



Insurance Council  
of Australia

# ICA Extreme Weather and Disaster Response Planning Guide

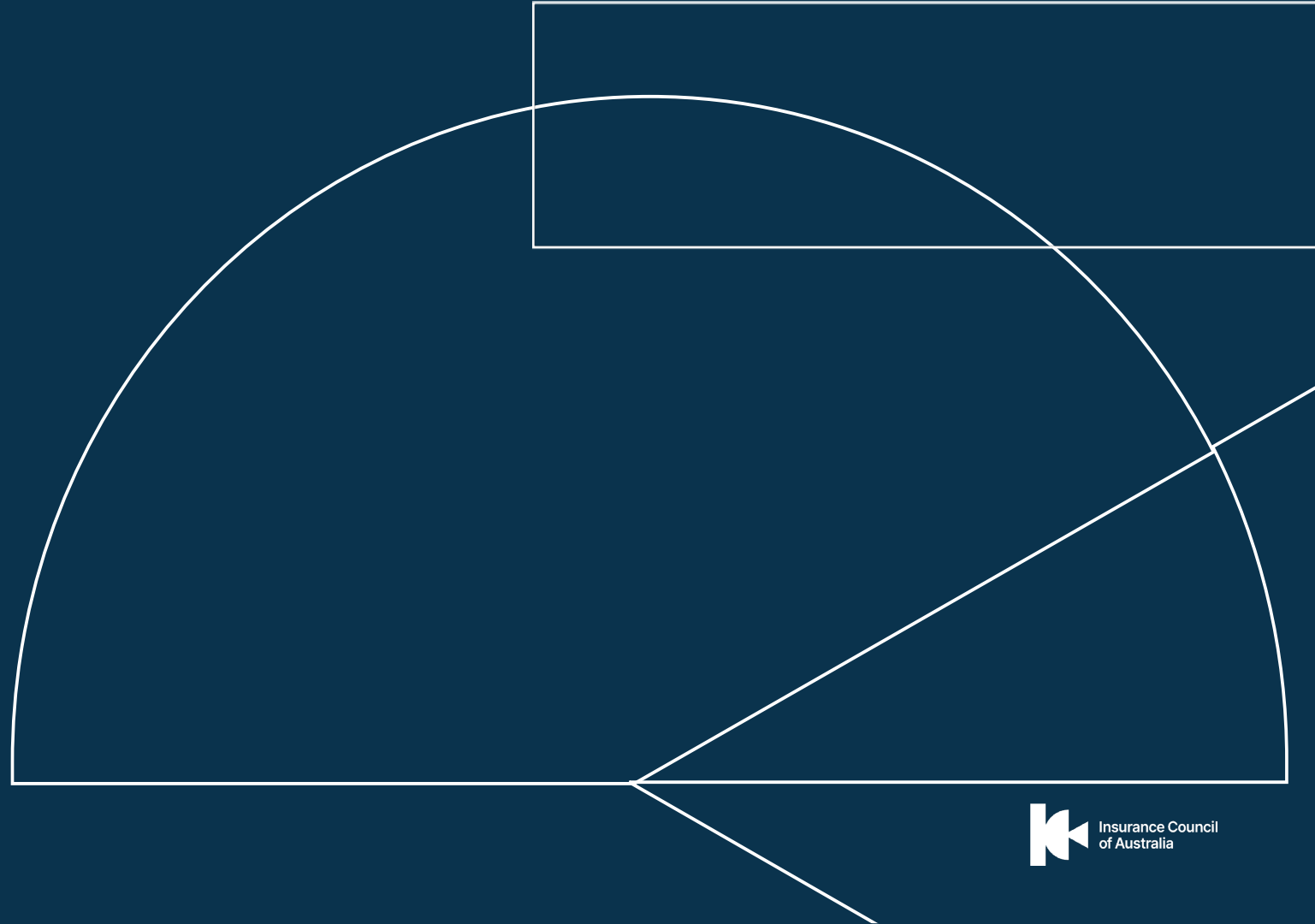


The Insurance Council recognises that each insurer will face challenges when preparing and responding to extreme weather and disaster events.

The Insurance Council will provide support and guidance to all its members to help build knowledge, share best practice, and enable insurers to make decisions that can assist them in developing their extreme weather and disaster event response plan.

The guidance in this document serves as a better practice framework to assist insurers in the development of their own approach to extreme weather and disaster event (s) management

Each member is encouraged to use this framework or develop a different approach that it deems most suitable for their purpose of determining their own response to extreme weather and disaster events.



