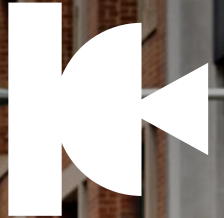


Annual Report 2023



Insurance Council
of Australia

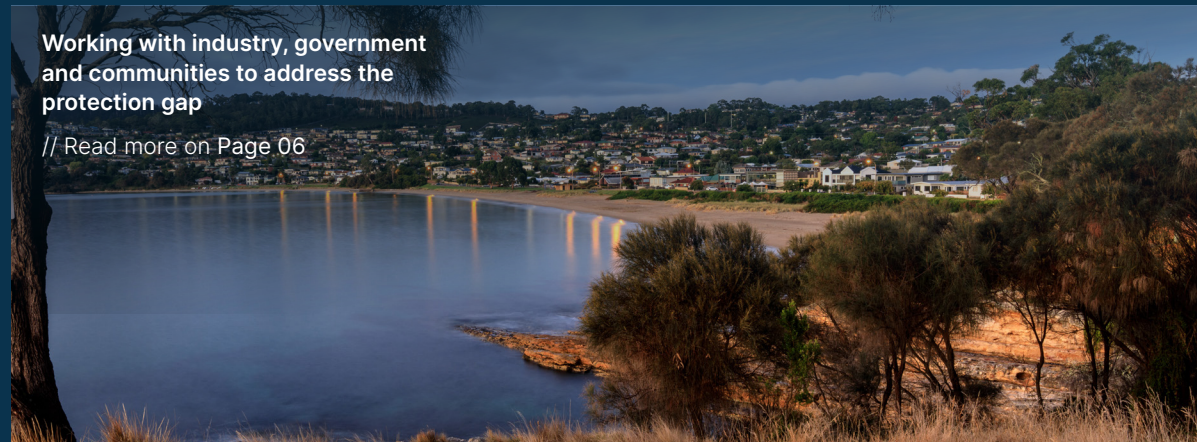


Annual Report 2023

Contents

“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



Working with industry, government and communities to address the protection gap

// Read more on Page 06

Andrew Hall, ICA CEO, addresses National Press Club in Canberra

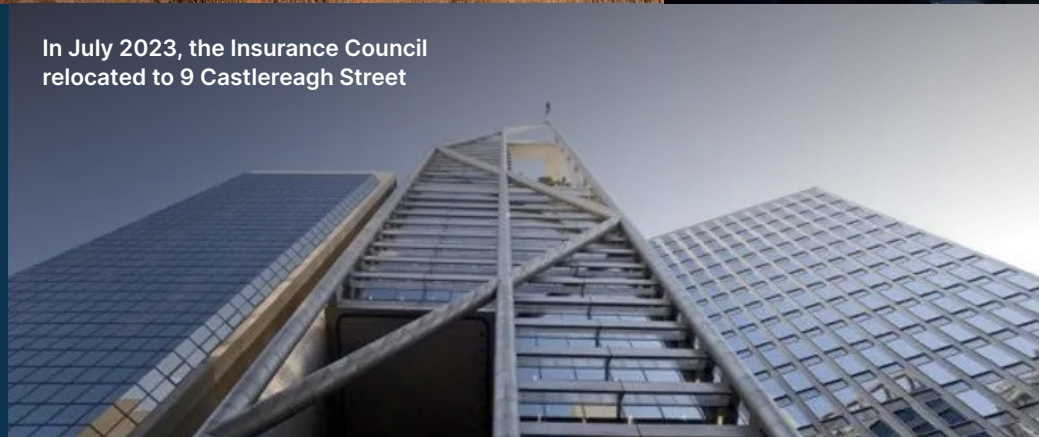
// Read more on Page 05



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.

In July 2023, the Insurance Council relocated to 9 Castlereagh Street



2024 Annual General Meeting

The Annual General Meeting of the company will be held on 21 May 2024, 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.

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President's foreword

“2023 was otherwise a much quieter year for extreme weather than Australia experienced in 2022, giving the industry a chance to step back and reflect on the challenges of recent years, particularly the devastating human and economic impact of the 2022 floods.”

I am pleased to present the Insurance Council's Annual Report for the financial year ended 31 December 2023.

In the last five years, the insurance industry has helped Australian communities recover from 26 declared insurance catastrophes and significant events¹. The most recent of these were the two catastrophes declared in the last ten days of 2023, which insurers responded to over the Christmas and New Year period.

These events aside, 2023 was otherwise a much quieter year for extreme weather than Australia experienced in 2022, giving the industry a chance to step back and reflect on the challenges of recent years, particularly the devastating human and economic impact of the 2022 floods.

To guide our reflections, in April 2023 the Insurance Council proactively commissioned an independent review, undertaken by Deloitte, of the industry's response to the 2022 floods – the largest insured event in Australian history.

Deloitte's report, *The New Benchmark for Catastrophe Preparedness in Australia*, was published in October 2023. The report found that claims processes were tested at a scale never seen before, and set out seven areas for action to improve responses to future events. We have commissioned a follow up review in 2024 to assess the industry's progress in addressing these areas.

This review was an important exercise to enable the industry to understand areas for improvement. It also provided a vital evidence base to assist the *Parliamentary Inquiry into Insurers' Responses to 2022 Major Flood Claims* that commenced in early 2024.

Changes to ICA Board

This is my final year as President of the Insurance Council, and I would like to recognise the contributions of former Board members Hugo Schreuder from Youi, and Paul Sofronoff from RACT Insurance, who both retired from the Board in 2023. I also welcome Ram Kangatharan, Group Managing Director and CEO Asia Pacific of Auto & General Insurance, and Justin Delaney, CEO of Zurich Australia and New Zealand, who both joined the Board at the 2023 Annual General Meeting.

