

Annual Report 2022



Insurance Council
of Australia



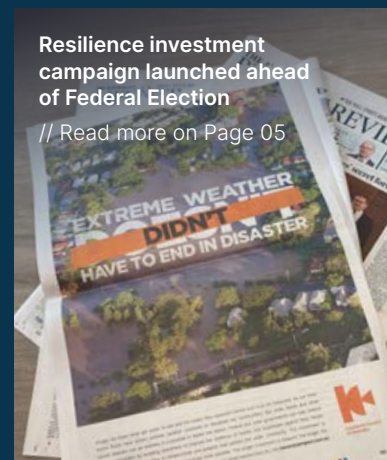
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“We believe an insurable Australia is a resilient Australia – and it’s our purpose to be the voice of a resilient Australia.”

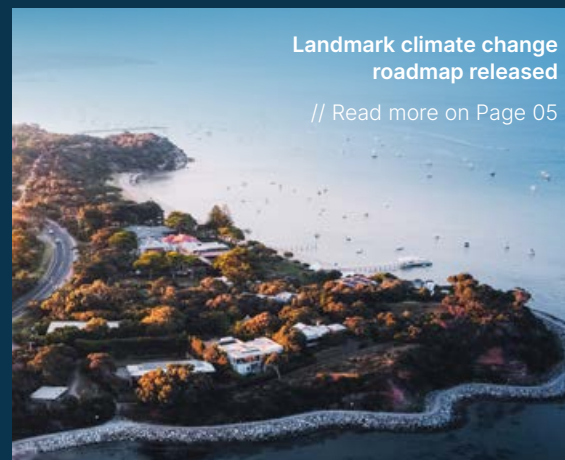
// Read more about our Strategy and Purpose on Page 04

Acknowledgment of Country

The Insurance Council of Australia acknowledges the Traditional Owners of country throughout Australia and their continuing connection to land, culture, sea and community. We recognise the tens of thousands of years of continuous custodianship and placemaking by First Nations peoples and their proud role in our shared future. This report was produced on the lands of the Gadigal people of the Eora Nation. We pay our respects to Elders past, present and emerging.



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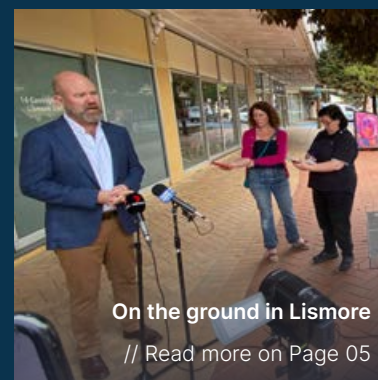
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2023 Annual General Meeting

The Annual General Meeting of the company will be held 16 May, 2023 to be held at the offices of the Insurance Council and by video conference.



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President's foreword

I am pleased to present the Insurance Council's Annual Report for the financial year ended 31 December 2022.

The insurance industry is a critical contributor to the Australian economy, helping communities and individuals absorb financial shocks when damage occurs, or disaster strikes. We can all be proud of the role we play in protecting Australians and enabling them to get on with their lives.

Our sector is now entering a period of significant change which presents both challenges and opportunities.

Challenges include the increasingly frequent and severe impacts of the changing climate. The year 2022 showed us numerous examples, the most extreme of which was the east coast floods that devastated homes, businesses, and communities. The scale, geographical spread and impact of these floods made them the costliest insurance event in Australia's history and, according to a report by MunichRe, the second costliest insurance event in the world in 2022.

Premiums are also on the rise as the industry grapples with high claim numbers, soaring building costs, record high inflation and the steep increase in costs of reinsurance.

As the representative body of the General Insurance sector in Australia, it is more important than ever that the Insurance Council continues to focus its strategy and attention on the role of insurance in the economy and in climate – because these challenges also present us with opportunities.

Maintaining our focus on these issues will enable our industry to continue to adapt and improve. To fulfill the Insurance Council's role as the voice for a more resilient Australia, our industry must take every opportunity to listen and learn so insurers can continue to better serve their customers when they need it most.

As the President of the Insurance Council's Board, I look forward to our organisation continuing to contribute to advancing Australians' lives, livelihoods, and interests by working collaboratively with our shared stakeholders.

Changes to ICA Board

After joining the Board of the Insurance Council in May 2021, I embarked on my first year as President of the Board at the beginning of 2022 following Sue Houghton's decision to step down as President at the end of 2021. I take this opportunity to thank Andrew Hall and the ICA management team, Sue Houghton and the Board for their support during this time.

I would also like to recognise the contribution of former Board member Tracy Green from RACQ Insurance, who retired from the Board in 2022, and welcome Hugo Schreuder, CEO of Youi and Paul Sofronoff, CIO of RACT Insurance, who joined the Board at the end of 2022.

Operating result

The ICA achieved an operating surplus of \$1,236,008 for year ended 31 December 2022. This result can be attributed to position vacancies during the year due to staff turnover and competition for candidates. Open positions continue to be an item into 2023. Against these savings, costs for events, travel and accommodation were higher in 2022 as the ICA returned to in-person events.

The 2022 surplus provides the ICA with an opportunity to strengthen its balance sheet by retaining the money as Members Funds. Additionally, part of the surplus will be used to fund the 2023 budget and business plan.

2023 Annual General Meeting

The Annual General Meeting of the company will be held on 16 May 2023, at the offices of the Insurance Council and by video conference. Further information on the Annual General Meeting is contained within the Notice of Meeting.

Nick Hawkins
President 2022

"Our industry must take every opportunity to listen and learn so insurers can continue to better serve their customers when they need it most."



CEO's introduction

The period covered by this Annual Report was characterised and shaped by the flood emergency that impacted south-east Queensland and northern New South Wales in February and March of 2022.

Designated as Cat 221, it was just the worst in a string of storms and floods, commencing in January 2020 and running until the end of 2022, associated with the recent La Niña weather system experienced by eastern Australia.

The cumulative impact on insurers' operations of nearly three years of extreme wet weather, which came after one of the worst bushfire seasons in our history, has been significant. In response, insurers have employed hundreds of additional staff to assist customers and communities get back on their feet and, supported by the Insurance Council, made around 40 in-person visits to the most affected areas to allow customers to discuss their claims directly with their insurer.

The very large number of claims lodged in the weeks and months immediately following Cat 221 did have an impact on initial response timeframes, however insurers caught up over subsequent months and by the end of 2022 only the most complex claims remained open.

Despite these unique and challenging circumstance, insurers have acknowledged that going forward there are practices that could be improved and areas that could be differently resourced. That is why the Insurance Council has appointed Deloitte to undertake an external, independent review into the insurance industry's response to the floods, which will report in the third quarter of 2023.

With the backdrop of the floods, in 2022 the Insurance Council advocated for change through our pre-election report *Building a Resilient Australia* and associated advertising campaign *Lessen the Impact*. That activity resulted in the now Federal Government committing to \$1 billion over the next five years, matched by the states and territories, to improve community and household resilience to extreme weather.

This important milestone has been subsequently supported by the introduction of the Federal Government's Hazards Insurance Partnership to drive collaboration between insurers and government to reduce risk and put downward pressure on insurance premiums.

But the focus on continuing recovery should not distract us from the other crucially important roles we play in the lives of Australia and Australians. Because of the ubiquity of insurance in Australia and the maturity and commitment of our general insurers it's easy to forget that without insurance our way of life would simply not be possible.

Insurers back Australia and Australians, allowing us to take risks to get ahead and live the life we want. Whether it's building critical infrastructure or buying a home, going on a holiday, or running a small business, insurers give us as a country and as individuals the autonomy to move forward.

We help people and communities better understand how to protect themselves from risk, allowing them to invest in their homes, businesses, and themselves, with confidence that the unexpected will not become their undoing. We provide protection in the good times, hope in the bad times, and certainty about the future.

The challenges and achievements we faced and won in 2022 were significant and were entirely consistent with our purpose as the voice for a resilient Australia.

I would like to thank the Board for their guidance and leadership and our members for their valuable insights and productive contributions. I also want to thank the dedicated staff of the Insurance Council who contributed so much to the sector's advocacy, strategy, and policy work – this was a collective effort and I'm proud to lead such a dedicated and purpose-driven team.

Andrew Hall
CEO and Executive Director,
Insurance Council of Australia

"The challenges and achievements we faced and won in 2022 were significant and were entirely consistent with our purpose as the voice for a resilient Australia."