# Contents

ICA Extreme Weather and Disaster  
Response Planning Guide



# Contents

Section	Page
1. Background and Purpose	5
2. What in an extreme weather and disaster event response plan?	10
3. Key features of a good extreme weather and disaster event response plan	13
5. Elements of an extreme weather and disaster event response plan	15
5. Embedding extreme weather and disaster event response plan	22
Appendix A: Links to useful industry and community resources	25



# 1. Background and Purpose

ICA Extreme Weather and Disaster Response Planning Guide

# Background

In early 2022, a series of extreme weather events across New South Wales and South-East Queensland known as Catastrophe 221 (CAT221) resulted in an increased demand on insurers, with ~244,000 claims totaling approximately \$6.16 billion paid (as at August 2024).

The Insurance Council of Australia (ICA) subsequently engaged Deloitte in 2023 to undertake a review of insurance industry responses to CAT221, and accepted the recommendations in the report, 'The new benchmark for catastrophe preparedness in Australia' (the CAT221 Report) published in October 2023.

## Relevant ICA Report Finding



One of the key findings from the CAT221 Report is that *“there is no industry standard for insurance catastrophe planning, which meant that while some insurers’ event management plans were robust, others lacked details and was not fit-for-purpose.”*

## Relevant ICA Report Recommendation



- Recommendation 1 of the CAT221 Report called for the industry to **“improve catastrophe planning to meet community expectations of operating in the Australian environment. Specifically, uplift is required on preparedness for, and stress testing against, extreme catastrophes.”**
- Sub-recommendation 1.5 called for the ICA to consider introducing a **“baseline category as part of the Insurance Extreme Weather and Disaster Event Management to ensure consistent levels of planning and preparedness among insurers for managing extreme weather and disaster events.”**



## As part of ICA’s commitment to meet Recommendation 1.5, the ICA has since:

- Drafted the ICA Charter for Extreme Weather Response in the general insurance Industry in Australia (the Charter) which outlines the principles and planned activities the general insurance industry should undertake to respond effectively to extreme weather and disaster events.
- Engaged Deloitte to develop a guide to provide a baseline guide for insurers to develop their extreme weather and disaster event response plan (also known as event management plan or catastrophe response plan\*).

**\*Note:** For the purposes of this Guide, “extreme weather and disaster event(s)”, “catastrophe(s)”, “extreme weather event(s)”, “event(s)”, and “Insurance Event(s)” may be used interchangeably and are intended to convey the same meaning.



# Purpose of the Guide

## The purpose of the Guide **is** to:



Provide a baseline guide for general insurers to consider when preparing for and responding to extreme weather and disaster events.



Collate better practice ideas from across the industry that can be scaled and adjusted to individual insurer size, policy types and risk.

## The Guide is **not** intended to:



Mandate specific approaches and outcomes for extreme weather and disaster event(s) management.



Be used as an assessment mechanism by which insurers are regulated.



# Distinguishing between the ICA Charter, Guide, and Extreme Weather and Disaster Event Response Plans

How do the Charter and the Guide link together?



## ICA Charter

A formal document that provides a high-level overview of the principles and planned activities the general insurance industry will undertake to respond effectively to extreme weather and disaster events.



## ICA Extreme Weather and Disaster Response Planning Guide

A guide for insurers on how to undertake their insurer level response and developing their respective extreme weather and disaster event response plans. It provides more detail to the principles and planned activities in the Charter.



## Insurer's Extreme Weather and Disaster Event Response Plan

Forms a tailored roadmap for each insurer, varying by insurer size, detailing responses to extreme weather and disaster events based on the principles outlined in the guide.



# The ICA Charter

## What is the Charter?

The Charter outlines the principles and planned activities for the general insurance industry to respond effectively to extreme weather and disaster events. [General Insurance Industry Charter \(insurancecouncil.com.au\)](https://www.insurancecouncil.com.au)

## What are the key principles of the Charter?

The Charter introduces 7 key principles which guide the preparation for and responses to extreme weather and disaster events. The guide will seek to link to these principles:

- 1 Individuals & Communities
- 2 Information
- 3 Presence & Engagement
- 4 Coordination
- 5 Customer Voice
- 6 Collaboration & Advocacy
- 7 Accountability

## What are the considerations for planned activities in the Charter?

The Charter sets out the considerations for planned activities over 3 stages:

- Before an extreme weather event
- During an extreme weather event
- After an extreme weather event

The key elements of planned activities are categorised by:

- Customer & Community
- Coordination & Collaboration
- Planning & Better Practice