Operating result

The company recorded an operating loss for year ended 31 December 2023 of \$563,727 compared to the budget deficit of \$355,306. A significant portion of this unfavourable variance relates to unbudgeted expenditure such as the Deloitte Review. Additionally, costs for events and travel and accommodation were higher in 2023 than anticipated, due to the number of in-person meetings being greater than forecast.

This loss will be realised against the Members' Funds, in part due to the prior years of consecutive surpluses. These greatly boosted the balance and enabled the ICA to partly fund the 2023 budget. The partial funding will also feed into the 2024 budget and business plan.

Looking forward

At a time when Australia is facing cost-of-living challenges, our industry needs to ensure we are doing everything we can to keep insurance within the reach of all Australian households and businesses. We know that factors such as the increased frequency of severe weather events and increasing supply chain costs are contributing to rising insurance premiums, and that these in turn are affecting inflation.

In this environment, the Insurance Council is dedicated to ongoing work with all levels of government to reduce risk, moderate upward pressure on premiums and close the protection gap so we can continue to fill our critical role as financial shock absorbers for people and communities across the country.

I'd like to extend my thanks to Andrew Hall and the team at the Insurance Council for their commitment to our industry at this crucial time.



Nick Hawkins
President 2023



1. Declared insurance catastrophes and significant events from January 2019 to April 2024.

CEO's introduction

“Our collaboration with governments, industry, regulators, and consumers, to identify and reduce risk is helping build a future where Australians are better equipped to withstand the worst.”

In many ways the challenges that faced the insurance industry in 2023 were the most complex and significant for two decades.

The pressures on premium pricing were inescapable, and managing the impact of these pressures on home and motor insurance customers amid a cost-of-living crisis was extremely difficult.

Through all of our work, the impacts on insurance customers remains at the heart of everything we do. Despite 2023 being a relatively calm year for insurance catastrophes, December yielded a cyclone, floods and storms across the east coast of the country which as at March 2024 had led to more than \$1.3 billion in insured losses.

These events highlight once again the insurance industry's most pressing concern, the protection gap, now estimated by Swiss Re to be 35 per cent in Australia – and growing.

During 2023 the Insurance Council continued to take a proactive approach to confronting this complex issue, partnering with governments and industry to develop sustainable solutions.

We continued to advocate for taxation reform at both state and federal levels, with pleasing progress in 2023 with the New South Wales Government agreeing to reform its Emergency Services Levy.

Unfortunately, the number of people living in high-risk flood zones remains distressingly high, and we continued to work towards the implementation of stricter building codes, better land-use planning arrangements, and investments in preventative infrastructure through government initiatives such as the Hazards Insurance Partnership.

All lines of insurance were impacted by rising premiums in 2023, including public liability for live music, tourism and adventure parks. This remained a focus for the Insurance Council team in 2023, and we have continued to build strong relationships with relevant business sectors to identify solutions.

Artificial Intelligence has continued to advance, with changes in claims processing, risk pricing, fraud detection and product personalisation starting to shape.

Taking action

As a critical step in creating a more resilient future for both the insurance industry and the communities it serves, during 2023 the industry commissioned and then responded to an independent review of how insurers responded to the record-breaking flood of February–March 2022. Undertaken by Deloitte, the review made seven recommendation which have already led to changes in insurers' approach to claims handling, communication, and vulnerability identification.

The announcement in 2023 of a Parliamentary Inquiry into insurers' response to the 2022 floods underlined the importance of remaining focused on reducing risk and stabilising insurance premiums.

Despite the numerous challenges, there is cause for optimism. Our collaboration with governments, industry, regulators, and consumers, to identify and reduce risk is helping build a future where Australians are better equipped to withstand the worst.

With thanks

I wish to express my gratitude to the Board and our members for their dedication and valuable guidance in addressing these matters. With particular thanks to Nick Hawkins, the Insurance Council's President since January 2022 who has guided the Insurance Council's Board with integrity, generosity, and purpose.

Together the Board and the team at the Insurance Council remain focused on closing the protecting gap, building trust in insurance, and ensuring a strong and sustainable industry that supports Australians when they need it most.

Of course, none of this would be possible without the hard work of the team at the Insurance Council, whose efforts in advocacy, strategic planning, and policy have moved us closer to achieving a more resilient Australia.

Andrew Hall
CEO and Executive Director,
Insurance Council of Australia



Our strategy and purpose

The Insurance Council is the representative body for the general insurance industry in Australia.

Refreshed strategy and values

The Insurance Council is the driving force behind the industry's collective strength, ensuring that insurance is accessible to all Australians. As industry representatives, the Insurance Council leverages its unique position to build partnerships with governments, communities, and regulators to address the protection gap and ensure the strength and sustainability of our sector.

Central to the Insurance Council's mission is a more resilient Australia, especially in the face of escalating extreme weather. The Insurance Council will continue its vital role in supporting communities when extreme weather hits and is dedicated to continuous improvement, supporting our industry to elevate its response capabilities and striving for global leadership in response and claims handling. All of this, essential to building trust in the insurance industry.

The Insurance Council has refreshed its values to reflect the evolution of our organisation and to support our culture and aspiration to be a globally leading industry association.