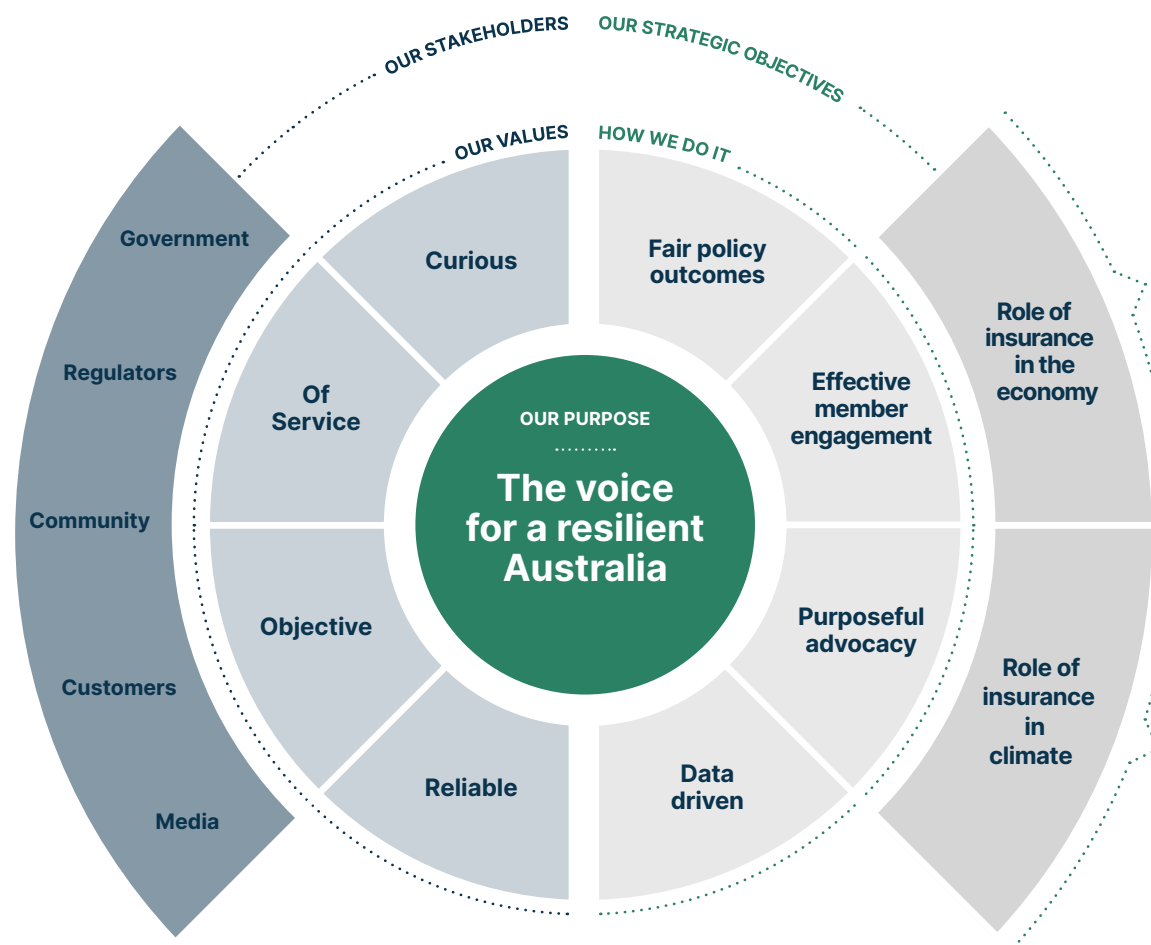


Our strategy and purpose

We believe an insurable Australia is a resilient Australia – and it's our purpose to be the voice of a resilient Australia.

The Insurance Council is the representative body for the general insurance industry in Australia. Our members represent approximately 85% of total premium written by general insurers, spanning both insurers and reinsurers.

This Insurance Council works directly with its members, consumer groups, regulators, and all levels of government to shape positive outcomes for consumers, communities, business, and industry.



2022 in review

The year that was

"A truly catastrophic event like the 2022 Floods really drives home just how important Insurance is in the recovery and prosperity of our communities, and why it is important for us as an industry to keep our focus sharp on delivering products and services that meet the needs of our communities."

Liam Walter, Senior Manager Mitigation and Catastrophe Management

JAN

- Nick Hawkins commences as ICA's President
- Insurer consultations in Gippsland and Yarra Ranges

MAR

- Insurer consultations with Cyclone Seroja affected communities
- Insurer consultations in Gippsland and Yarra Ranges
- Northern Australia Reinsurance Pool legislation passes

MAY

- Insurance customer townhall roadshow commences across Northern Rivers and SE Queensland
- Launch of Climate Change Impact Series, 'Flooding and Future Risks' report

JUL

- National Motor Vehicle Information Scheme comes into effect
- Significant Event declaration for Hawkesbury and Nepean, NSW Floods

SEP

- ICA's annual 'Insurance Catastrophe Resilience' report released
- McKell Institute 'Cost of Extreme Weather' report released
- Disaster Ready Fund announced
- Insurers consultations in SE QLD and northern NSW

NOV



- ICA's Annual Conference, with keynote address from Senator Murray Watt, Minister for Emergency Management
- Launch of Insurance Council's 'Climate Change Roadmap: Towards a Net Zero and Resilient Future'
- Hugo Schreuder, Chief Executive Officer, Youi Pty Ltd, and Paul Sofronoff, Chief Insurance Officer, RACTI join the ICA Board
- WA towing industry reform announced
- Significant event declaration for Central West NSW Floods
- New data released shows three-year weather bill reaches \$12.3 billion

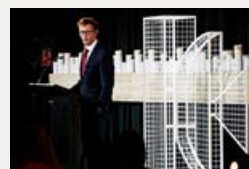


- Northern Rivers Reconstruction Corporation announced
- ICA's Indigenous Advisory Committee hosts Lismore Roundtable

APR

- BI appeal court judgment handed down
- CAT 221 declared NSW and South East Queensland Floods
- Modern Slavery Industry Working Group launched
- ICA launches its 'Lessen the Impact' campaign
- ICA launches its election platform 'Building a Resilient Australia'

FEB



- ICA's Annual Dinner, with keynote address from Assistant Treasurer and Minister for Financial Services, the Hon. Stephen Jones
- Lismore roundtable with insurers and Federal Government
- \$741 million Queensland Resilient Homes Fund announced

JUN

AUG

- Insurer consultations in Dandenong and Yarra Ranges

OCT

- High Court declines special leave application in BI test case
- Significant event declaration upgraded to CAT223 for flooding and severe weather in VIC, TAS and NSW
- \$800 million NSW flood resilience package announced
- ICA supports release of National Plan to End Violence Against Women and Children

DEC

- Insurer consultations in Eugowra and Forbes

2023 priorities

The year ahead



Addressing insurance availability and affordability

Collaborating with industry and government to address availability and affordability of general insurance across all lines, with consideration of multi-faceted issues, stakeholders, and possible solutions.



Supporting product development and enhancements

Ongoing engagement with government, industry and regulators to ensure insurance products adapt and evolve with particular focus on tort law reform to support the provision of public liability and professional indemnity insurance along with enhancements to personal injury insurance.



Emerging and future issues

Responsiveness to emerging and future economic and social issues, supporting product innovation and strengthened risk management required to meet regulator and community expectations in the face of emerging cyber-risk, data rights, cost-of-living challenges, and societal changes.



Enhanced data strategy

Further enhancing ICA's data strategy to drive better advocacy, catastrophe response and preparation, with a continued focus on supporting the establishment of a national approach to climate risk through: the Climate Hazard database, Bushfire Hazard database and National Asset, and Impact Register.



Modern and efficient regulatory system

Advocating for effective and efficient regulatory reform, ensuring reforms are fit for purpose and enable a competitive and innovative commercial environment.



Fraud

Development of a comprehensive and best practice approach to fraud for the general insurance industry.



Resilience and mitigation in the built environment

Ongoing advocacy for better land-use planning, resilience is embedded in the National Construction Code and Australian Standards, and government investment in resilience is extended through the Hazard Insurance Partnership, Disaster Ready Fund, Queensland Resilient Homes Fund and NRRC Resilient Homes Program.



Best practice catastrophe management

Driving global best practice in coordinated industry response to severe weather events, recovery and advocacy that significantly contributes to a reduction in suffering and economic loss within communities and the economy at large.



Effective industry self-regulation

Continued effective self-regulation through independent reviews of the General Insurance Code of Practice and amendments to the Motor Vehicle Insurance and Repair Industry Code of Conduct.



Reform of state-based insurance taxes and levies

Ongoing advocacy for the removal of all state-based stamp duty and emergency services levies on insurance premiums to improve insurance affordability.



Accelerate position on reaching net zero

Building on the Insurance Council's landmark Climate Change Roadmap, the opportunities for the sector reaching net zero no later than 2050 are expanded through continued advocacy with Federal Government on implementing strong climate policy that accelerates decarbonisation.



Improved governance

Implementation of new governance framework and new online member portal to drive enhanced member engagement and positive policy outcomes.

Industry data

Our industry

The insurance industry is a critical contributor to the Australian economy, helping communities and individuals absorb financial shocks when damage occurs, or disaster strikes.