## 2. What is an extreme weather and disaster event response plan?

ICA Extreme Weather and Disaster Response Planning Guide

# What is an extreme weather and disaster event response plan?



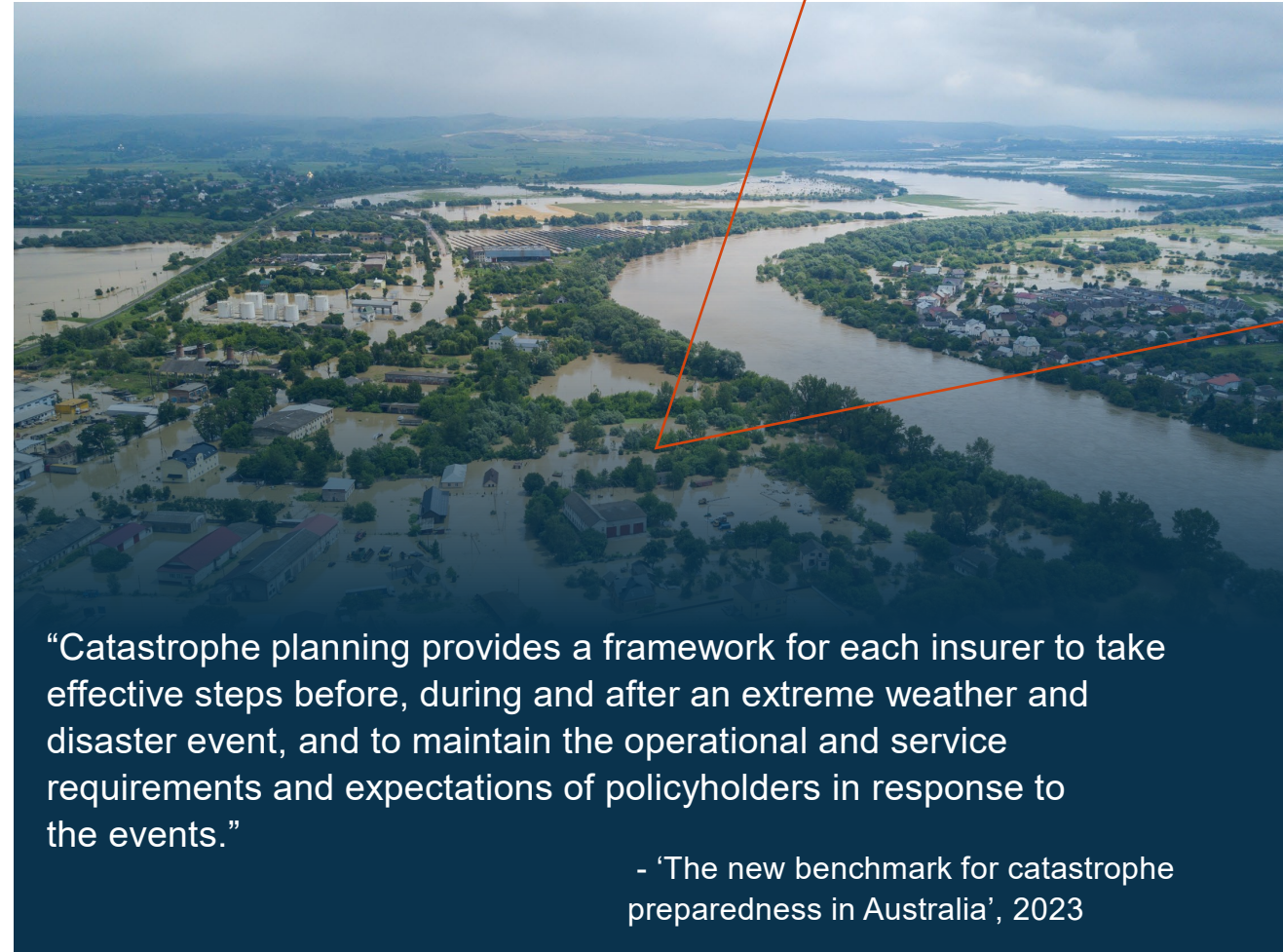
An extreme weather and disaster event response plan is used by insurers to respond to extreme weather and disaster events which impact a significant volume of customers.



It supports an insurer to prepare for, respond to and manage an extreme weather and disaster event, and serves as a reliable course of action to deliver consistent and predictable outcomes.



An “event” may be defined differently by each insurer and the ICA depending on the size of the company, its risk exposure, and the event type.



“Catastrophe planning provides a framework for each insurer to take effective steps before, during and after an extreme weather and disaster event, and to maintain the operational and service requirements and expectations of policyholders in response to the events.”

- ‘The new benchmark for catastrophe preparedness in Australia’, 2023



# What are some of the key information and data that may be helpful for the development of an extreme weather and disaster event response plan?