2023 in review

The year that was



- The ICA's *A stronger NSW Policy recommendations for the next NSW Government* released
- Insurers revisit seven locations across SEQ to assist communities affected by the 2022 floods – SE 224
- First Hazard Insurance Partnership meeting held in Brisbane
- Review of the Motor Vehicle Insurance and Repair Industry Code of Conduct announced
- *Find a Fairer Way* campaign launched calling for reform to inefficient NSW emergency services

- 2023 ICA Annual Report released
- Insurer consultations in Rochester – CAT 223



- Insurer consultations in Rochester – CAT 223
- DRF announces \$400m investment in 187 resilience and mitigation projects
- ICA *Reflect Reconciliation Action Plan* released
- ICA's 2023 Annual Dinner



- Insurance Council commissioned *The Centre for International Economics* report on resilience, durability and the National Construction Code published
- ICA's Annual Conference, with keynote address from The Hon. Stephen Jones MP, Assistant Treasurer and Minister for Financial Services
- Insurer consultations in NSW Central West – SE 224

- ICA commissioned *Deloitte report* into 2022 floods released
- Insurer consultations and townhall for communities affected by the River Murray floods – SE 225
- *Future proofing Australia's resilience* report released
- CAT 223 declared for Christmas/NY storms
- CAT 232 declared for Ex Tropical Cyclone Jasper
- Quantum Insurance Council Smartraveller joint travel survey released
- *Combustible Facade Materials Fire Risk Identification and Reporting Protocol* published

• Insurer consultations and townhall in Rochester – CAT 223

• Insurer consultations in NSW Central West – SE 224

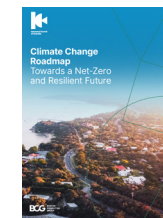
- Significant Event declared for Newcastle Hail storm – SE 231
- Chief Executive Officer of Zurich for Australia and New Zealand, Justin Delaney, and Group Managing Director and CEO of Auto & General for Asia Pacific, Ram Kangatharan, appointed to ICA Board



- ICA's *Building Australia's Resilience policy recommendations for federal and state governments* report published
- Assistant Treasurer Stephen Jones announces Parliamentary Inquiry into insurers' response to the 2022 floods
- Insurer consultations and townhall in Rochester – CAT 223
- ICA relocates to Castlereagh St



- *Valuing Nature for a Resilient Future* report released
- ICA's annual *Insurance Catastrophe Resilience* report released
- ICA and insurers join Assistant Treasurer Stephen Jones on insurance delegation in London and Munich
- Insurers make 5th visit to four flood impacted communities across Vic – CAT 223



- Updated climate change roadmap *Towards a Net-Zero and Resilient Future* released
- Andrew Hall addresses National Press Club in Canberra
- Independent review of the 2020 Code of Practice announced
- Insurer consultations in NSW Central West – SE 224



- NSW Government commits to dissolving ESL after long-term ICA advocacy

2024 priorities The year ahead

Our industry protects Australians, supporting them to prosper and grow with confidence and it is essential that we partner with governments, communities, and regulators to address the growing protection gap, so that we can all participate in the solution and play our respective roles in mitigating risks, managing costs, and enhancing consumer trust.

The Insurance Council's ability to execute is underpinned by its engagement with members, building capability and positive culture with our people and ensuring our financial resources are focused on the best outcomes for members and the customers they serve.



Protection

Industry and government collaboration to address the protection gap and improve the availability, affordability, and the sustainability of general insurance across all lines.



Trust

Protecting and enhancing trust in the insurance sector by embracing feedback, adopting best practice, maintaining transparency, and always focusing on customer outcomes.



Sustainability

Collaborating with industry, regulators, and communities to lead an inclusive and responsible sector addressing economic, social, and environmental opportunities and challenges.



Members

Continuously enhancing member experience through relationships, new service offerings, and innovative member support and service – creating greater value in the Insurance Council.



People

Building on the existing culture and capability established within the Insurance Council over the last three years with a key focus on defining the Insurance Council 'ways of working' and investing in employee development.



Resources

Ensuring Insurance Council manages its financial resources in line with the approved business plan and realises identified productivity savings.

Industry data

Active General Insurance Policies in 2023

90
insurance
companies

87.9M
Policies

Helping
insure over

31M
home and
motor risks

19.5M

Compulsory third party (CTP) motor vehicle



17.6M

Domestic motor vehicle



13.1M

Houseowners and householders



9.4M

Public and product liability



7.1M

Travel



5.2M

Other accident



2.1M

Commercial motor vehicle



1.81M Fire and industrial special risks (ISR)

1.42M Consumer credit

1.02M Marine and aviation

740K Professional indemnity

155K Employers' liability

80K Mortgage

Source: APRA Quarterly General Insurance Statistics June 2023.

* APRA 'Other Category A, B, C' excluded from infographic.

Industry data

2023 catastrophe claims

Despite 2023 being a relatively calm year for insurance catastrophes, December yielded a cyclone, floods and storms across the east coast of the country which as at March 2024 had led to more than \$1.3 billion in insured losses.



2  Catastrophe Declarations

1  Significant Event Declaration

In 2023 the Insurance Council organised **33** insurer consultations or forums, attended by over 630 community members

Claims incurred

\$1.76B

▼ 78%

Average claim

\$13,449

▼ 48%

Claims count

131,164

▼ 57%

This claims data was updated in late March 2024 and covers insurance catastrophe and significant event declarations that occurred from January 2023 to December 2023.

Scale of regulatory changes

Regulatory engagements 2022–2024

Known changes to the regulatory environment for the insurance industry between 1 January 2022 and 31 December 2024.

This covers consultations on possible changes and actual changes or introductions into regulatory guidance and legislation.

ACCC

- Insurance Price Monitoring of the Northern Australia Cyclone Reinsurance Pool
- Designated Complaints Regime
- Unfair Trading Practices Prohibition

AFCA

- Implementation of recommendations of independent review of AFCA – Terms of Reference
- New AFCA funding model
- New AFCA case management system and portals
- Updates to AFCA Rules and Operational Guidelines

ALRC

- Financial Services Legislation: Interim reports

APRA

- CPS 511 and CPG 511 Remuneration
- CPG 229 Managing Climate Change Financial Risks
- APRA Stakeholder Review
- CPS 190 Financial Contingency Planning
- CPS 230 Operational Risk Management
- CPS 511 Remuneration Reporting
- APRA Modernising Prudential Architecture review
- APRA Climate Vulnerability Assessment
- Insurance Data Transformation
- APRA Risk Culture Survey