87M
risks are covered by

89
insurance companies

This is equal to
\$64.5B
flowing through to the Australian economy



Helping employ over
60,000
people in the insurance industry

As an industry we paid

\$36.5B

in claims

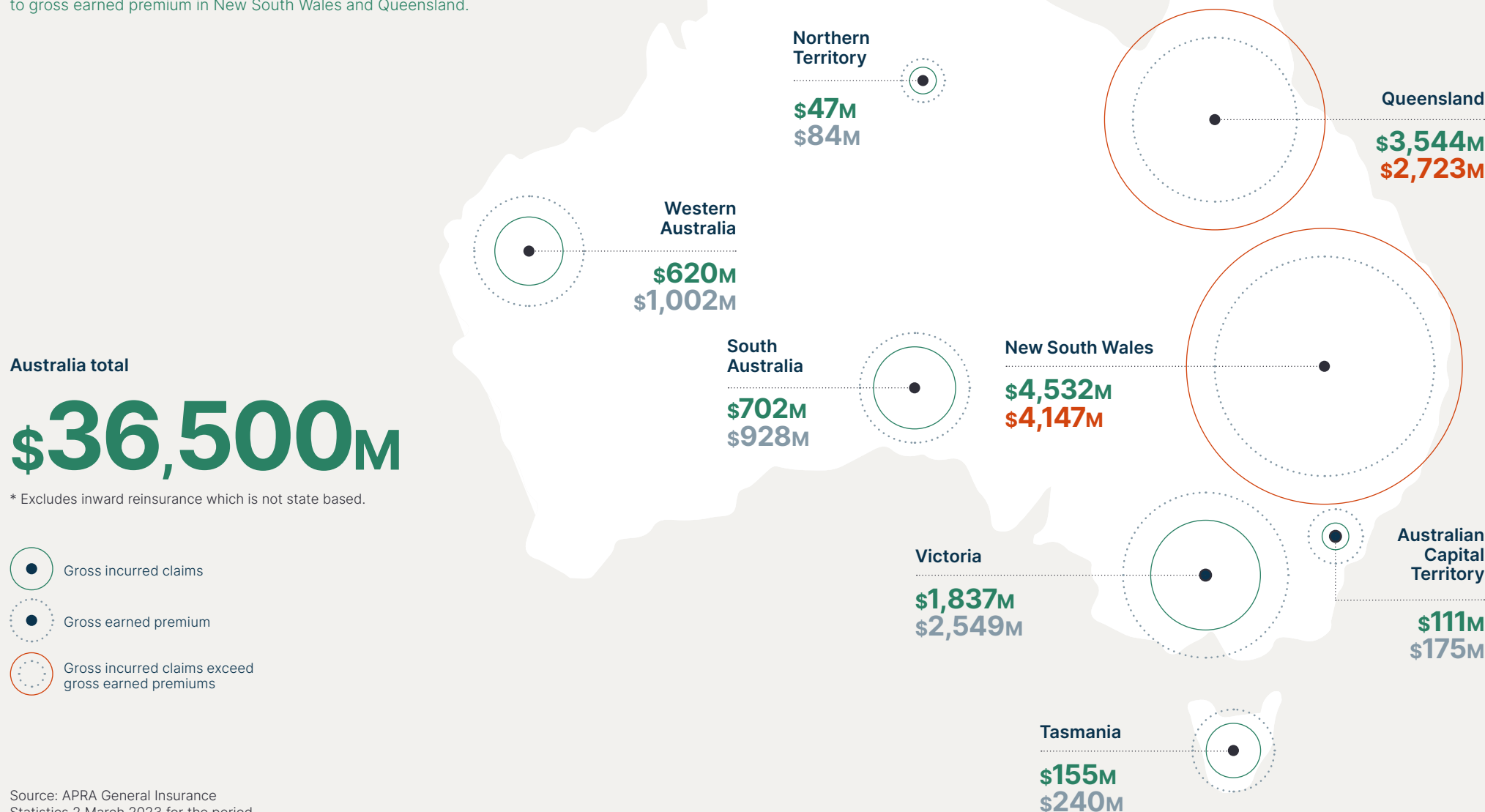
An average of
\$147M
every working day

Helping insure over
30M home and motor risks

Industry data

2022 Gross incurred claims and gross earned premium by state

The unprecedented influx of claims in 2022 following Australia's costliest natural disaster in Northern New South Wales and South East Queensland is reflected in the higher incurred claims to gross earned premium in New South Wales and Queensland.



Industry data

2022 catastrophe claims

The geographical spread and severity of the flooding that occurred in 2022, coupled with widespread labour, materials, and regional accommodation shortages that followed, will provide lessons for our industry, community, and government for years to come.

2 **Catastrophe Declarations**

The ICA organised **40** insurer consultations or forums, attended by 1,600 community members

2 **Significant Event Declarations**

1 in 5 Australian LGAs experienced four major flooding events in 2022

Claims incurred

\$6.95B

▲ 186%

Claims count

298,357

▲ 28%

Average claim

\$23,294

▲ 124%

This claims data was updated as of late March 2023 and covers CAT declarations and significant events that occurred from January 2022 to December 2022.

General insurance product performance

2022 Industry earned premium vs industry claims + underwriting expenses (\$)

Domestic motor vehicle



Homeowners and householders



Fire and industrial special risks (ISR)



Professional indemnity



Commercial motor vehicle



Compulsory third party (CTP) motor vehicle



Public and product liability



Employer's liability



Mortgage



Marine and aviation



Travel



Consumer credit



■ Industry Earned Premium
■ Industry Claims + Underwriting Expenses

Source: APRA General Insurance Statistics 2 March 2023 for the period 1 January – 31 December 2022.

Scale of regulatory changes

Regulatory engagements 2021–2023

Changes to the regulatory environment for the insurance industry between 1 January 2021 and 31 December 2023. This covers consultations on possible changes and actual changes or introductions into regulatory guidance and legislation.

Attorney-General's Department

- Use of the term Good Faith in Civil Penalty & Criminal Offence Provisions
- Review of the Privacy Act 1988
- Review of Australia's Modern Slavery Act 2018

Australian Accounting Standards Board (AASB)

- ED 321: IFRS S1 General requirements for disclosure of sustainability-related financial information & IFRS S2 climate related disclosures

Australian Building Codes Board (ABCB)

- Building Confidence Reforms

Australian Competition and Consumer Commission (ACCC)

- Northern Australia insurance price monitoring

Australian Financial Complaints Authority

- Implementation of recommendations of independent review of AFCA – Terms of Reference
- New AFCA Funding Model
- AFCA Rule changes

Australian Law Reform Commission

- Financial Services Legislation Reports (Report 137 & 139)
- Climate vulnerability assessment

Australian Parliament

- Cyclone & Related Flood Damage (Reinsurance Pool) Regulations 2022
- Inquiry into the Prudential Regulation of Investment in Australia's Export Industries
- Security Legislation Amendment Bill 2022
- Cyclone Reinsurance Pool Inquiry
- Inquiry into ASIC investigation and enforcement
- Inquiry into promoting economic dynamism, competition and business formation
- Inquiry into Australia's disaster resilience

Australian Prudential Regulation Authority (APRA)

- CPS 511: Remuneration (& CPG 511)
- CPG 229 Managing Climate Change Financial Risks
- APRA Stakeholder surveys
- CPS 190 Strengthening crisis preparedness (previously Financial contingency planning)
- CPS 230 Operational Risk Management
- APRA Modernising Prudential Architecture Review
- Tax Assessment Act reforms to align with the new accounting standard AASB17
- APRA Climate Vulnerability Assessment
- Macprudential policies

- Insurance risk self-assessment thematic review
- CPG 234: Information security

Australian Securities & Investment Commissions (ASIC)

- RG 38: Anti-hawking
- RG 78: Breach reporting
- RG 275: Deferred sales model for add-on insurance
- RG 274: Product design & distribution obligations
- RG 271: Internal Dispute Resolution (IDR)
- Cost Recovery Implementation Statements (CRISs)
- RG 277: Consumer remediation (previously RG: 256)
- INFO 253: Claims handling and settling
- Instrument 2022/59 Cash Settlements Fact Sheet
- Instrument 2022/66 PDS Requirements for General Insurance Quotes (previously CO 11/842)
- Indigenous Financial Services Framework
- Unfair Contract Terms regime
- INFO 271: Greenwashing
- Letters from ASIC regarding consumers in financial hardship
- RG 94: Unit Pricing

Australian Taxation Office (ATO)

- AASB17 Misalignment

Department of Climate Change, Energy, Environment & Water

- National Electric Vehicle Strategy

Department of Home Affairs

- Security of Critical Infrastructure Act 2018
- Cyber Strategy
- Hazard Insurance Partnership

