer Swiss RE calculating disasters such as the New Zealand earthquakes, Thai floods and Japanese tsunami had cost the world economy about \$US350 billion this year.

“The costs of all these disasters will inevitably have an effect on insurance premiums in the future as companies adjust their pricing to take account of individual risk levels and increasing costs of reinsurance,” he said.

Radio newsrooms: A brief audio statement is available. Please contact the media adviser on 0432 121 116.

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