- CPS 900 Resolution Planning for Significant Financial Institutions
- CPS 001 Defined terms
- Financial Accountability Regime – Regulatory Guide, Regulator Rules and Implementation

ARPC

- Onboarding insurers to the Northern Australia Cyclone Reinsurance Pool

ASIC

- ASIC Internal Dispute Resolution (IDR) requirements
- Claims handling and settling as a financial service
- RG 277 Consumer remediation
- Financial Regulator Assessment Authority: effectiveness and capability of the Australian Securities and Investments Commission
- Indigenous Financial Services Framework
- ASIC Corporations (Cash Settlement Fact Sheet) Instrument 2022/59
- ASIC Corporations (PDS Requirements for General Insurance Quotes) Instrument 2022/66
- Expansion of the Unfair Contract Terms regime to a wider number of small businesses
- REP 765 When the price is not right: Making good on insurance pricing promises
- Design and distribution obligations: review of target market determinations

- INFO 271 Greenwashing
- REP 768 Navigating the storm: ASIC’s review of home insurance claims 2022–23
- ASIC’s review of insurers’ internal dispute resolution
- Updated Regulatory Guide RG 78: Breach reporting and ASIC Corporations and Credit (Amendment) Instrument 2023/589
- 2024 Letter from ASIC regarding claims handling practices
- Financial Accountability Regime – Regulatory Guide, Regulator Rules and Implementation

Attorney-General’s Dept.

- Use of the Term Good Faith in Civil Penalty and Criminal Offence Provisions
- Review of the *Privacy Act 1988*
- Review of *Australia’s Modern Slavery Act 2018*
- Modern Slavery Amendment (Anti-Slavery Commissioner) Bill 2023

Australian Accounting Standards Board

- Taxation of general insurers – Aligning tax treatment of contracts with AASB17
- Exposure Draft 321: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate Related Disclosures

Australian Building Codes Board

- National Construction Code 2025

Code Governance Committee

- Thematic Inquiry into Claims handling
- Thematic Inquiry into Use of Expert Reports
- CGC Update to Guidance Note 2 on Significant Breaches

Dept. of Home Affairs/ACSC/NEMA

- Amendments to the Security of *Critical Infrastructure Act 2018*/ Critical Infrastructure notification
- Cyber Strategy
- Hazard Insurance Partnership

Dept. of Social Services

- Financial counselling industry co-funding model
- National Plan to End Violence against Women and Children 2022–2032

Dept. of Indus., Sci., Engy. & Res.

- Payment Times Reporting Scheme
- Safe and Responsible AI in Australia

Dept. of Climate Change, Energy, the Environment and Water

- Implementation of the National Electric Vehicle Strategy

Scale of regulatory changes

Regulatory engagements 2022–2024

Independent Code Review Panel

- Review of the 2020 General Insurance Code of Practice

Motor Trades Association of Australia and Insurance Council of Australia

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

National Mental Health Commission

- National Stigma and Discrimination Reduction Strategy

Federal Parliament

- Review of the Four Major Banks and other Financial Institutions
- Inquiry into the Prudential Regulation of Investment in Australia's Export Industries
- Security Legislation Amendment Bill 2022
- Inquiry into ASIC investigation and enforcement
- Inquiry into promoting economic dynamism, competition and business formation
- Inquiry into Australia's disaster resilience
- Inquiry into insurers' responses to 2022 major floods claims
- Select Committee on Adopting Artificial Intelligence

State Regulation

- Reforms to NSW Emergency Services Levy
- Amendments to *Duties Act 2000* (VIC)
- Implementation of Building Confidence Report 2018 recommendations
- Reforms to *ACT Discrimination Act 1991*
- Reforms to *Queensland Anti-Discrimination Act 1991*
- *Fair Trading (Motor Vehicle Insurers and Repairers) Amendment Act 2021* (SA)
- Motor Dealers and Repairers Regulation 2014 (NSW) – propose new licencing requirements for EV repairers
- Development of mandatory motor insurance and repair industry code of conduct (TAS)
- Tow truck industry regulatory reform (WA)
- Review of the written-off vehicle schemes: Queensland; New South Wales; South Australia
- Law Reform Commission Review of the *Anti-Discrimination Act 1977* (NSW)
- Amendments to *Anti-Discrimination Act 1992* (NT)
- Amendments to *Equal Opportunity Act 2010* (TAS)
- Review of the *Equal Opportunity Act 1984* (WA)
- *Workers Compensation and Injury Management Act 2023* (WA)

Treasury

- Strengthening the breach reporting regime
- Compensation Scheme of Last Resort
- *Financial Accountability Regime Act 2023* and Minister Rules
- Class exemptions from the Deferred Sales Model
- APRA levy annual consultations
- Predatory practices of debt management firms
- Modernising business communications
- Mandatory Climate Disclosure
- Proposed financial institutions supervisory levies (annual)
- Delivering Better Financial Outcomes
- Winding down Australia's cheque system
- Standardisation of natural perils and review of standard cover
- Consumer Data Right

Workplace Gender Equality Agency

- Workplace Gender Equality Amendment (Closing the Pay Gap) Bill 2023



Insurance Council of Australia Board of Directors 2023



Andrew Hall
Executive Director and CEO,
Insurance Council of Australia

Andrew joined the Insurance Council of Australia in September 2020 from the Commonwealth Bank, where he served as Executive General Manager, Corporate Affairs, for seven years. At CBA he was responsible for the management of CBA's corporate reputation, public affairs and sustainability.

He was previously Director of Corporate and Public Affairs for Woolworths Limited for six years, overseeing a similar portfolio and 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 as a ministerial media advisor. From 2001 to 2007 he was the Federal Director of the Nationals, leading the party as campaign director for federal elections.

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 serves on the 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, and former Chief Executive Officer (1999 to 2021), of The Hollard Insurance Company Pty Ltd and the co-founder of Greenstone Financial Services Ltd and PetSure Australia Pty Ltd.