Department of Social Services

- Financial Counselling industry co-funding model

Department of the Treasury

- 2021 Triennial Review of the Terrorism Insurance Act 2003
- Breach Reporting Regulations
- Deferred Sales Model Exemptions
- Deferred sales model exemptions by class
- Compensation Scheme of Last Resort
- Financial Accountability Regime (including Minister Rules 2022)
- Financial Regulator Assessment Authority (establishment of)
- Proposed Financial Institutions Supervisory Levies (annual)
- Licensing debt management firms
- Modernising business communications (consultation paper, draft Act and regulations)
- Northern Australian Reinsurance Pool
- National Recovery & Resilience Agency

- Disclosure in General Insurance: Improving Consumer Understanding
- CDR (strategic assessment and Open Finance)
- Mandatory Climate Disclosure
- Quality of Advice Review
- National Consumer Credit Protection Amendment (Financial Sector reform) Regulations 2023
- Review of Payment Times Reporting
- Housing legislative package
- Further improvements to Corporations and Financial Services Law
- Unfair Contract Terms

Insurance Council of Australia (ICA)

- 2020 General Insurance Code of Practice
- 2023 Code of Practice Review

Financial Regulator Assessment Authority (FRAA)

- Effectiveness and capability review of ASIC

Motor Trades Association of Australia (MTAA) & ICA

- Review of the Motor Vehicle Insurance & Repair Industry Code of Conduct

State-level

- Residential Apartment Buildings (Compliance & Enforcement Powers) Amendment (Building Work Levy) Regulation 2022 (NSW)
- Reforms to Discrimination Act 1991 (ACT)
- Reforms to Anti-Discrimination Act 1991
- Motor Accident Injuries Act 2019 (ACT)
- Review of the Motor Accident Injuries Act 2017 (NSW)
- Fair Trading (Motor Vehicle Insurers & Repairers) Amendment Act 2021 (SA)
- Motor Dealers & Repairers Regulations 2014 (NSW) (proposed new licensing requirements for EV repairers)
- Tow truck industry regulatory reform (WA)
- Tasmanian Smash Repairer and Insurer Code of Conduct Consultation
- Workers Compensation and Injury Management Bill 2023 (WA)

* Items that are in force but require regular reporting (e.g., payment times reporting framework and modern slavery reporting) have been left out.

Insurance Council of Australia Board of Directors 2022



Andrew Hall

Executive Director and CEO, Insurance Council of Australia

Andrew joined the Insurance Council of Australia in September 2020 as CEO and Executive Director. He joined the ICA from the Commonwealth Bank, where he served as the Executive General Manager for Corporate Affairs for seven years.

He was previously Director of Corporate and Public Affairs for Woolworths Limited for six years, participating as a member of the Management Board.

Andrew's professional career started as a journalist in regional New South Wales in 1994, before moving to Canberra in 1996 where he worked in federal politics for 10 years. From 2001 to 2007 he was the Federal Director of the Nationals and served on the Federal Management Committee.

His expertise in the corporate affairs profession has been recognised with admission to the Arthur W. Page Society, recognition in the International Top 50 Corporate Affairs Professionals (Salt & Shein 2014) and in the inaugural award of Top 50 Outstanding LGBTI Leaders in Australia (Deloitte 2016) for his work in leadership roles, diversity and on the Board of Equality Australia for the marriage equality campaign.

He has extensive experience in governance, both in the corporate and not-for-profit sectors. He is a member of the ASX Corporate Governance Council and the Advisory Board of the Northern Rivers Reconstruction Corporation. He serves on the charity boards of Rural Aid.



Nicholas Hawkins

ICA Board President, CEO & Managing Director, Insurance Australia Group Ltd

Nick Hawkins became IAG's Managing Director and CEO in November 2020. He previously held the role of Deputy CEO, accountable for the management and performance of IAG's day-to-day operations.

Nick previously spent 12 years as IAG's Chief Financial Officer, responsible for the financial affairs of the company. Prior to this Nick was the Chief Executive Officer of IAG New Zealand and also held a number of roles within finance and asset management since joining the Group in 2001.

Before joining IAG, Nick was a partner with KPMG. He is a Fellow of Chartered Accounts of Australia & New Zealand and a graduate of the Harvard Advanced Management Program.

The Board of the Insurance Council of Australia appointed Mr Hawkins to the position of President at its December 2021 meeting.



Richard Enthoven

ICA Board Deputy President, Managing Director, Hollard Holdings Australia

Richard Enthoven is the Founder of The Hollard Insurance Company and the co-founder of Greenstone Ltd. From 1999 to 2021 he served as the Chief Executive Officer of The Hollard Insurance Company and currently serves as the Managing Director of Hollard Holdings Australia.

Richard serves on the Advisory Board of Head Over Heels, a not-for-profit organisation that supports a portfolio of high-potential women-owned businesses. Richard is also a director of the Ascham School Council of Governors.

Richard holds a Master of Science from the London School of Economics and a Bachelor of Arts from the University of Southern California.



Richard Feledy

Managing Director, Allianz Australia

With insurance experience spanning over 30 years, Richard Feledy was appointed Managing Director of Allianz Australia Limited in January 2018.

Richard originally joined Allianz in 2000 as part of the HIH acquisition, and has held various senior roles in the Technical Division, Product Management & Research and Property & Casualty products during his tenure.

In 2010, Richard was appointed Chief Technical Officer, responsible for Product Management, Pricing and Reinsurance, Underwriting Services and Data Analytics. As part of his transition to Managing Director, Richard served as Deputy Managing Director from May to December 2017.

Insurance Council of Australia Board of Directors 2022



Natasha Fenech

Group CEO and Managing Director, Avant Mutual

Natasha Fenech took over the role of Group CEO & Managing Director of Avant Mutual in September 2020. Prior to that she was the CEO of Medical Indemnity and Deputy Group CEO since February 2019.

Before joining Avant, Natasha was the CEO of SuperConcepts (a self-managed managed superannuation administration and software business) which she grew over a five-year period from a start-up position to the market leader. Prior to that, Natasha held several senior roles within Suncorp in both the personal and commercial insurance businesses, including as the Executive General Manager of Customer, Product and Pricing within Personal Insurance where she led the portfolio management of the Home and Motor books across 13 brands including AAMI, APIA, GIO and Suncorp Insurance.

Natasha has held various positions within the financial services industry over the last 25 years including at companies such as Citigroup, A.T. Kearney, Royal SunAlliance, Zurich, Legal & General and SGIC.

Natasha holds a Masters of Business Administration from the Australian Graduate School of Management, a Bachelor of Economics and a Bachelor of Mathematical Science from the University of Adelaide. She is also an Associate member of the Institute of Actuaries of Australia and a Graduate of the Australian Institute of Company Directors.



Scott Hawkins

Managing Director, Munich Holdings of Australasia Pty Ltd

Scott Hawkins was appointed Managing Director of Munich Holdings of Australasia Pty Limited on 1 April 2021.

Scott has more than 25 years' experience in the Insurance and Reinsurance industry. In his current role, he is responsible for the Non-Life reinsurance operations, setting the strategic direction, maintaining the culture and values, and helping Munich Re's customers stay ahead of emerging risks in a complex world.

Scott has previously held several roles within Munich Re including responsibility for Underwriting, Client Management, Claims and Data Analytics functions. Prior to joining Munich Re, Scott has worked in both direct insurance and reinsurance companies in underwriting, capital modelling and risk management roles.

Scott holds a Bachelor of Business degree, a Master of Business (Finance) degree, and is a Fellow of ANZIIIF.



Sue Houghton

Chief Executive Officer, Australia Pacific, QBE Insurance Group

Sue Houghton is the Chief Executive Officer of QBE Australia Pacific.

Sue is an accomplished and highly regarded senior executive with extensive experience in the financial services sector. Sue is known for her sound judgement, resilience and adaptability as well as for cultivating talent, fostering diverse and inclusive teams and driving performance.

Sue has held a number of directorships over her career and is a member of the Institute of Chartered Accountants in England and Wales. She has a Bachelor of Arts from Reading University and in 2012 completed the Advanced Management Program at INSEAD in France.

Sue is also a member of the Champions of Change Coalition and an Executive Director of relevant QBE Insurance Group Boards.



Steve Johnston

Group Chief Executive Officer and Managing Director, Suncorp Group

Steve Johnston was appointed Suncorp Group Chief Executive Officer and Managing Director in September 2019. Steve joined Suncorp in 2006 and has held various executive positions. Prior to his appointment, Steve was the Group Chief Financial Officer with responsibility for financial reporting and management, legal and company secretariat, taxation, investor relations, corporate affairs and sustainability.

Steve's previous roles include Deputy CFO and Executive General Manager Investor Relations and Corporate Affairs, and he has played a key role in the strategic and financial management of the Group including Suncorp's rebuild following the global financial crisis.

Prior to joining Suncorp, Steve held senior positions at Telstra and the Queensland Government.

Insurance Council of Australia Board of Directors 2022



Peter Kelaher

Country President, Chubb Insurance Australia Ltd

Peter Kelaher is Country President, Australia & New Zealand for Chubb. In this role he has overall responsibility for the general management and business results of Chubb's insurance operations in Australia and New Zealand.

