



# News release

Insurance Council  
of Australia

Thursday, 02 February 2023

## Insurance Council welcomes first HIP meeting in Brisbane

The Insurance Council and five insurers today joined Federal Ministers Murray Watt and Stephen Jones in Brisbane for the first meeting of the Hazards Insurance Partnership (HIP) to discuss how insurers and government can work together to reduce extreme weather risk and put downward pressure on premiums.

The exciting new partnership will provide a formal and ongoing platform for collaboration to tackle the risks of worsening extreme weather events on homes and communities that impact insurance costs.

The general insurance industry is uniquely placed to understand the impact of worsening extreme weather on Australian communities, as well as the solutions needed to reduce risk.

Since the 2019-20 Black Summer bushfires there have been 12 declared insurance catastrophes and two declared significant events, resulting in more than \$13 billion in claims.

Three years of ongoing extreme weather events are putting significant pressure on the sector, with APRA data showing that insurers made an underwriting loss of \$250 million on home policies in the year to September 2022, and a \$315 million loss the previous year.

The Insurance Council has long been advocating for measures that will reduce extreme weather risk and put downward pressure on premiums and welcomes the Government's HIP initiative.

These include greater investment in community infrastructure such as flood levees, programs to retrofit homes to make them more resilient to flood, cyclone and fire, buybacks of homes where no suitable mitigant exists, changes to land use planning so no more homes are built in harm's way, strengthening the building code, and the removal of state taxes.

The first meeting of the HIP adds to momentum in this area and follows the establishment of the \$1 billion Disaster Ready Fund by the Albanese Government, a key policy ask of the Insurance Council.

The ICA and insurers look forward to moving forward quickly to act on these important issues.

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

Today's discussion has been a great first step in providing a pathway on how the HIP partnership will work, key issues to be addressed and opportunities to be gained.

Insurers have a critical role to play in identifying the risks from worsening extreme weather, and the data we will be able to provide to government will help drive the investment needed to reduce that risk.