



News release

Insurance Council
of Australia

Monday, 18 September 2023

ICA joins Assistant Treasurer on insurance delegation

Representatives of the Insurance Council of Australia (ICA) will join Assistant Treasurer Stephen Jones in London and Munich this week to meet with global insurance leaders to discuss the impact of extreme weather risk on the Australian insurance market and premiums.

The high-level dialogue is the first of its kind and will bring together the Australian Government and local insurers with global reinsurers, brokers, insurers and industry bodies to improve understanding of the issues that are contributing to a widening insurance 'protection gap' in Australia and around the world.

The protection gap is the difference between the level of insurance that is required to recover from an event and the amount of insurance purchased, and is growing in Australia and around the world as a result of the impacts of extreme weather events, inflation, growing reinsurance costs and scarcer capital.

The delegation will include ICA President Nick Hawkins (CEO IAG), ICA board members Sue Houghton (CEO QBE Australia Pacific) and Steve Johnston (CEO Suncorp), and ICA CEO Andrew Hall.

It will meet CEOs and executives from organisations including global insurance marketplace Lloyds, insurance and reinsurance brokers Marsh McLennan, Guy Carpenter and Aon, reinsurers Munich Re and Swiss Re, UN Principles for Responsible Investment, insurance and reinsurance hub the London Market Group, UK Government agency Flood Re, and the Association of British Insurers.

This is the first time a minister has joined with Australia's insurers – who are collectively responsible for insuring around 87 million risks annually – to engage with key participants in the global insurance sector.

The delegation continues the collaboration between the industry and the Federal Government following the establishment of the Hazards Insurance Partnership to facilitate better engagement on risk mitigation and management and the creation of the \$1 billion Disaster Ready Fund to support risk mitigation projects.

Comment attributable to ICA CEO Andrew Hall:

The needs of insurance customers are at the heart of this exercise because in Australia and around the world insurance is under pressure, impacting customers from small and medium-sized businesses to homeowners in areas at high risk of extreme weather, to professions who require insurance to operate.

This week's visit represents the next step in the collaboration between insurers and the Federal Government to try and improve outcomes for insurance customers in Australia.

Insurance is a fundamental part of Australia's economy – without it we wouldn't have the confidence to take risks and our economy would grind to a halt.

The protection gap – the difference between the insurance we need and the insurance we have – is worsening around the world, although Australia's exposure to frequent and significant extreme weather events makes the issue even more acute here.

This issue affects all Australians and requires a shared solution with industry, government and customers all playing their part, and we warmly welcome the Assistant Treasurer's very strong desire to help find those solutions.