Peter has over 15 years of experience in the insurance industry. He joined Chubb in 2007 as a field underwriter and was appointed Corporate Unit Manager, NSW Executive Protection Practice in 2008. He moved into the role of Executive Protection Practice Leader for Chubb Specialty Insurance in 2009. In 2012, Peter was promoted to Assistant Vice President & Product Manager D&O, EPL & Crime. When Chubb's legacy organisations integrated in 2016, Peter was appointed as Head of Property & Casualty, Australia & New Zealand, a position which he held until his appointment as Country President in March 2021.

Peter holds a Bachelor of Business/Laws from the University of Technology, Sydney and a Graduate Diploma of Applied Corporate Governance from Chartered Secretaries Australia.



Chris Mackinnon

General Representative in Australia, Lloyd's Australia Limited

Chris Mackinnon joined Lloyd's in February 2015 as General Representative in Australia, with regional responsibility for Australia, New Zealand and the Pacific Islands. He is responsible for market development, liaising with market practitioners, and working with regulatory authorities to maintain Lloyd's presence.

Chris has 34 years' experience in the international insurance industry, having previously worked in senior broking and management roles in both the Australian and London markets.

Qualified as a Senior Associate of the Australian & New Zealand Institute of Insurance and Finance, Chris is also a Board Member of the Underwriting Agencies Council in Australia and the New Zealand Underwriting Agencies Council.



Hugo Schreuder

Chief Executive Officer, Youi

Hugo Schreuder began his insurance career in South Africa in 2003 at OUTsurance and is the founding Chief Executive Officer of Youi Insurance, which has now been operating for 14 years.

Hugo has taken Youi from a start-up to its current position of earning over \$1 billion in gross written premium. He was instrumental in the diversification of Youi's products and introduced Blue Zebra Insurance as a new broker distribution partner.

Hugo is a Chartered Accountant and has a track record of successfully scaling businesses and building brands. At Youi, he drives a strong culture and continues to push the boundaries as a challenger insurer.

Hugo holds Board positions on the Youi, Blue Zebra Insurance and AutoGuru boards.



Paul Sofronoff

Chief Insurance Officer, RACTI

Paul moved to General Insurance with AAMI following a legal career working with government and regulatory bodies. At AAMI he moved across the organisation from General Counsel, to insurance operations including distribution, pricing, marketing and claims management.

Following Suncorp's takeover of AAMI's parent company Promina his roles included risk and policy administration, recoveries and settlements. He was also responsible for Suncorp's Investigation team, established to increase the management of fraud.

After 20 years with AAMI/Suncorp, Paul recently moved to RACTI as Chief Insurance Officer.

Insurance Council of Australia Executive leadership team 2022



Andrew Hall
Executive Director and CEO

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He was previously Director of Corporate and Public Affairs for Woolworths Limited for six years, participating as a member of the Management Board.

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He has extensive experience in governance, both in the corporate and not-for-profit sectors. He is a member of the ASX Corporate Governance Council and the Advisory Board of the Northern Rivers Reconstruction Corporation. He serves on the charity boards of Rural Aid.



Fiona Cameron
General Manager Policy, Consumer Outcomes

Fiona was appointed General Manager Policy – Consumer Outcomes in July 2017. She was previously Senior Manager Government and Industry Relations and has worked at the Insurance Council since January 2010.

She is responsible for developing and implementing the Insurance Council's policies in relation to consumer outcomes, the Consumer Advisory Committee, the General Insurance Code of Practice, state and federal statutory schemes.

Fiona has worked for the NSW Department of Premier and Cabinet, the then-Liquor Hospitality and Miscellaneous Workers' Union and the NSW Attorney General's Department. She has held senior positions in research, policy, consumer relations, stakeholder relations, regulation and law across a broad range of industries.

Fiona holds an Arts/Law degree from University of New South Wales.



Adrian Dolin
CFO, Company Secretary, General Manager, Corporate Services

Adrian joined the ICA in June 2015. He is responsible for financial reporting, governance and compliance obligations as required under the Corporation Law and other Statutes. His responsibilities include Board management and reporting, member services, finance, and IT.

Prior to joining the ICA he was country manager of a risk consultancy. He is formerly Managing Director of Corporate Service Asia at Thomson Reuters and was Chief Operating Officer of Computershare Analytics.

He qualified as a Chartered Accountant with PwC and is a Fellow of the Governance Institute of Australia. Adrian holds a Bachelor of Business degree from Curtin University and has completed post-grad management studies at UTS and INSEAD.

The ICA thanks Adrian for his contribution following his departure in early 2023.



Mathew Jones
General Manager, Public Affairs

Mathew joined the Insurance Council in November 2020 in the role of General Manager Public Affairs, where he is responsible for the organisation's communications and engagement with the community, media, stakeholders and government.

Mathew has 30 years' experience in consulting, the media, government, and politics, including as a senior public and corporate affairs practitioner, journalist, ministerial advisor and chief of staff, and as the NSW Government's lead communications executive.

He has run many successful communication and engagement campaigns, including for State Budgets, major policy initiatives and nationally significant corporate restructures.

Insurance Council of Australia Executive leadership team 2022



Anne Knight
General Counsel

Anne joined the Insurance Council in December 2020 in the new role of General Counsel.

Anne is a commercial lawyer with extensive experience in commercial and corporate matters with a focus on financial services and disputes, having worked in top tier law firms in Sydney, Singapore and London. Whilst Anne has primarily worked in private practice she has also worked in the Enforcement Directorate at ASIC, in house at PwC and in Legal and Group Governance at the Commonwealth Bank of Australia where she was Head of Disputes.

Anne is trained as a mediator with extensive mediation experience, both in respect of large disputes and disputes involving individuals. She has also held various academic positions at universities in Sydney and Hong Kong teaching a range of commercial and corporate subjects.

Anne has a Bachelor of Arts and Bachelor of Laws from the University of NSW.



Kylie Macfarlane
Chief Operating Officer

Kylie is the Chief Operating Officer of the Insurance Council of Australia having joined in September 2020 with a mandate to support the incoming CEO to reset and refresh the ICA strategy. Kylie's other responsibilities include leading ICA's operational functions including Human Resources, Finance and IT and Data Analytics. Kylie is also responsible for the ICA's role working with all levels of government and other stakeholders on climate change, including both the industry and economy's pathway to net zero and Australia's resilience to future extreme weather. Kylie and her team also have responsibility for co-ordinating the response and recovery efforts of the Insurance industry to severe weather events.

Kylie has held executive and non-executive positions in financial services over the past 25 years and is dedicated to optimising public and private sector responses to rapidly changing environmental context with a focus on strategy, governance, innovation and value creation.

Over the past eight years she has been at the forefront of Environmental and Social Governance (ESG), setting standards in organisational reporting conventions on climate, and developing multi-stakeholder approaches to social impact investment that are focused on producing shared outcomes and embed social license.



Aparna Reddy
General Manager, Regulatory Policy

Aparna Reddy joined the ICA's regulatory policy team in November 2019 and was appointed General Manager Policy – Regulatory Affairs in December 2020. She has a wealth of experience in policy and regulatory roles within the federal government. Aparna has worked with ministers, senior executives and industry stakeholders, and has led reforms from policy conception to delivery.

She has extensive knowledge of competition and consumer policy. She has managed and led consultation on critical and politically sensitive issues within key industries including undertaking the federal government's audit of buildings for the use of combustible cladding, car retailing and food processing.

Aparna has a Bachelor of Laws (Hons) from the Australian National University.

The ICA thanks Aparna for her contribution following her departure at the end of 2022.

Advisory committee members

Business Advisory Committee

Established in 2021, bringing together the business and insurance sectors, with the aim of working through practical solutions to improve insurance availability and affordability.

The key areas of focus by the Business Advisory Committee during 2022 was the availability and affordability of commercial public liability insurance for the amusement and leisure industry, in particular caravan parks and carnival rides, as well as barriers to access to professional indemnity insurance from engineers and other building professionals.

In 2023, the Business Advisory Committee will continue its focus on these issues as well as examining ways of improving insurance availability to the financial planning sector.

Chair

Dallas Booth

List of Committee Members

Andrew Hall, CEO, ICA

Bruce Bilson, Australian Small Business and Family Enterprise Ombudsman

Alexandra Hordern, Director, Australian Small Business and Family Enterprise Ombudsman

Alexi Boyd, CEO, Council of Small Business Organisations Australia

Philip Kewin, CEO, NIBA

Peter Grist, Associate Director Industry Policy, ACCI

Chris Lamont, NSW Small Business Commissioner

William Legge, General Manager, Underwriting Agencies Council

Kristy Eulenstein, Head of Policy and Government Relations, Consult Australia

Indigenous Advisory Committee

Established in 2021 to advise the industry on Indigenous-related issues to drive better customer outcomes, support reconciliation actions, increase industry understanding of vulnerable customers and increase knowledge of specific cultural and heritage concerns.

