

Thursday November 30, 2017

## General insurers ready for Royal Commission

Statement by Insurance Council of Australia CEO Rob Whelan:

*“The general insurance industry is ready to contribute to the Turnbull Government’s Royal Commission into the financial services sector.*

*“Though the calls for a formal inquiry have focused on the banks, the Insurance Council of Australia hopes the Royal Commission will end political uncertainty and improve public confidence in the insurance sector.*

*“The Insurance Council is reviewing the draft terms of reference and will provide input to the government. It notes the current Australian Competition and Consumer Commission inquiry into Northern Australia insurance will be running concurrently with the Royal Commission.*

*“Over the past six years the general insurance industry has contributed to numerous government-initiated inquiries and reports including the comprehensive Financial System Inquiry, the Senate inquiry into general insurance, the Northern Australia Insurance Premiums Taskforce, Henry Tax Review, Queensland Floods Inquiry, and three Australian Government Actuary reports.*

*“The inquiries have concluded that the general insurance industry, which pays more than 97 per cent of claims, does not have systemic issues that need addressing.*

*“They have reported that insurers operate in a competitive market and are appropriately pricing to risk, and that government investments in mitigation and resilience measures are the only sustainable ways to lower premiums in high-risk areas.*

*“The general insurance industry is one of the most heavily regulated and scrutinised sectors of the Australian economy, with strong consumer protections. The ICA and its members are working closely with regulators and consumer representatives on issues that affect insurance customers, including product disclosure and mental health. An Interim Report of the review of the General Insurance Code of Practice is also now open to community feedback.”*

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