Richard currently serves as the chairman of Greenstone and a director of Hollard Holdings Australia and PetSure Australia. Richard is also a director of Trupanion Inc, a leader of medical insurance for cats and dogs throughout the United States, Canada, Europe, Puerto Rico and Australia.

Richard served as a director of The Hollard Insurance Company and The Hollard Life Insurance Company in South Africa from 2004 to 2014, including chairman of both companies from 2008 to 2014.

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



Justin Delaney
Chief Executive Officer,
Zurich Australia and New Zealand

Justin was appointed CEO, Life and Investments, Zurich Australia in December 2019. In July 2021, this role was expanded to include the General Insurance operations of Zurich Australia and New Zealand.

With more than 25 years' experience in financial services Justin has held executive roles across superannuation, platform, life insurance and online broking businesses and was integral to establishing and leading the Macquarie Life Insurance business.

Justin holds a Bachelor of Arts (Macquarie University), Graduate Diploma in Management, Graduate Diploma in Financial Planning and is a member of the Australian Institute of Company Directors.



Richard Feledy
Managing Director,
Allianz Australia

Richard Feledy joined Allianz in 2001 and has over 35 years' experience in the insurance industry. He was appointed Managing Director in 2018, and prior to this held various senior roles across Allianz, including Deputy Managing Director and Chief Technical Officer.

Richard has been a Director of the Insurance Council of Australia since 2018, and is a member of the Champions of Change Coalition. He is also a Fellow of the Australian and New Zealand Institute of Insurance & Finance (ANZIIF) and holds a Bachelor of Business from the University of Technology, Sydney.

Richard is a respected leader in the Australian insurance industry and is known for his commitment to gender equity, diversity and belonging, and customer experience and advocacy.

Insurance Council of Australia Board of Directors 2023



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 ANZIIF.



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.



Ram Kangatharan
Group Managing Director & CEO,
Asia Pacific, Auto & General

Ram joined Auto & General in April 2012. Today this group includes Budget Direct insurance, Compare the Market in Australia and as of December 2022, iSelect Limited. An insurance business in Singapore and a Life Insurance broker business in Shanghai, China.

Ram was previously the Chief Operating Officer at the Bank of Queensland where he was responsible for Banking (Retail and Commercial), St Andrew's Insurance (consumer credit protection) and BOQ Finance (specialist asset finance). He joined BOQ as Chief Financial Officer in 2007.

Prior to this, from 1998 to 2007 he led a variety of functions at Electronic Data Systems (EDS), a fortune 500 company listed on the NYSE, including Vice President and CFO Asia Pacific & Japan and VP Global Strategy and redesign. Ram started his post graduate work with Procter & Gamble in brand finance and progressed to business development and M&A.

Insurance Council of Australia Board of Directors 2023



Peter Kelaher

Country President, Australia & New Zealand,
Chubb Insurance Australia Ltd

Peter Kelaher has more than 17 years' experience in the insurance industry and 15 years with Chubb.

In his current role, Peter has executive operating responsibility for Chubb's general insurance business, including commercial property & casualty, traditional and specialty personal lines and accident and health insurance. He oversees all facets of the business including strategy, product and business development, underwriting and service operations, and profit & loss performance.

Peter was previously Head of Property & Casualty, Australia & New Zealand at Chubb, and prior to the integration of ACE & Chubb, held the position of Assistant Vice President & Product Manager D&O, EPL & Crime.

Peter holds a Bachelor of Business/Laws and a Graduate Diploma of Applied Corporate Governance.

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 took up the role as Chief Insurance Officer at RACTI.

Insurance Council of Australia Executive leadership team 2023



Andrew Hall
Executive Director and CEO

Andrew joined the Insurance Council of Australia in September 2020 from the Commonwealth Bank, where he served as Executive General Manager, Corporate Affairs, for seven years. At CBA he was responsible for the management of CBA's corporate reputation, public affairs and sustainability.

He was previously Director of Corporate and Public Affairs for Woolworths Limited for six years, overseeing a similar portfolio and 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 as a ministerial media advisor. From 2001 to 2007 he was the Federal Director of the Nationals, leading the party as campaign director for federal elections.

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 serves on the boards of Rural Aid.



Kylie Macfarlane
Chief Operating Officer

Kylie is the Chief Operating Officer of the Insurance Council of Australia having joined in September 2020 to support the Insurance Council deliver a strategic plan to guide the organisation and its priorities. As Chief Operating Officer, Kylie is responsible for climate and social policy, resilience, and co-ordination of the industry's response and recovery efforts to severe weather events. Her other responsibilities include leading the operational functions of the ICA across finance, human resources, IT and data management.

Kylie has held executive and non-executive positions in leading financial services organisations 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. Prior to joining the Insurance Council Kylie was the General Manager, Corporate Responsibility at the Commonwealth Bank leading its work on climate and social investment.

Over the last 10 years Kylie 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 impact investment focused on producing shared outcomes and embedding social license.



Alexandra Hordern
General Manager, Regulatory and Consumer Policy

Alexandra joined the Insurance Council of Australia in January 2023 in the role of General Manager, Regulatory Policy, and moved into the role of General Manager, Regulatory and Consumer Policy in August 2023. Prior to that, Alexandra held the role of Director, Policy and Advocacy at the Australian Small Business and Family Enterprise Ombudsman.

Alexandra is responsible for developing and implementing the Insurance Council's regulatory and consumer policy agenda including liaising with sector regulators ASIC and APRA, dispute resolution body AFCA, and working with stakeholders through the Business Advisory Council, the Consumer Advisory Council, and the Indigenous Advisory Council, to solve problems related to insurance for consumers and businesses.

Alexandra has worked in advocacy bodies, the federal government, federal politics, and the university sector, focusing on policy and advice to deliver better outcomes for consumers, small business owners, and communities. She holds a BA (Hons) and a Juris Doctor from the Australian National University.