In 2022, the Committee met three times to discuss a range of issues, including the development of the ICA's Reflect Reconciliation Action Plan which has now been provisionally endorsed by Reconciliation Australia. The Committee's activities included engagement with Aboriginal communities and stakeholders following major flooding events in Northern NSW, working with Aboriginal peak bodies as well as the Australian Securities Investment Commission (ASIC) to understand insurance challenges faced by the Aboriginal and Torres Islander communities.

In 2023, IAC looks forward to implementing ICA's Reflect Reconciliation Action Plan, engaging with Aboriginal and Torres Islander businesses to understand insurance accessibility and affordability challenges and collaborating with ASIC to explore the role the general insurance sector can play to advance the economic and financial welfare of Aboriginal and Torres Strait Islander communities as part of ASIC's Indigenous Financial Services Framework.

Chair

Sean Gordon, Managing Director of Gidgee Group a 100% Indigenous owned business, Sean serves on numerous boards and advisory committees and aims to drive structural and systems change at a national, state and local level to deliver transformative change in the communities that he works in.

Committee Members

Adam Bray, General Manager for Aboriginal and Torres Strait Islander Strategy and Affairs for the Woolworths Group. Adam is a proud Iman man and active member of the Iman Traditional Owner group and combines his cultural background and lived experiences with his education and diverse career path to advocate for the rights and interests of Indigenous people and communities.

Renee Williams, General Manager for Policy and Research at the Queensland Aboriginal and Islander Health Council and Vice President and Director of AFL Cape York. Renee is an Aboriginal and Torres Strait Islander woman with linkages to Bindal (Townsville, Qld), Juru (Bowen, Qld), Wakka Wakka and Murray (Mer), and Darnley (Erub Islands the Far Eastern Islands of the Torres Strait).

Advisory committee members

Consumer Advisory Committee

Established in 2017 to advise the Insurance Council on improving outcomes for consumers of general insurance products, the composition of the Consumer Advisory Committee was recently updated following a strategic review in 2021.

In 2022, the Committee met three times to discuss a range of consumer issues, including the impacts of the NSW and Victorian floods on affected communities and households, customer inclusion and supporting customers experiencing vulnerability, including family violence. Issues raised by the Committee were also discussed directly with insurers and in ICA working groups to reach resolution. The Committee drew to a close its consideration of its priority issue focusing on residential landlord issues, and assisting with the development of information for renters about the possible benefits of public liability cover within a contents policy.

We thank outgoing Consumer Action CEO, Gerard Brody for his valuable contributions to a range of consumer issues discussed by the Committee since its inception in 2017.

Independent Chair

Diane Carmody

Deputy Chair

Denis Nelthorpe

Committee Members

Peter Gartlan, Coordinator, Bushfire Recovery, Financial Counselling Australia

Paul Holmes, Assistant Director – Flood Response, Legal Aid Queensland

Drew MacRae, Policy and Advocacy Officer, Financial Rights Legal Centre

Matthew Martin, Acting Legal Director, WEstjustice

Cat Newton, Senior Policy Officer (and alternate, Gerard Brody, CEO) Consumer Action Law Centre

Alison Pidgeon, Solicitor, Legal Aid WA

Ma'ata Solofoni, Senior Solicitor, Legal Aid NSW

Member companies

AAI Limited	Gallagher Reinsurance Australia Ltd	Munich Holdings of Australasia Pty Limited
AIG Australia Limited	General Reinsurance Australia Limited	NTI Limited
Aioi Nissay Dowa Insurance Company Australia Pty Ltd (Adica)	Guild Insurance Limited	nib Travel Pty Ltd
Allianz Australia Insurance Limited	Guy Carpenter & Company Pty Limited	Pacific International Insurance Pty Ltd
Allianz Australia General Insurance Limited	Hallmark General Insurance Company Limited	QBE Insurance (Australia) Limited
Ansvar Insurance Limited	HDI Global Specialty SE	RAA Insurance Limited
ANZ Lenders Mortgage Insurance	Helia Insurance Pty Ltd	RAC Insurance Pty Limited
Aon Reinsurance Australia Limited	Hollard Insurance Partners Limited	RACQ Insurance Limited
Arch Lenders Mortgage Indemnity Limited	Hollard Insurance Company Pty Limited	RACT Insurance Pty Limited
Assetinsure Pty Limited	Insurance Australia Group Limited	Sompo Japan Insurance Inc
Auto & General Insurance Company Limited	Insurance Manufacturers of Australia Pty Limited*	Swiss Re Asia Pte Ltd
Avant Insurance Limited	Lawcover Insurance Pty Limited	Tokio Marine & Nichido Fire Insurance Co Limited
Catholic Church Insurance Limited	LFI Group	Virginia Surety Company Inc
Chubb Insurance Australia Limited	Lloyd's Australia Limited	XL Insurance Company SE
Defence Service Homes Insurance Scheme	MDA National Insurance Pty Limited	Youi Pty Limited
Eric Insurance Limited	Medical Insurance Australia Pty Limited	Zurich Financial Services Australia Limited
Factory Mutual Insurance Co.	MIPS Insurance Pty Limited	
	Mitsui Sumitomo Insurance Limited	

* No website.

Annual Financial Report

As at 31 December 2022

Insurance Council of Australia Limited

Annual Financial Report As at 31 December 2022

Insurance Council of Australia Limited
(Company Limited by Guarantee)
Incorporated in Victoria
ABN 50 005 617 318
Registered Office:
Level 4, 56 Pitt Street, Sydney, NSW 2000

Insurance Council of Australia Limited

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Directors' Report

The directors present their report together with the financial report of the Insurance Council of Australia Limited ("the Company") for the year ended 31 December 2022 and the auditor's report thereon.

Directors

The directors of the Company throughout the year, unless otherwise stated, or since the end of the financial year are:

Name	Role and experience
Mr. Nicholas Hawkins CEO & Managing Director, Insurance Australia Group Limited	President from 1 January 2022 Non-Executive Director Appointed 6 May 2021 21 years general insurance experience
Mr. Richard Enthoven Managing Director Hollard Holdings Australia	Deputy President from 5 August 2021 Non-Executive Director since 2013 26 years general insurance experience
Mr. Richard Feledy Managing Director Allianz Australia Insurance Limited	Non-Executive Director since 2018 33 years general insurance experience
Ms. Natasha Fenech Group CEO & Managing Director Avant Mutual	Non-Executive Director since 2019 12 years general insurance experience
Mr. Andrew Hall Executive Director, CEO Insurance Council of Australia	Executive Director since September 2020
Mr. Scott Hawkins Managing Director, Munich Holdings Australasia Pty Limited	Non-Executive Director since May 2021 26 years general insurance experience
Ms. Sue Houghton Chief Executive Officer, QBE Australia Pacific	Non-Executive Director since 2018 President July 2020 to December 2021 25 years general insurance experience
Mr. Steve Johnston Group Chief Executive Officer & Managing Director, Suncorp Group Limited	Non-Executive Director since August 2021 17 years general insurance experience
Mr. Peter Kelaher Country President, Australia & New Zealand, Chubb Insurance Australia Limited	Non-Executive Director since May 2021 16 years general insurance experience

Insurance Council of Australia Limited

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Directors (continued) Name	Role and experience
Mr. Christopher Mackinnon General Representative, Country Manager Lloyd's Australia Limited	Non-Executive Director since 2017 35 years general insurance experience
Mr. Hugo Schreuder Chief Executive Officer & Executive Director, Youi Pty Ltd	Non-Executive Director, Appointed 5 December 2022 18 years general insurance experience
Mr Paul Sofronoff Chief Insurance Officer, RACT Insurance Pty Ltd	Non-Executive Director, Appointed 5 December 2022 22 years general insurance experience

Former Directors who held office during part of 2022

Name	Role and experience
Ms. Tracy Green Group Executive Insurance, RACQ Insurance Limited	Non-Executive Director November 2020 to 30 June 2022
Ms. Sharon Ooi Managing Director, Head of Australia New Zealand, SwissRe Asia PTE.Ltd	Non-Executive Director 9 June 2022 to 1 August 2022

Company Secretary

Mr. Adrian Dolin

Directors' Meetings

There were five directors' meetings held during 2022 and the number of meetings attended by each of the directors of the Company during the year are:

	Eligible to Attend	Meetings Attended
Mr. R. Enthoven	5	4
Mr. R. Feledy	5	3
Ms. N. Fenech	5	4
Ms. T. Green	2	2
Mr. A. Hall	5	5
Mr. N. Hawkins	5	5
Mr. S. Hawkins	5	5
Ms. S. Houghton	5	5
Mr. S. Johnston	5	4
Mr. P. Kelaher	5	4
Mr. C. Mackinnon	5	4
Ms. S. Ooi	0	0
Mr. H. Schreuder	1	1
Mr. P. Sofronoff	1	1

Insurance Council of Australia Limited

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Principal Activities during the Year

The Insurance Council of Australia ("ICA") is the representative body for the general insurance industry of Australia.