Workforce planning data on the limits of the capacity of resources and critical third parties to maintain 'business as usual' service levels throughout the event



The strategic arrangements in place to scale resources and critical third parties capacity in response to events



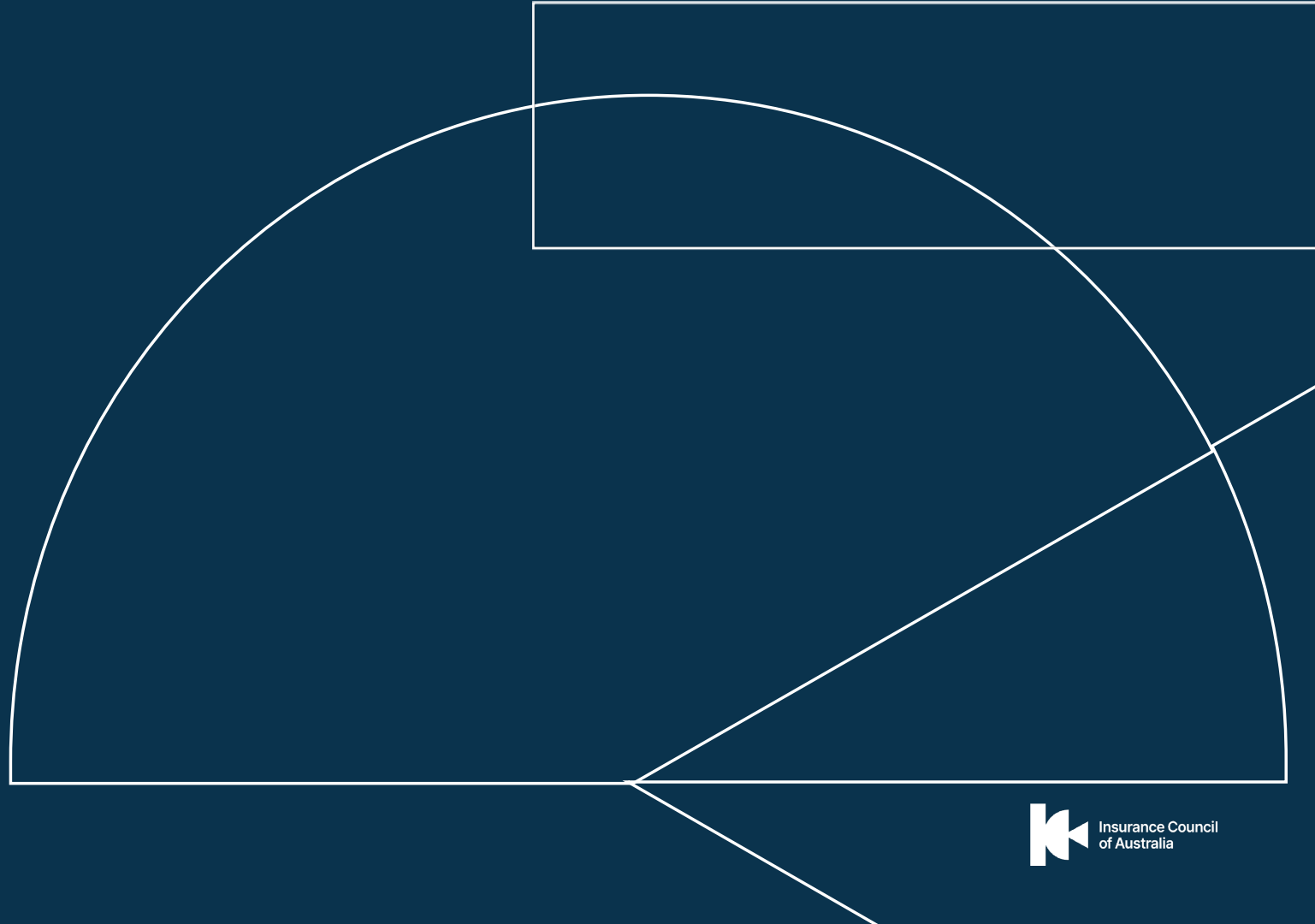
The unique community, customer, logistical and occupational safety requirements for different event types (e.g. bushfire, floods, earthquakes, cyclones)



The insurers' risk exposure to different event types according to policy coverage

### **3. Key features of a good extreme weather and disaster event response plan**

ICA Extreme Weather and Disaster Response Planning Guide



# Key features of a good extreme weather and disaster event response plan

Below are key features of a good extreme weather and disaster event response plan, the extent to which some elements apply to general insurers will depend on its size, risk profile and customer demographic.