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, and working alongside members to protect and enhance the reputation of the industry.

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.



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.

Insurance Council of Australia

Advisory committee members

Business Advisory Committee

Established in 2021, the Insurance Council's Business Advisory Council brings together representatives from business and insurance sectors to identify and work through practical solutions to improve insurance affordability and availability.

The key areas of focus of the BAC during 2023 were the ongoing availability and affordability of professional indemnity insurance for the engineering and building design sector and public liability insurance for businesses operating in the Live Music and tourism sectors. In 2024 the Insurance Council will continue to work closely with these sectors' key industry bodies, including the Australian Live Music Business Council, the Australian Chamber of Commerce and Industry, The Australian Small Business and Family Enterprise Ombudsman and state small business commissioners.

Chair: Dallas Booth

Committee Members:

Andrew Hall, CEO, ICA

Bruce Billson, Australian Small Business and Family Enterprise Ombudsman

Jenny Bax, CEO, Underwriting Agencies Council

Philip Kewin, CEO, NIBA

Peter Grist, Principal Economist and Director, ACCI

Chris Lamon, NSW Small Business Commissioner

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

Luke Achterstraat, CEO, Council of Small Business Organisations Australia

Andrew Bassingthwaighe, Australian Live Music Business Council

Dominique Lamb, Queensland Small Business Commissioner

Consumer Advisory Committee

In 2023, the Committee met four times to discuss a range of consumer issues, including the impacts of the 2022 major floods in New South Wales, Queensland and Victoria, customer inclusion and supporting customers experiencing vulnerability, including family violence.

One meeting was a hybrid virtual and in-person Consumer Day roundtable with general insurance senior leaders and the Insurance Council to explore and better understand the priority issues raised by the Committee arising from the 2022 floods. Issues discussed included the application of maintenance, wear and tear clauses/expert reports, renewal notices when claims had not been finalised and the internal dispute resolution responses of insurers. There was also a discussion about the emerging issue of scams and general insurance. Committee members made a valuable contribution to the Deloitte review of the flood response by the insurance industry.

The Committee drew to a close its priority issue focused on customer inclusivity of LGBTIQ+ customers, noting the general insurance sector had made considerable progress in responding to the best-practice recommendations in the InsurePride, *Worth the Risk* Report. The Committee acknowledged that while general insurers are at different stages of the journey, the general insurance sector would continue to work towards further improvement.

Independent Chair: Diane Carmody

Deputy Chair: Denis Nelthorpe

Committee Members:

Peter Gartlan, co-CEO, Financial Counselling Australia

Paul Holmes, Assistant Director – Disaster Relief, Legal Aid Queensland

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

Matthew Martin, Acting Legal Director, WEstjustice

Alison Pidgeon, Solicitor, Legal Aid WA

Ma'ata Solofoni, Senior Solicitor, Legal Aid NSW

Steph Tonkin, CEO, Consumer Action Law Centre

Insurance Council of Australia Advisory committee members

Indigenous Advisory Committee

In 2023, the Indigenous Advisory Committee (IAC) set strategic groundwork to improve access to and understanding of general insurance for Indigenous communities and businesses. The IAC expanded its financial literacy expertise by welcoming Phil Usher, CEO of First Nations Foundation as an IAC member; actively participated in workshops and forums with the Australian Securities and Investment Commission to develop the Indigenous Financial Services Framework; oversaw the launch of the First Nations Working Group within the insurance industry, aimed at addressing and devising solutions for insurance access and comprehension among Indigenous consumers; as well as guided the creation of the Insurance Council's Indigenous Engagement Strategy, outlining a path for better industry collaboration with Indigenous communities and addressing their insurance challenges. Furthermore, the IAC enhanced the Insurance Council's reconciliation efforts, supporting the education of members and employees regarding the Voice to Parliament Referendum through the development of educational and support resources and overseeing the implementation of Insurance Council's first ever Reconciliation Action Plan.

Looking ahead to 2024, the IAC plans to further the Indigenous Engagement Strategy by: developing culturally tailored educational resources on insurance to foster better understanding and engagement among Indigenous people and businesses; overseeing Insurance Council efforts to cultivate thought leadership and strategies for more effective industry engagement with Indigenous communities regarding disaster preparedness, mitigation, and recovery, given the heightened climate change risks; supporting the creation of the Insurance Council's next "Innovate" Reconciliation Action Plan, continuing their journey toward reconciliation; as well as hosting its first on country meeting in North Queensland to engage with local Indigenous leaders.

The IAC will also support Insurance Council's broader work on developing an Industry Wide Talent Roadmap, part of which will focus on the attraction and retention of Indigenous talent in the insurance sector.

Committee Members:

Sean Gordon AM (Chair) – 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.

Adam Bray – General Manager for Indigenous Strategy and Affairs at the Woolworths Group. Adam is a proud Iman man and advocate for the rights and interests of Indigenous people and communities.

Renee Williams – Chief Executive Officer at Torres Health Indigenous Corporation 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).

Phil Usher – CEO of First Nations Foundation, Australia's only national Indigenous financial wellbeing provider. Phil, a Wiradjuri man born and raised on Gomeri country, has led First Nations Foundation since 2020 and has previously advised a number of financial institutions regarding culture and business including Commonwealth Bank of Australia, Australian Super, ANZ, NAB and Suncorp.