At the ICA, we believe an insurable Australia is a resilient Australia - and it's our purpose to be the voice for a resilient Australia.

Our work with our members, consumers groups and all levels of government serves to support consumers and communities when they need it most.

The principal strategic areas of focus of the ICA during 2022 were the role of insurance in the economy and the role of insurance in climate.

a) Insurance role in the economy:

General insurance has a critical role in the economy, insulating individuals and businesses from the financial impact of loss or damage to their insured assets.

Our work with our members, consumer groups and all levels of government serves to support consumers and communities when they need it most.

b) Insurance role in climate:

The ICA's public climate campaign commenced in 2022 with the release of the ICA's Climate Change Roadmap (the Roadmap). A first of its kind in Australia, the roadmap provides the insurance industry with a leadership position on climate and a powerful advocacy tool with governments and regulators. Execution of the strategic programs of work within the Roadmap will see the ICA advocating for the required policy settings to enable Australia's transition to net zero no later than 2050, and; the ongoing focus on government investment in mitigation and resilience including the roll out of the Hazard Insurance Partnership, land use planning and the 2025 National Construction Code update.

Operating Result

The company achieved an operating surplus for year ended 31 December 2022 of \$1,236,008 compared to the budget deficit of (\$383,500). A significant portion of this favourable variance relates to position vacancies during the year, with open positions continuing into 2023 due to competition for candidates and staff turnover. Event costs and travel & accommodation costs were higher in 2022 as the ICA returned to in-person events.

This surplus will provide the ICA with an opportunity to both strengthen the balance sheet, by retaining the 2022 surplus as Members Funds and to utilise part of the surplus to fund the 2023 budget and business plan. The Board has approved a budget deficit outcome of (\$300,000) for 2023.

State of Affairs

There were no significant changes in the state of affairs of the Company that occurred during the financial year not otherwise disclosed in this report or the financial statements.

Insurance Council of Australia Limited

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Environmental Regulations

The Company's operations are not subject to any specific environmental regulation under either Commonwealth or State legislation.

Events Subsequent to Balance Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years.

Insurance Premiums

The Company has paid insurance premiums in respect of directors' and officers' liability and legal expenses.

The insurance premiums paid provide indemnity against potential costs and expenses which may be incurred by the relevant officers in defending proceedings, whether civil or criminal, and whatever their outcome and other liabilities that may arise from their position, with exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses, and insurance contracts; as such disclosure is prohibited under the terms of such contracts.

Guarantee by Members

Every member of the Company undertakes to contribute to the property of the Company, in the event of it being wound up while the member is a member or within one year after the member ceases to be a member, for payment of debts and liabilities of the Company contracted before the member ceases to be a member and of the costs, charges and expenses of winding up and for adjustment of rights of the contributions among themselves, such amount as may be required, not exceeding twenty dollars (\$20.00).

Lead Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2022 is set out on page 18. This declaration is incorporated in and forms part of the directors' report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

N. Hawkins
President
15 March 2023

Insurance Council of Australia Limited

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Statement of Comprehensive Income

For the year ended 31 December 2022

All amounts are in Australian dollars

	Note	2022	2021
Member levies	2	16,075,720	15,934,005
Other income	2	435,136	595,772
Employee expenses		(8,760,979)	(8,065,404)
Professional expenses		(5,303,289)	(5,917,066)
Occupancy expenses		(714,391)	(714,511)
General expenses		(496,189)	(547,818)
Surplus before income tax		1,236,008	1,284,978
Income tax expense	5	-	-
Net surplus after income tax		1,236,008	1,284,978
Other comprehensive income		-	-
Total comprehensive surplus		1,236,008	1,284,978

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 9 to 16.

Insurance Council of Australia Limited **6**
Statement of Financial Position
As at 31 December 2022

All amounts are in Australian dollars

	Note	2022	2021
Current assets			
Cash and cash equivalents	6	7,061,488	6,948,863
Trade and other receivables	7	146,306	260,531
Prepayments	8	124,258	91,158
Total current assets		7,332,052	7,300,552
Non-current assets			
Property, plant and equipment	9	690,308	1,387,357
Total non-current assets		690,308	1,387,357
Total assets		8,022,360	8,687,909
Current liabilities			
Trade and other payables	10	2,561,045	3,731,353
Employee Provisions	11	441,429	484,855
Lease Liabilities		658,814	677,048
Total current liabilities		3,661,288	4,893,256
Non-current liabilities			
Employee Provisions	11	119,100	133,300
Lease Liabilities		-	655,389
Total non-current liabilities		119,100	788,689
Total liabilities		3,780,388	5,681,945
Net assets		4,241,972	3,005,964
Member funds		4,241,972	3,005,964

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 9 to 16.

Insurance Council of Australia Limited **7**
Statement of Changes in Member Funds
For the year ended 31 December 2022

All amounts are in Australian dollars

	2022	2021
Member funds at the beginning of the year	3,005,964	1,720,986
Total comprehensive surplus	1,236,008	1,284,978
Member funds at the end of the year	4,241,972	3,005,964

The statement of changes in Member Funds is to be read in conjunction with the notes to the financial statements set out on pages 9 to 16.

Insurance Council of Australia Limited

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Statement of Cash Flows
For the year ended 31 December 2022
All amounts are in Australian dollars

	Note	2022	2021
Cash flows from operating activities			
Cash receipts in the course of operations		16,498,840	16,974,091
Interest received		93,141	16,007
Cash payments in the course of operations		(16,460,478)	(13,974,219)
Net cash from/(used in) operating activities		131,503	3,015,879
Cash flows used in investing activities			
Payments for property, plant and equipment		(18,878)	(45,630)
Proceeds from disposal of property, plant and equipment			
Net cash (used in) investing activities		(18,878)	(45,630)
Net increase/(decrease) in cash and cash equivalents held		112,625	2,970,249
Cash and cash equivalents at the beginning of the financial year		6,948,863	3,978,614
Cash and cash equivalents at the end of the financial year	6	7,061,488	6,948,863
Reconciliation of net (loss) after income tax to net cash used in operating activities			
Net Surplus after income tax		1,236,008	1,284,978
Plus non-cash items:			
Depreciation – Buildings	3	616,886	616,886
Depreciation – FF&E	3	99,041	102,627
Amounts set aside to provisions	11	556,584	477,677
Changes in operating assets and liabilities:			
Decrease in receivables	7	114,225	436,483
(Decrease)/increase in prepayments	8	(33,100)	23,838
(Decrease)/increase in trade and other payables	10	(1,170,308)	1,252,516
(Decrease) in lease liabilities		(673,623)	(616,604)
(Decrease) in provisions	11	(614,210)	(562,522)
Net cash from/(used in) operating activities		131,503	3,015,879

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 9 to 16.

Insurance Council of Australia Limited

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Notes to the Financial Statements
For the year ended 31 December 2022
1. Statement of Significant Accounting Policies

The significant accounting policies that have been adopted in the preparation of this financial report are:

Statement of Compliance

In the opinion of the directors, the Company is not a reporting entity and is a mutual non profit entity. The financial report of the Company has been drawn up as a special purpose financial report for distribution to the members and for the purpose of fulfilling the requirements of the Corporations Act 2001.

The special purpose financial report has been prepared in accordance with the requirements of the Corporations Act 2001 and the recognition and measurement aspects of all applicable Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB").

The financial report has been prepared in accordance with AASB 101 Presentation of Financial Statements, AASB 107 Cash Flow Statements, AASB 108 Accounting Policies, Changes to Accounting Estimates and Errors, AASB 1031 Materiality, AASB 1048 Interpretation and Application of Standards and AASB 1054 Australian Additional Disclosures, which apply to all entities required to prepare financial reports under the Corporations Act 2001.

The financial statements were approved by the Board of Directors on 15 March 2023.

Basis of Preparation

The financial report is presented in Australian dollars and is prepared on the historical cost basis.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Company.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Insurance Council of Australia Limited

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**Notes to the Financial Statements
For the year ended 31 December 2022**
1. Statement of Significant Accounting Policies (continued)
▪ Basis of Preparation (continued)
▪ Changes in significant accounting policies

The accounting policies applied in the financial report have been applied consistently and are the same as those applied for the previous reporting year.

▪ Revenue and Expenditure Recognition

Revenue and expenditure are recognised over the period to which they relate.

Revenue mainly comprises revenue derived from member levies which are recognised in the year to which it relates.

▪ Income Tax

The Company is assessed only on net income from non-member sources, including outside investments. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits are available against which the asset can be utilised. The potential deferred tax asset will only be obtained if:

- (i) the Company derives future assessable income of a nature, i.e. non-member sources, and an amount sufficient to enable the asset to be realised;
- (ii) the Company continues to comply with the conditions of deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the Company in realising the asset.

