



News release

Insurance Council
of Australia

Monday, 24 February 2025

Progressing continuous improvement in the insurance industry

A new report highlighting progress the insurance industry has made since Australia's most costly extreme weather event has been released today, in response to seven recommendations put to the industry in October 2023.

In February 2023, the Insurance Council of Australia (ICA) commissioned Deloitte to undertake an in-depth analysis of how insurers and the ICA responded to the South-East Queensland and Northern Rivers 2022 floods, collectively known as CAT221.

This initial report, *A new benchmark for catastrophe preparedness*, outlined seven recommendations for insurers and the ICA, focused on improving consumer outcomes, resourcing, preparedness, operational response, governance and transparency, coordination with government, and aspects of the General Insurance Code of Practice review.

The follow-up report released today, [After the floods – meeting the benchmark](#), assesses industry progress in adopting and implementing those recommendations.

Findings from the follow-up report include:

- **The industry has made significant progress.** Substantial investment and resources have been committed to improving insurer operations across the industry against all recommendations, with ongoing work plans in place.
- **Some insurers are further progressed than others.** Insurers have been working on implementation but some have made more progress than others and the extent of uplift has varied. Some of this uplift work has already been completed, however, some of the more transformational changes, like technology upgrades, will take some insurers longer than others to deliver.
- **While progress has been made insurers still have more to do.** This varies across insurers but includes:
 - Increasing maturity around stress testing and simulation activity
 - Managing consumer vulnerability at scale
 - Increasing the maturity of quality assurance functions for claims decisions
 - Improving approaches to resourcing complaint handling functions
 - Using data triaging to automate or accelerate certain claims after events
 - Ensuring the comprehensiveness, quality and consistency of data for internal reporting and management oversight.
- **The ICA is progressing globally leading work.** The ICA's Disaster Charter and Playbook are recognised as the only guides of their kind globally, providing a framework for consistent response and support for consumers from the general insurance industry in the aftermath of extreme weather events. The current flooding situation in North Queensland is a reminder just how pertinent this is.

The ICA and its members will continue to work on areas requiring ongoing attention, along with the full suite of recommendations from both the Standing Committee on Economics' Inquiry into insurer's handling of the 2022 major floods and the Independent Review of the General Insurance Code of Practice.

The ICA released the first tranche of the industry's response to these inquiry reports in December 2024, accepting 78 of 187 recommendations across both reports. The ICA is now working on the next tranche of recommendations and looks forward to continuing our engagement with consumer advocates and other key stakeholders on this work.