

Wednesday October 21, 2020

## Insurers taking steps towards greater indigenous engagement and understanding

As part of recognition by insurers of the importance of balancing community expectations and the important role of insurance in the economy, the Insurance Council of Australia (ICA) will be establishing an indigenous liaison forum.

The forum will focus on advising the industry on indigenous-related issues and customer outcomes, support reconciliation actions, increase industry understanding of vulnerable customers and increase knowledge of specific cultural and heritage concerns.

The forum will include representatives from insurers and indigenous organisations and will provide its advice directly to the ICA Board.

ICA CEO Andrew Hall said: "The insurance sector recognises the need to understand the views and needs of Australia's first nations people. The forum will allow insurers to engage with community representatives to drive better customer outcomes and allow insurers to gain a greater understanding on important consumer and cultural issues.

"Land councils and other indigenous organisations have responsibilities for significant community assets, and ensuring their property and people are properly protected is a key priority of insurers. Regulators and governments have also raised specific issues around general insurance for indigenous communities.

"Indigenous Australians should have full access to the benefits of insurance in protecting their assets and building more resilient communities, but this should always be undertaken with full sensitivity to relevant issues and concerns.

"Establishing a trusted relationship is key. That is why understanding cultural heritage issues is an important and fundamental step."

Ahead of the first forum meeting in early 2021, the ICA will undertake a stakeholder consultation process to understand the impact the Warragamba Dam Raising proposal could have on upstream areas and cultural heritage sites. The outcomes of this consultation will be considered by the forum. This will ensure the industry can develop an informed position on the potential impacts of the proposal to raise the wall.

"The insurance industry acknowledges the concerns of the local indigenous community over preservation of environmental and heritage areas within the Warragamba catchment, and getting the balance right is always a complex issue," Mr Hall said.

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“To correctly form a view, the ICA needs to work with both community representatives and experts in the field to understand all issues.

“The industry’s focus has been on reducing flood risks for communities, but it is also critical that insurers understand the planning processes and environmental impact assessments as undertaken by governments.”

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#### **ABOUT THE INSURANCE COUNCIL OF AUSTRALIA:**

The Insurance Council of Australia (ICA) is the representative body of the general insurance industry in Australia. ICA 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.

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).

June 2020 Australian Prudential Regulation Authority statistics show that the general insurance industry generates gross written premium of \$51.4 billion a year and has total assets of \$135.4 billion. The industry employs about 60,000 people and on average pays out about \$171.1 million in claims each working day.

Over the 12 months to the end of June 2020 the industry’s net profit after tax (NPAT) was \$1.0 billion – a 70.5 per cent decrease from the prior year’s NPAT of \$3.5 billion. The industry’s underwriting result was \$1.4 billion, falling by 39 per cent from \$2.3 billion in the prior year. <http://www.insurancecouncil.com.au/about-us>