▪ Trade and Other Receivables

Trade and other receivables are stated at the amounts to be received in the future, less any impairment losses. Debts which are known to be uncollectible are written off.

▪ Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the asset is written down to the recoverable amount and the amount of the write-down is recognised in the Statement of Comprehensive Income.

The recoverable amount of an asset is determined by the value in use or fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Insurance Council of Australia Limited

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**Notes to the Financial Statements
For the year ended 31 December 2022**
1. Statement of Significant Accounting Policies (continued)
▪ Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. These assets are depreciated using the straight-line method over their useful lives, taking into account their estimated residual values.

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis using depreciation rates for each part of an item of property, plant and equipment. Assets are depreciated from the date of acquisition. The residual value, depreciation rate and depreciation method applied to an asset are reassessed at least annually. The depreciation rates used for each class of asset for the current year are as follows:

	<u>Depreciation Rate</u>
▪ Computers and equipment	25% - 33%
▪ Furniture and fittings	20%
▪ Right-of-use asset (office lease)	20%

▪ Trade and Other Payables

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days to 12 months. The carrying amount of payables is a reasonable approximation of the fair value of the liabilities because of the short term nature of the liabilities.

Trade payables represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid.

Other payables include accrued amounts for goods and services supplied and for which no invoice has been received from the service provider, and monies received in advance for committed future projects.

▪ Goods and Services Tax (GST)

Revenues, expenses, assets, accruals and provisions are recognised net of the amount of GST, except where the amount of the GST is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Trade receivables and trade payables are stated with the amount of GST included.

The net amount of GST to or recoverable from the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

Insurance Council of Australia Limited

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Notes to the Financial Statements
For the year ended 31 December 2022

1. Statement of Significant Accounting Policies (continued)

• Goods and Services Tax (continued)

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing activities which are recoverable from or payable to the Australian Taxation Office are classified as operating cash flows.

• Employee Benefits

The provisions of the revised standard AASB 119 Employee Benefits have been applied to the calculation of the Annual Leave and Long Service Leave provisions.

Annual Leave

The provision for annual leave represents the amount which is expected to be settled wholly within 12 months after the balance date. The provision has been calculated using the remuneration rates at balance date including related on-costs.

Long Service Leave

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to the balance date.

Provisions for employee entitlements which are not expected to be settled within twelve months are discounted using the rates attaching to national government securities at balance date which most closely match the terms to maturity of the related liabilities.

Related on-costs at current employment conditions and government statutory rates have been included in the calculation of the liability.

Superannuation Fund

The Company contributes to the superannuation fund of the employee's choice. Contributions are charged against income as incurred.

• Accounting policy AASB 16 Lease

Under AASB 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on this new definition.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received.

Insurance Council of Australia Limited

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Notes to the Financial Statements
For the year ended 31 December 2022

1. Statement of Significant Accounting Policies (continued)

• Accounting policy AASB 16 Lease (continued)

The right-of-use-asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate or if the Company changes its assessment of whether it will exercise extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and leases for which the lease term ends within 12 months of the date of initial application.

	2022	2021
2. Revenue		
Member levies	16,075,720	15,934,005
Bank interest	93,141	16,007
Other income	341,995	579,765
Total Revenue	16,510,856	16,529,777
3. Operating Profit		
Operating profit before income tax has been arrived at after charging the following items:		
Depreciation of:		
- Property, plant and equipment	99,041	102,627
- Right of use office lease	616,886	616,886
Net expense from movement in provision for employee benefits	556,584	477,677

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Notes to the Financial Statements For the year ended 31 December 2022

	2022	2021
4. Auditor's Remuneration		
Auditor's remuneration in respect of auditing the financial statements	31,350	29,000
5. Income Tax		
Income tax is payable on non-member income:		
Bank interest	93,141	16,007
Conference expenses allowable	(13,660)	-
Administration costs allowable	(4,259)	-
Superannuation contributions paid	(577,685)	(552,165)
Assessable non-member (loss)	(502,463)	(536,158)
Income tax benefit applicable to non-member loss at 30% (2021: 30%)	(150,739)	(160,847)
Income tax benefit not brought to account	150,739	160,847
Income Tax	-	-
Income tax benefits not recognised		
Reconciliation of movement:		
Carrying amount at the beginning of the financial year	1,595,429	1,434,582
Income tax benefit not brought to account in the current year	150,739	160,847
Income tax benefits not recognised at reporting date	1,746,168	1,595,429
6. Cash and Cash Equivalents		
Cash on hand	1,120	1,120
Bank operating account	50,368	5,094,743
Bank deposit at call	6,260,000	3,000
Term deposits	750,000	1,850,000
Total Cash and Cash Equivalents	7,061,488	6,948,863
The bank operating account is at call and pays interest at a current rate of 0.15% (2021: 0.15%). The bank deposit account is at call and pays interest at a current rate of 2.75% (2021: 0%). The term deposits will pay interest on maturity at rates between 1.25%-2.69% (2021: 0.10%-0.20%)		
7. Trade and Other Receivables		
Amounts due from members	146,306	260,531

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Notes to the Financial Statements For the year ended 31 December 2022

For the year ended 31 December 2022			
8.	Prepayments	2022	2021
	Prepaid expenses	124,258	91,158
9.	Property, Plant and Equipment		
	Buildings	Furniture, Fittings & Equipment	Total
Cost			
Balance at 31 December 2021	3,016,571	646,461	3,663,032
Additions – 2022	-	18,878	18,878
Balance at 31 December 2022	3,016,571	665,339	3,681,910
Accumulated depreciation			
Balance at 31 December 2021	1,850,658	425,017	2,275,675
Depreciation – 2022	616,886	99,041	715,927
Balance at 31 December 2022	2,467,544	524,058	2,991,602
Carrying amount			
At 31 December 2021	1,165,913	221,444	1,387,357
At 31 December 2022	549,027	141,281	690,308
	2022	2021	
10.	Trade and Other Payables		
	Payables trade	559,865	729,574
	Payables other	289,661	22,376
	Monies received in advance	444,170	2,125,371
	Other accrued expenses	1,267,349	854,032
	Total Trade and Other Payables	2,561,045	3,731,353
11.	Provisions		
	Provision for employee benefits -		
	Current	441,429	484,855
	Non-Current	119,100	133,300
	Total Provisions	560,529	618,155
Number of full time equivalent staff (excluding vacant positions and contractors) at the end of the financial year			
	31.5	35.0	

Reconciliation of movement in provisions for employee benefits:

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Notes to the Financial Statements
For the year ended 31 December 2022

	2022	2021
Carrying amount at the beginning of the financial year	618,155	703,000
Amounts set aside to provisions	556,584	477,677
Amounts paid to employees	(614,210)	(562,522)
Carrying amount at the end of the financial year	560,529	618,155

12. Bank Guarantee
Aggregate amount **195,322** **195,322**

The bank provides a guarantee over the payment of the Company's operating lease obligations. This guarantee is provided at commercial rates and fully secured by a bank Term Deposit (\$200,000).

13. Company Status
The Company is incorporated in Victoria and domiciled in Australia.

The Company is a Company limited by guarantee to a maximum of \$20 for each member of the Company.

14. Events Subsequent to Reporting Date
There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years.

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Directors' Declaration

In the opinion of the directors of Insurance Council of Australia Limited ("the Company"):

- (a) The Company is not a reporting entity;
- (b) The financial statements and notes, set out on pages 9 to 16, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2022 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date in accordance with the statement of compliance and basis of preparation described in Note 1; and
 - (ii) complying with Australian Accounting Standards, other mandatory professional reporting requirements to the extent described on Note 1 and the Corporations Regulations 2001; and
- (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors in Sydney.

N. Hawkins
President
15 March 2023



Independent Auditor's Report

To the members of Insurance Council of Australia Limited

Opinion

We have audited the **Financial Report** of Insurance Council of Australia Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* to the extent described in Note 1 and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 31 December 2022
- Statement of comprehensive income, statement of changes in members funds, and statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Director's Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – basis of preparation and restriction on use

We draw attention to Note 1 to the Financial Report, which describe the basis of preparation.

The Financial Report has been prepared for the purpose of fulfilling the Directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinions is not modified in respect of this matter.



Our report is intended solely for the members of Insurance Council of Australia Limited and should not be used by parties other than the members of Insurance Council of Australia Limited. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the members of Insurance Council of Australia Limited or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in Insurance Council of Australia Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that give a true and fair view and have determined that the basis of preparation described in Note 1 to the Financial Report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members
- implementing necessary internal control to enable the preparation of a Financial Report that give a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.



A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

Leann Yuen
Partner

Sydney
15 March 2023



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Insurance Council of Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Insurance Council of Australia Limited for the financial year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Leann Yuen
Partner

Sydney
15 March 2023



Insurance Council
of Australia