



News release

Insurance Council
of Australia

Wednesday, 27 November 2024

Insurers welcome Senate Inquiry report into climate risk and insurance

The Insurance Council of Australia (ICA) today welcomed the Senate Select Committee report on the Impact of Climate Risk on Insurance Premiums and Availability.

The report highlights how more frequent and intense extreme weather events, driven by climate change, along with the expansion of development into high-risk areas, is widening the insurance protection gap in high-risk parts of the country.

The ICA supports recommendations which would not only help to drive down premiums, but also reduce emissions, improve community resilience and better protect Australians in the face of worsening extreme weather.

This includes increasing investment in the Disaster Ready Fund, ending new development in high-risk areas, strengthening our building codes and the abolition of unfair taxes on insurance premiums.

The cost of extreme weather is growing in real terms. According to ICA's [Insurance Catastrophe Resilience Report 2023–24](#), insured losses totalled \$2.19 billion in 2023-24 across just four significant events.

Australia's general insurers are already playing a part in tackling the drivers of climate risk.

The industry's Climate Change Roadmap provides a framework for how members can work to substantially cut emissions this decade across their operations, investments, supply chain and underwriting.

Over the coming months, the ICA will review and engage with its members on the report's recommendations.

The ICA and its members are committed to continuing to work closely with Australian governments, stakeholders, consumer representatives, regulators and experts to mitigate the risks and impacts of climate change on insurance premiums and availability.

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

The Senate Select Committee Report adds to the information we have about the correlation between climate risk and insurance affordability and availability.

As also outlined in the House Economics Committee's Report into the 2022 floods, there are common policy recommendations for how governments, communities and insurers can work together to improve our resilience to extreme weather risk.

The ICA and its members thank the Committee for their work inquiring into this important issue.

We look forward to continuing our collaboration with all levels of government and broader stakeholders.

Getting the balance right between good customer outcomes without putting further pressure on premiums will be key to successful implementation.