Insurance Council of Australia

Member companies

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

Annual Financial Report

As at 31 December 2023

Insurance Council of Australia Limited

Annual Financial Report As at 31 December 2023

Insurance Council of Australia Limited
 (Company Limited by Guarantee)
 Incorporated in Victoria
 ABN 50 005 617 318
 Registered Office:
 Level 26, 9 Castlereagh Street, Sydney, NSW 2000

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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 2023 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 Justin Delaney Chief Executive Officer Zurich, Australia and New Zealand	Non-Executive Director Appointed 16 May 2023 12 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

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Directors (continued) Name	Role and experience
Mr Ram Kangatharan Group Managing Director & CEO, Asia Pacific Auto & General Holdings Pty Ltd	Non-Executive Director Appointed 16 May 2023 12 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
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

Company Secretary
Ms. Nicole Mills

Directors' Meetings

There were five directors' meetings held during 2023 and the number of meetings attended by each of the directors of the Company during the year are:

	Eligible to Attend	Meetings Attended
Mr. J. Delaney	4	4
Mr. R. Enthoven	5	5
Mr. R. Feledy	5	5
Ms. N. Fenech	5	5
Mr. A. Hall	5	5
Mr. N. Hawkins	5	5
Mr. S. Hawkins	5	4
Ms. S. Houghton	5	4
Mr. S. Johnston	5	5
Mr. R. Kangatharan	4	4
Mr. P. Kelaher	5	2
Mr. C. Mackinnon	5	4
Mr. H. Schreuder	1	1
Mr. P. Sofronoff	5	5

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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 2023 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 recorded an operating loss for year ended 31 December 2023 of (\$563,727) compared to the budget deficit of (\$355,306). A significant portion of this unfavourable variance relates to unbudgeted expenditure such as the Deloitte CAT 221 Review which was mostly absorbed within the existing budget. Event costs and travel & accommodation costs were higher in 2023 as the ICA returned to in-person events.

This loss will be realised against the Members Funds in part due to the prior years of consecutive surpluses which greatly boosted the balance and enabled the ICA to partly fund the 2023 budget. The partial funding will also carry into the 2024 budget and business plan.

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.

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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 2023 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
26 March 2024

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Statement of Comprehensive Income

For the year ended 31 December 2023

All amounts are in Australian dollars

	Note	2023	2022
Member levies	2	16,958,924	16,075,720
Other income	2	718,331	435,136
Employee expenses		(9,947,166)	(8,760,979)
Professional expenses		(6,414,389)	(5,303,289)
Occupancy expenses		(867,289)	(714,391)
General expenses		(1,012,138)	(496,189)
Surplus/(Deficit) before income tax		(563,727)	1,236,008
Income tax expense	5	-	-
Net surplus/(deficit) after income tax		(563,727)	1,236,008
Other comprehensive income		-	-
Total comprehensive surplus/(deficit)		(563,727)	1,236,008

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.

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Statement of Financial Position

As at 31 December 2023

All amounts are in Australian dollars

	Note	<u>2023</u>	<u>2022</u>
Current assets			
Cash and cash equivalents	6	3,322,829	7,061,488
Trade and other receivables	7	2,724,844	146,306
Prepayments	8	371,870	124,258
Right of Use Asset	9	592,148	-
Total current assets		<u>7,011,691</u>	<u>7,332,052</u>
Non-current assets			
Property, plant and equipment	9	241,564	690,308
Right of Use Asset		3,306,158	-
Total non-current assets		<u>3,547,722</u>	<u>690,308</u>
Total assets		<u>10,559,413</u>	<u>8,022,360</u>
Current liabilities			
Trade and other payables	10	2,472,154	2,561,045
Employee Provisions	11	360,563	441,429
Lease Liabilities		382,118	658,814
Total current liabilities		<u>3,214,835</u>	<u>3,661,288</u>
Non-current liabilities			
Employee Provisions	11	47,800	119,100
Lease Liabilities		3,618,533	-
Total non-current liabilities		<u>3,666,333</u>	<u>119,100</u>
Total liabilities		<u>6,881,167</u>	<u>3,780,388</u>
Net assets		<u>3,678,245</u>	<u>4,241,972</u>
Member funds		<u>3,678,245</u>	<u>4,241,972</u>

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 2023

All amounts are in Australian dollars

	<u>2023</u>	<u>2022</u>
Member funds at the beginning of the year	4,241,972	3,005,964
Total comprehensive surplus	(563,727)	1,236,008
Member funds at the end of the year	<u>3,678,245</u>	<u>4,241,972</u>

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 2023

All amounts are in Australian dollars

	Note	<u>2023</u>	<u>2022</u>
Cash flows from operating activities			
Cash receipts in the course of operations		14,465,331	16,498,840
Interest received		385,774	93,141
Cash payments in the course of operations		(14,228,300)	(16,460,478)
Net cash from/(used in) operating activities		<u>622,805</u>	<u>131,503</u>
Cash flows used in investing activities			
Payments for property, plant and equipment		(4,361,464)	(18,878)
Proceeds from disposal of property, plant and equipment			
Net cash (used in) investing activities		<u>(4,361,464)</u>	<u>(18,878)</u>
Net increase/(decrease) in cash and cash equivalents held		(3,738,659)	112,625
Cash and cash equivalents at the beginning of the financial year		<u>7,061,488</u>	<u>6,948,863</u>
Cash and cash equivalents at the end of the financial year	6	<u>3,322,829</u>	<u>7,061,488</u>
Reconciliation of net (loss) after income tax to net cash used in operating activities			
Net Surplus after income tax		(563,727)	1,236,008
Plus non-cash items:			
Depreciation – Buildings	3	795,756	616,886
Depreciation – FF&E	3	116,147	99,041
Amounts set aside to provisions	11	554,751	556,584
Changes in operating assets and liabilities:			
Decrease in receivables	7	(2,578,538)	114,225
(Decrease)/increase in prepayments	8	(247,612)	(33,100)
(Decrease)/increase in trade and other payables	10	(88,891)	(1,170,308)
(Decrease) in lease liabilities		3,341,836	(673,623)
(Decrease) in provisions	11	(706,917)	(614,210)
Net cash from/(used in) operating activities		<u>622,805</u>	<u>131,503</u>

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 2023
1. Statement of Material Accounting Policies

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

▪ Basis 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 are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board and the Corporations Act 2001. These financial statements comply with Australian Accounting Standards – Simplified Disclosures.