1. **Clear:** the plan provides clarity on the key actions required by an insurer to respond to an extreme weather and disaster event.
2. **Comprehensive:** the plan covers all aspects of an insurers business impacted by an extreme weather and disaster event, not just the claims area (e.g. supply chain, complaints team and external relations), and with consideration of how non-event or BAU service levels can be maintained.
3. **Accessible:** the plan is written in a concise, clear language with a target reading comprehension appropriate to the users of the document.
4. **Practical and relevant:** the plan is practical and provides staff with key information, and supporting templates that allow them to execute their responsibilities, for example by:
  - a. Drafting sections relating to different practice areas/business units
  - b. Checklists of activities required through the lifecycle of the event for staff to follow.
  - c. Templates of required reporting for key forums.
  - d. Templates of meaningful communications for customers, third parties and stakeholders.
5. **Scalable to insurer risk profile:** the plan should have consideration for different types of events in terms of weather or disaster type, size of event and geographical location, and thresholds at which service levels become affected through the internal operations and critical third parties value chain.
6. **Embedded:** the plan should consider how staff are trained to action the extreme weather and disaster event response plan, ensure it is well understood and embedded into operational routines.
7. **Clear accountability, decision making and governance:** the plan identifies the key roles and responsibilities of resources needed, delegations of authority pre-approved and agreed.
8. **Data enabled:** the extreme weather and disaster event response plan should have a data and reporting plan which enables key insights to aid strategic decision making throughout an event.
9. **Interactions with external stakeholders, relationships and communities:** the plan considers integrated responses with external stakeholders, collaborate with third parties (e.g. essential service providers, mental health services, financial counselling services etc.) and consideration of the needs of various communities that they are working with.
10. **Continuously improved:** the plan should be continuously improved operational and economic stress testing to identify and understand vulnerabilities within product portfolios, operations and dependencies on market conditions when responding to catastrophes. It should also be updated with learnings from live events.



## 4. Elements of an extreme weather and disaster event response plan

ICA Extreme Weather and Disaster Response Planning Guide

# Elements of an extreme weather and disaster event response plan

Below are key areas that insurers could consider when developing the extreme weather and disaster event response plan. This is not intended to be prescriptive of what insurers should include in their plans, or indeed comprehensive for every consideration an insurer needs to make. It aims to provide guidance and insight into the topics and areas that might be useful to consider when developing a plan.

- 1 Defining an event
- 2 Identifying and declaring an event
- 3 Event response governance and oversight
- 4 Roles and Responsibilities
- 5 Recovery protocols
- 6 Resourcing and supply chain
- 7 Communication
- 8 Health, safety and wellbeing
- 9 Runsheet, checklists and other relevant documents
- 10 Continuous improvement



# Content considerations



## 1. Defining an event

The areas for consideration for defining an event are as follows:

- What are the criteria and internal thresholds for what is considered an 'event' that requires operational response and service levels above and beyond business as usual (BAU)?
- The definitions and criteria should be developed based on factors including:
  - *Limits and thresholds of existing resourcing capacity and critical third parties (i.e. maximum number of claims the BAU operations can absorb)*
  - *Definitions from re-insurers and ICA;*
  - *Tiering of events (e.g. small, medium, large); and*
  - *Triggers for the different tiers of events, e.g.:*
    - *Call wait times and number of claims lodged in the immediate aftermath of the event (e.g. 24-48 hours)*
    - *The geographical spread of the event and potential impact on operations and resourcing*
    - *Community and customer level impacts (e.g. proportional impact, recent and historic extreme event experience, recovery challenges)*
    - *Potential reputational impact (e.g. political, media or regulatory attention)*
    - *Type, duration and severity of the event*

Alignment with ICA Charter Principles: Principle 2 – Information



## 2. Identifying and declaring an event

The areas for consideration for identifying and declaring an event are as follows:

- What types of data and information are required for the insurer to analyse:
  - *event risk profile*
  - *extent of event impact to customers*
  - *unique needs of the customer and community following different types of event with consideration on the location, size and demographic of the customer base?*
- How can the insurer collate consistent and reliable source of data, information and weather alerts internally and externally (e.g. weather experts, community representatives, local media) to make strategic decisions regarding logistical and operational response to an event?
- What are the internal process and procedures for declaring an event and triggering event protocols? E.g.:
  - *Who can and should declare an event?*
  - *What is the process and what are the levels of events to be declared?*
  - *When should an event be declared?*
  - *How (i.e. communication channels) should the event be declared?*

Alignment with ICA Charter Principles: Principle 2 – Information



# Key information to include in an extreme weather and disaster event management plan



## 3. Event response governance and oversight

The areas for consideration for event response governance and oversight are as follows:

- Who are the key personnel that will form the Event Response Oversight team?
- What are the key internal governance forums to be stood up following event declaration? Considerations should include:
  - *the frequency and the participants to attend*
  - *the types of data and information to be collated and reported during the forums to enable rapid and informed strategic decision making throughout the event*
  - *the types of data and information to be collated and reported to ensure that regulatory timeframes and industry standards and obligations are met and monitored (e.g. GICOP communication timeframes) throughout the event*
  - *Integrating a 'customer voice'*
- What are the key external governance forums to integrate and engage in following event declaration? Considerations should include:
  - *the participants to attend*
  - *the types of data and information to be shared to support customers' resilience measures*
  - *the types of data and information to be shared or collated during the forums to enable better collaboration and strategic decision making during an extreme weather and disaster event*

**Alignment with ICA Charter Principles:** Principle 2 – Information, Principle 5 – Customer Voice



## 4. Roles and responsibilities

The areas for consideration for roles and responsibilities are as follows:

- Who are the key decision makers and what is the governance process for strategic decision making during an extreme weather and disaster event (to align with Item 3)?
- What are the roles and responsibilities (responsibility assignment matrix (RACI)) to enable the set up and delivery of operational response and does it need to vary depending on the types of extreme weather and disaster events?
  - *NB. The roles and responsibilities should cover the elements of the extreme weather and event response plan (see slide 27).*
- Is there a centralised location to access key personnel contact details?
- What are the delegations of authority with consideration to differences in:
  - *the areas of the business (e.g. lodgements, claims, complaints)*
  - *the phase of the extreme weather and disaster event response (e.g. before, during and after the recovery).*

**Alignment with ICA Charter Principles:** Principle 2 – Information

# Key information to include in an extreme weather and disaster event management plan



## 5. Recovery protocols

The areas for consideration for recovery protocols are as follows:

- What are the logistical requirements to deploy staff into impacted areas?
- Are there partnerships with community groups to plan and collaborate on recovery efforts, education and awareness raising about safety, prevention and resilience?
- Are there channels and relationships with stakeholders in government, other insurers and ICA at recovery centres or additional forums to provide information and referral to services, assist with claims lodgement, and support to customers?

**Alignment with ICA Charter Principles:** Principle 1 – Individuals & Communities, Principle 3 – Presence & Engagement, Principle 6 – Collaboration & Advocacy



## 6. Resourcing and supply chain strategy

The areas for consideration for resourcing and supply chain strategy are as follows:

- Is there a strategy to scale resourcing and capacity including supply chain through internal mobility and/or external recruitment channels with consideration to the impact of BAU operations?
- What are the 'triggers' to mobilise internal resources or recruitment to increase headcount, and what are the data and information required to support decisions throughout the event?
- What are the internal process and procedures to trigger and mobilise resourcing strategy?
- Are there contingencies for resources in the event of staff leave periods, school holidays and/or public holidays and/or where staff members are also impacted by events?
- What are the onboarding policies, training and competency requirements before and during an extreme weather and disaster event in relation to extreme weather and disaster event response for internal resources and external supply chain resources?

Considerations should include:

- *regulatory requirements for communication timeframes*
- *identification and care and support to customers experiencing vulnerability*
- *quality assurance and breach reporting obligations*
- *timeframes required for onboarding and training*

**Alignment with ICA Charter Principles:** Principle 3 – Presence & Engagement, Principle 4 – Coordination, Principle 6 – Collaboration & Advocacy

# Key information to include in an extreme weather and disaster event management plan

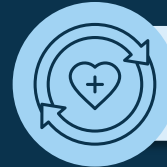


## 7. Communication strategy

The areas for consideration for communication strategy are as follows:

- Who are the internal and external stakeholders to engage and keep informed and are the contact details available and accessible?
- How will meaningful communications scale with event demands to ensure consistent and timely delivery of information and messages?
- What are the internal and external communication channels that need to be mobilised?
- What are the types of data and information to be shared with and received from third party/supply chain providers to enable better operational response?
- What are the types of content and communications which can be pre-approved to be distributed to customers and external stakeholders immediately following an event (e.g. claims journey information, key policy terms such as coverage, maintenance and temporary accommodation, information on different weather events, cash settlement factsheets)?
- What are the types of content and information which need to be prepared for distribution following an extreme weather and disaster event? (e.g. weather alerts, referrals to available support services, guidance from government and emergency services)?

**Alignment with ICA Charter Principles:** Principle 1 – Individuals & Communities, Principle 3 – Presence & Engagement, Principle 4 – Coordination, Principle 6 – Collaboration & Advocacy



## 8. Health, safety and wellbeing

The areas for consideration for health, safety and wellbeing are as follows:

- What are the potential risks to the physical and psychological health, safety and wellbeing for staff members involved in the operational response to an extreme weather and disaster event and how can this be monitored?
- What are the training, support, information and resources available for staff members impacted, assigned or exposed to extreme weather and disaster response?
- What are the protocols to monitor and maintain the physical and psychological health, safety and wellbeing for staff members involved in the operational response to an extreme weather and disaster event?

**Alignment with ICA Charter Principles:** Principle 1 – Individuals & Communities



# Key information to include in an extreme weather and disaster event management plan



## 9. Runsheet, checklists and other relevant documents

The areas for consideration for runsheet, checklists, templates and other relevant documents are as follows:

- Is there a runsheet or checklist which provides guidance on the practical steps to undertake to respond to an extreme weather and disaster event more effectively?  
Consideration to be given to:
  - *the phasing of an extreme weather and disaster event – i.e. before, during, or after recovery*
  - *the relevant teams and products – e.g. lodgements, claims, complaints, supply chain and motor, home, commercial*
  - *key personnel*
- Are there base document templates or other relevant documents that may be tailored and shared internally or externally depending on an event? E.g.:
  - *supporting documents to extreme weather and disaster event response plan (e.g. appendices with further details of communications plan)*
  - *factsheets*
  - *written communications templates*
  - *IVR and call scripts*
  - *pre-approved delegation limits for different team members*(see also 7. Communications strategy)

