

Keynote Speech

2019 Insurance Council of Australia Annual Dinner

Delivered on 2 May 2019 by Richard Enthoven, President of the Insurance Council of Australia

Good evening and welcome everyone to the Insurance Council's annual dinner.

In my comments at last year's ICA dinner I noted that the shortcomings of our industry would get a lot of attention over the weeks and months ahead and I urged the industry to learn from the lessons of past mistakes while remaining mindful of the enormous contribution the industry makes to our customers and the broader community.

A year later I am inspired by way the industry responded to and has embraced the findings of the Royal Commission and committed itself to delivering better outcomes for our customers.

There is little doubt that implementing the recommendations of the Royal Commission will keep us busy and challenge us in the months ahead. However, once the dust settles, we'll have a more resilient industry that better understands and serves the needs of our customers.

I'd like to express my gratitude to the team at the Insurance Council, 32 extremely hardworking insurance professionals, for your tireless efforts in supporting our industry during an immensely challenging period. Your work and tenacity, often behind the scenes, have provided a great service to the industry.

I'd also like to thank the thousands of insurance professionals, throughout our industry, who demonstrate the value of our industry to our customers every day, but especially when the weather "turns south" as it has this year. It is through your hard work and integrity that our customers and their communities benefit in times of need.

Indeed, the hail and storms in the greater Sydney area and the floods in Townsville have caused significant damage to the impacted communities. This has also resulted in significant financial losses for our industry.

As Everett Dirksen, the famous US senator, once said: *"...A billion here, a billion there, and pretty soon you're talking about real money!"*.

And, while the focus is often on the billions of dollars the industry is paying in claims, I would like to acknowledge the emotional impact that these events have had on front-line insurance teams across the industry, as well as in our supply chains. You have worked tirelessly, under enormous pressure and scrutiny to rebuild our customers lives – **thank you all!**

My thanks also go to the Board of the ICA for affording me the honour to serve as President. It has been an enormous privilege to give something back to the industry that I care so deeply about.

I'd now like to "change gears" and share with you the three key objectives I set for the ICA during my tenure as President.

The first is for our industry to usher in an enhanced General Insurance Code of Practice and to demonstrate the value of self-regulation to all stakeholders.

Rob Whelan spoke earlier about our progress in this regard and I remain convinced that the next version of the Code will set the benchmark for industry self-regulation and allow our profession to contribute to addressing some of Australia's most vexing social challenges including domestic violence and financial hardship.

It will be a Code we can all be proud of and will reinforce the positive role that the industry plays in our community as well as serve as a fundamental tool towards rebuilding community trust.

The second objective was to improve the gender diversity of the ICA Board. We have made important progress in this regard. However, there remains more work to be done. I am delighted that earlier today the Board agreed to continue to make this an ongoing priority.

My experience is that when you look for the most talented female candidate, you often find the most talented candidate, full stop.

The third objective is for the industry to take a proactive leadership position on the issue of climate change.

I am therefore delighted to announce that today the ICA Board approved the ongoing development of a climate change strategy and implementation plan.

The ICA's goal is to play a thought-leadership role in the transition of our nation to a low-carbon economy by sending a price signal about unacceptable risks and working with governments to help reduce risks through improving the built environment. This strategy will also assist our member companies to manage the increasing risks to their businesses associated with climate change.

We will continue to urge governments to take action in ways that benefit communities through investments in mitigation and resilience. Adopting the recommendations of the Productivity Commission report into natural disaster relief funding would be a positive step.

Our work in this area will be transparent. The ICA is launching a new climate change website: **www.climaterisk.insure**, to keep our members, and the wider community, abreast of industry developments and progress in implementing key initiatives.

The ICA is also taking its own steps to reduce our climate footprint and will ensure it is carbon neutral by 2021.

We will also take important steps to help our customers understand the weather risks faced by their property.

On June 1, the ICA will launch our new mobile app "MyHazards", which will serve to reduce the information asymmetry between insurers and our customers about risks to their property.

MyHazards works by using the best available government databases to provide every property owner in Australia with a simplified summary of the natural hazards that may affect their property.

This information is a guide only and does not include confidential or commercially sensitive underwriting data. It does, however, give the community access to important information that is used by our industry to price insurance in a format that is easy to understand. And, it responds in a meaningful way to the community's call for more transparency in insurance pricing.

Finally it empowers consumers to understand their risks and ask questions about mitigation and resilience.

On June 1, please download "My Hazards" from the Apple Store and provide feedback to the ICA so that we can continue to refine and enhance this offering to customers.

Thank you for your time and I trust you'll enjoy your evening.