In the previous year the financial statements were special purpose financial statement prepared in accordance with Australian Accounting Standards. There was no impact on the recognition and measurement of amounts recognised in the statement of financial position, statement of comprehensive income and statement of cash flows of the Company as a result of the change in basis of preparation.

They were authorised for issue by the Board of Directors on 26 March 2024. Details of the Company's accounting policies, including changes during the year, are included in Note 1.

▪ 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 2023**

1. Statement of Material 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 2023**

1. Statement of Material 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)	8.97%

▪ **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.

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Notes to the Financial Statements
For the year ended 31 December 2023

1. **Statement of Material 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.

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Notes to the Financial Statements
For the year ended 31 December 2023

1. **Statement of Material 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.

	2023	2022
2. Revenue		
Member levies	16,958,924	16,075,720
Bank interest	385,774	93,141
Other income	332,557	341,995
Total Revenue	17,677,255	16,510,856
3. Operating Profit		
Operating profit before income tax has been arrived at after charging the following items:		
Depreciation of:		
- Property, plant and equipment	116,147	99,041
- Right of use office lease	549,028	616,886
Net expense from movement in provision for employee benefits	554,751	556,584
	554,751	556,584

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**Notes to the Financial Statements
For the year ended 31 December 2023**

	2023	2022
4. Auditor's Remuneration		
Auditor's remuneration in respect of auditing the financial statements	32,250	31,350
5. Income Tax		
Income tax is payable on non-member income:		
Bank interest	385,774	93,141
Conference expenses allowable	(80,363)	(13,660)
Administration costs allowable	(6,905)	(4,259)
Superannuation contributions paid	(695,051)	(577,685)
Assessable non-member (loss)	(396,545)	(502,463)
Income tax benefit applicable to non-member loss at 30% (2022: 30%)	(118,964)	(150,739)
Income tax benefit not brought to account	118,964	150,739
Income Tax	-	-
Income tax benefits not recognised		
Reconciliation of movement:		
Carrying amount at the beginning of the financial year	1,746,168	1,595,429
Income tax benefit not brought to account in the current year	118,964	150,739
Income tax benefits not recognised at reporting date	1,865,132	1,746,168
6. Cash and Cash Equivalents		
Cash on hand	0	1,120
Bank operating account	820,991	50,368
Bank deposit at call	1,379,102	6,260,000
Term deposits	1,122,736	750,000
Total Cash and Cash Equivalents	3,322,829	7,061,488
The bank operating account is at call and pays interest at a current rate of 0.15% (2022: 0.15%). The bank deposit account is at call and pays interest at a current rate of 4.25% (2022: 2.75%). The term deposits will pay interest on maturity at rates between 2.69%-4.43% (2022: 1.25%-2.69%)		
7. Trade and Other Receivables		
Amounts due from members	2,724,844	146,306

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**Notes to the Financial Statements
For the year ended 31 December 2023**

	2023	2022	
8. Prepayments			
Prepaid expenses	371,870	124,258	
9. Property, Plant and Equipment			
	Buildings	Furniture, Fittings & Equipment	Total
Cost			
Balance at 31 December 2022	3,016,571	665,339	3,681,910
Additions – 2023	-	216,430	216,430
Balance at 31 December 2023	3,016,571	881,769	3,898,340
Accumulated depreciation			
Balance at 31 December 2022	2,467,544	524,058	2,991,602
Depreciation – 2023	549,028	116,147	665,175
Balance at 31 December 2023	3,016,572	640,205	3,656,777
Carrying amount			
At 31 December 2022	549,027	141,281	690,308
At 31 December 2023	-	241,564	241,564
	2023	2022	
10. Trade and Other Payables			
Payables trade	302,451	559,865	
Payables other	323,964	289,661	
Monies received in advance	16,408	444,170	
Other accrued expenses	1,829,331	1,267,349	
Total Trade and Other Payables	2,472,154	2,561,045	
11. Provisions			
Provision for employee benefits - Current	360,563	441,429	
Non-Current	47,800	119,100	
Total Provisions	360,563	560,529	
Number of full time equivalent staff (excluding vacant positions and contractors) at the end of the financial year	36.2	31.5	

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Notes to the Financial Statements
For the year ended 31 December 2023

Reconciliation of movement in provisions for employee benefits:

	<u>2023</u>	<u>2022</u>
Carrying amount at the beginning of the financial year	560,529	618,155
Amounts set aside to provisions	554,751	556,584
Amounts paid to employees	<u>(706,917)</u>	<u>(614,210)</u>
Carrying amount at the end of the financial year	<u>408,363</u>	<u>560,529</u>

12. Bank Guarantee		
Aggregate amount	<u>561,000</u>	<u>195,322</u>

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 (\$561,000).

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 publicly accountable;
- (b) the financial statements and notes that are 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 Company's financial position as at 31 December 2023 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Simplified Disclosures Requirements 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:

Dated at 26th day of March 2024



 N. Hawkins
 President
 26 March 2024



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 2023 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
26 March 2024



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 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 31 December 2023;
- Statement of comprehensive income, statement of changes in members funds, and statement of cash flows for the year ended;
- Notes, including material accounting policies; and
- Directors' 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 (including Independence Standards)* (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 describes the basis of preparation.

The Financial Report has been prepared for the purpose of fulfilling the Directors' financial reporting responsibilities under the *Corporation Act 2001*. As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion 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 report 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 gives a true and fair view in accordance with *Australian Accounting Standards -Simplified Disclosures* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives 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.



Leann Yuen
Partner

Sydney
26 March 2024



Insurance Council
of Australia

[Insurancecouncil.com.au](https://www.insurancecouncil.com.au)