**Alignment with ICA Charter Principles:** Principle 2 – Information



## 10. Continuous improvement

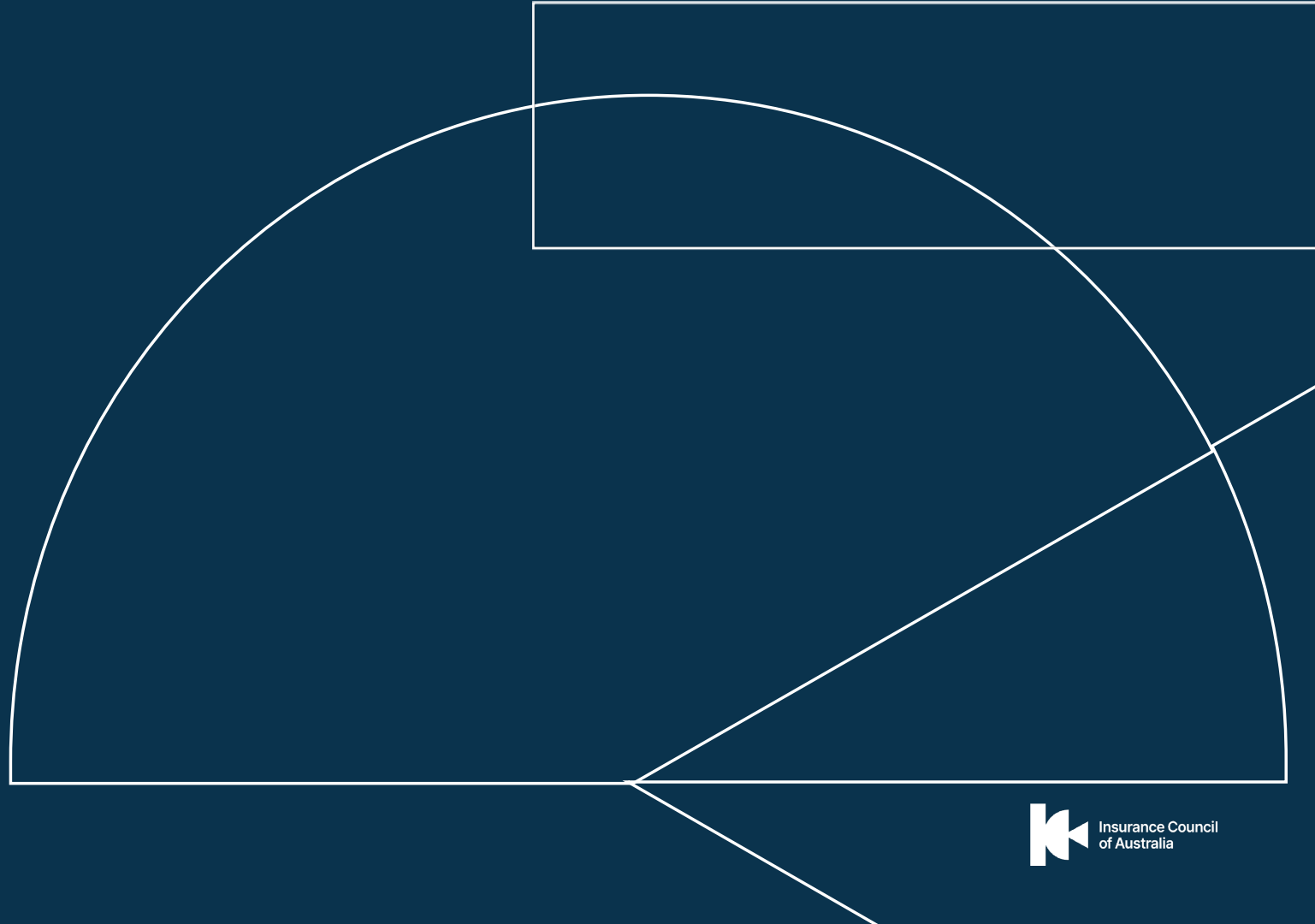
The areas for consideration for continuous improvement are as follows:

- What is the criteria and frequency to undertake scenario planning on a regular basis to identify and understand vulnerabilities within:
  - *Business Continuity events and impacts*
  - *Concurrent extreme weather and disaster events*
  - *Sustaining a consistent response for the duration of extreme weather or disaster event recovery*
  - *Adaptability to changing circumstances and demands*
  - *Product portfolios and vulnerable communities*
  - *Operations and dependencies on market conditions*
  - *Resourcing and skills capacity limits*
- What is the criteria and frequency to undertake post event reviews within 12 months of an extreme weather and disaster event with consideration to feedback outside of the insurer?
- What are the internal governance and oversight processes, including clear outcomes, actions and owners to drive areas for improvements following scenario planning, stress testing and post event reviews?

