



News release

Insurance Council
of Australia

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New insurance report calls for national border approach

A new report published today by the Insurance Council of Australia (ICA) says Australians impacted by natural disasters this spring and summer are likely to face delays to repairs and rebuilds unless a national approach is agreed to allow essential recovery workers to cross state borders.

Natural disasters usually result in a surge of claims beyond the capacity of local workforces and the limited access to interstate trades due to Covid-19 restrictions and border closures is causing significant challenges for insurers and their customers.

The call for a national approach for the movement of essential recovery personnel across state borders is one of six policy changes the ICA is calling for to lessen the impact of future natural disasters, contained in the *Insurance Catastrophe Resilience Report: 2020-21*.

The Report provides a data-driven overview across five events declared Insurance Catastrophes by the ICA between October 2020 and June 2021, which included south-east Queensland's Halloween hailstorm, the NSW storms and flooding in March, and a tropical cyclone in Western Australia.

The Report also provides an update on community recovery from the Black Summer of 2019-20, which resulted in insurer payouts of almost \$5.5 billion across four natural disasters including the devastating bushfires.

To better protect Australians from the impacts of future natural disasters, the ICA is calling on state and federal governments to urgently act in six policy areas:

1. Investing more in resilience, particularly at a state level
2. Improve building quality and standards to provide greater protection from extreme weather events
3. Better land use planning to ensure no more homes are built in harms' way
4. Removing state taxes on insurance to improve the level and extent of cover
5. A national approach to the movement of essential recovery personnel across state borders
6. Coordinated disaster clean-up after an event to allow rebuilding and recovery to commence as soon as possible

The *Insurance Catastrophe Resilience Report* will be produced annually to provide an update on recent natural disasters. The 2020-21 edition is available at insurancecouncil.com.au

Comment attributable to Andrew Hall, CEO Insurance Council of Australia:

The Insurance Catastrophe Resilience Report sets out in clear terms the impact of natural disasters on individuals and communities. Since October 2020 there have been five declared Insurance Catastrophes which have given rise to 134,000 claims totalling almost \$2.3 billion.

But as if fire, flood, storm, cyclone, and hail was not enough, many thousands have had to recover from these events under strict arrangements put in place in response to Covid-19.

Insurers are seeking a better streamlined process to facilitate border restrictions to enable us to move claims assessors, disaster recovery specialists, builders and tradies in a Covid-safe way between and within states and territories to undertake essential repairs and rebuilds.

We appreciate the need for restrictions to mitigate health risks, however these must be balanced against the needs of those requiring urgent repairs to their properties that will enable them to pick up their lives and move on. Families can't wait weeks for State authorities to consider exemptions to be processed to get extra help to impacted communities.