

Thursday December 3, 2015

## Insurers welcome government's focus on resilience and adaptation strategies

The insurance industry is pleased the Federal Government's National Climate Resilience and Adaptation Strategy supports the industry's emphasis on the importance of natural disaster preparedness and mitigation.

The strategy, released in Paris by Environment Minister Greg Hunt, warns Australia faces financial risks as climate change potentially reduces the country's resilience to extreme weather events.

The Insurance Council of Australia (ICA) today welcomed the strategy's acknowledgement of the critical role insurance plays in disaster risk management.

ICA CEO Rob Whelan said: "This report reinforces the industry's long-held position that the price signal sent by insurance premiums encourages governments, businesses and households to actively mitigate risk.

"The strategy says improved planning and investment in disaster-resilient infrastructure can reduce damage to property and communities. The flow-on effect is to help lower insurance premiums.

"Mitigation and resilience are a vital part of the equation, especially for cyclone and flood-prone regions. This strategy is strongly aligned to the industry's view, and also with recent Productivity Commission reports into climate change adaptation and disaster relief funding.

"With the annual economic cost of natural disasters predicted to hit [\\$23 billion by 2050](#), the Federal Government should heed the [Productivity Commission's advice](#): invest more on disaster mitigation now in order to spend significantly less on post-disaster funding."

-ENDS-

### NOTES:

Previous ICA media releases:

Insurers propose practical solution to resolve North Queensland premiums issue

[http://www.insurancecouncil.com.au/media\\_release/plain/329](http://www.insurancecouncil.com.au/media_release/plain/329)

Taskforce must focus on improving cyclone resilience

[http://www.insurancecouncil.com.au/media\\_release/plain/322](http://www.insurancecouncil.com.au/media_release/plain/322)