**Alignment with ICA Charter Principles:** Principle 2 – Information, Principle 7 - Accountability

# 5. Embedding extreme weather and disaster event response plan

ICA Extreme Weather and Disaster Response Planning Guide



# Embedding extreme weather and disaster event response plan

In addition to developing an extreme weather and disaster event response plan, insurers may also put in place measures that enable the embedment of the plan to support effective activation following an extreme weather and disaster event. Below are the proposed considerations for how insurers may embed the extreme weather and disaster event response plan.

## Governance and oversight

- Establish leadership, governance and oversight for the extreme weather and disaster event response plan with clear roles and responsibilities including reviews and version control.
- Formalise oversight of critical third parties and other external providers (e.g. audit third party's extreme weather and disaster event response plan, agreements, SLAs, KPIs).
- Ensure the latest version of the extreme weather and disaster event response plan is stored in a central and accessible location.



## Stress testing

- Conduct scenario planning and stress testing exercises to test the effectiveness of the extreme weather and disaster event response plan.
- Identify areas where there are operational weaknesses and bottlenecks before, during and after an extreme weather and disaster event response plan.
- Clarify the limits of existing resourcing capacity and thresholds where alternative resourcing plans need to be activated.
- Integrate third-party dependencies (e.g. contractors, systems and processes) and include key third party providers into stress testing scenarios to understand the limits of critical third parties and thresholds for alternative plans.



## Training

- Incorporate the extreme weather and disaster event response plan into mandatory onboarding and ongoing training for staff members and third-party providers.
- Review performance following an extreme weather and disaster event and update training plan as necessary.





# Appendices



# Appendix A: Links to useful industry and community resources

	#	Resources	Description
Relevant industry and government agencies	1	<a href="#">The CAT221 Report</a>	A report reviewing the insurance industry responses to CAT221.
	2	<a href="#">ICA Charter</a>	A formal document that provides a high-level overview of the principles and planned activities the general insurance industry will undertake to respond effectively to extreme weather and disaster events.
	3	<a href="#">VicEmergency</a>	VicEmergency is a centralised website for Victorians to find emergency information and warnings. VicEmergency also has preparedness and recovery information related to emergencies.
	4	<a href="#">CFA – Guide to Survival</a>	The CFA guide provides essential information aimed at anyone who lives, works or travels in Victoria so that they are prepared for the summer fire season.
	5	<a href="#">NSW Rural Fire Service – Bush fire survival plan</a>	The NSW Rural Fire Service website includes materials relating to bush fire survival.
	6	<a href="#">VICSES emergency preparedness booklet for flood and storm</a>	The VICSES website includes materials that assist with planning and preparing for emergencies at home.
	7	<a href="#">Australian Institute for Disaster Resilience Handbook Collection</a>	A collection of handbooks that provide an authoritative, trusted and freely available source of knowledge about disaster resilience principles in Australia and highlights and promotes the adoption of good practice in building disaster resilience.
	8	<a href="#">General Insurance Code of Practice</a>	A code of practice that sets out the standards that general insurers must meet when providing services to their customers.
Community agencies	6	<a href="#">OurRecovery.com.au (VIC)</a>	The website offers a digital space for individuals, families, businesses and regions to connect with their local community recovery committees to recover after bushfires. The community recovery committees are local groups made up of community volunteers and were established after the 2019-2020 Eastern Victoria bushfires to keep local voices, know-how and expertise front and centre during recovery planning and delivery.
	7	<a href="#">DisasterWise</a>	The DisasterWise website includes information on recover, rebuilding and preparing for disasters for community groups.
	8	<a href="#">Australian Red Cross – RediPlan Disaster Preparedness Guide</a>	The Red Cross RediPlan is a disaster preparedness guide packed with helpful hints and clever strategies on how to prepare for disasters and develop an emergency plan.
	9	<a href="#">Victorian Community Emergency Management Plans</a>	The website contains the Disaster Region Resilience Plan, and community emergency plans for seven centres in the Omeo Region, as well as an overview of all the community emergency plans.
Extreme weather and disaster event recovery toolkits	10	<a href="#">Emergency Management Victoria</a>	Disaster Recovery Toolkit provides a range of tools, resources and literature to help local Victorian government and communities prepare for, respond to and recover from disasters.
	11	<a href="#">Get Prepared App</a>	Get Prepared is a mental preparedness mobile app for anyone concerned about the mental health impacts of natural disasters and who would like to proactively make a plan for how to prepare for, respond to, and recover from extreme weather events.
Other materials	12	<a href="#">Rebuilding after an Australian bushfire</a>	An article detailing the challenges of communities rebuilding after the 2019-2020 Australian Black Summer bushfires.