



# News release

Insurance Council  
of Australia

Monday, 17 March 2025

## Insurance Industry Action Plan sets direction for change

The Insurance Council of Australia (ICA) today released its Industry Action Plan, which outlines the industry's position on the remaining recommendations from the Parliamentary Flood Inquiry and the independent review of the industry's Code of Practice.

In December 2024, the Insurance Council responded positively to 78 of the 187 recommendations from both the House of Representatives Economics Committee Inquiry into insurers' response to 2022 major flood claims (Flood Inquiry) and the Independent Review of the General Insurance Code of Practice (Code Review).

Since then, the industry has been working hard to assess the remaining recommendations from the Flood Inquiry and Code Review and has included its response to these recommendations in the *General Insurance Industry Action Plan* released today.

The 187 recommendations from the two reviews included considerable overlap, as well as 37 recommendations which are matters for government, regulators, or other stakeholders.

Of the 150 recommendations for insurers, 109 are agreed or agreed in principle, 28 require further investigation by industry, 10 require individual insurers to determine the practicality or appropriateness of implementation, and three are not supported.

The three recommendations that are not supported all relate to pricing.

The industry does not consider that the Code of Practice is an appropriate mechanism to determine pricing and, more importantly, the ICA has concerns that what is proposed by these recommendations is likely to be in breach of competition laws given the restrictions on insurers collectively reaching an agreement on pricing practices.

Nonetheless, individual insurers are committed to ensuring their own pricing practices meet the needs of different groups of customers.

Given the current cost-of-living pressures, in considering the recommendations the industry was particularly focused on the cumulative cost impacts that implementation would have on premium pricing, as well as the impacts on customer experience, competition, product innovation, and existing regulatory frameworks.

Where implementation in the exact form proposed was not considered possible or practical, the industry has identified or is working to identify alternative pathways to deliver the intent of the recommendation to address the root cause of the issue.

The Action Plan also includes the industry's response to recommendations made by the Parliamentary Inquiry into the impacts of Climate Change on Premiums and the Parliamentary Inquiry into Financial Abuse.

Implementation of the Action Plan has already commenced, including the redrafting of the relevant provisions of the Code of Practice and the development of an industry vulnerability framework.

Insurers are investing significantly in improved systems and human resources, as shown by the response to ex-TC Alfred this month.

The development of a best practice guide for the use of expert reports and protocols to prepare for and respond to natural disasters have already been delivered.

Quote attributable to ICA CEO Andrew Hall:

2022 saw major flooding across the eastern seaboard of Australia, including the costliest insurance event in Australia's history, resulting in more than 300,000 claims with over \$7 billion in losses.

The number of claims was unprecedented and insurers were stretched beyond their limits, placing a spotlight on the industry's engagement with consumers and claims handling performance.

The Insurance Council and its members engaged constructively with the Parliamentary Flood Inquiry and Code Review and as an industry we are committed to continuously improving and rebuilding trust with Australians following the 2022 floods.

The Action Plan released today includes themes for change that will inform and guide the industry over next couple of years and builds on work already commenced as a result of the Deloitte report, commissioned by the industry itself.

Improving the customer experience is central to the work to be undertaken.

Through this Action Plan, we are seeking to ensure that customers experiencing vulnerability are appropriately identified and supported, insurers have the appropriate systems and processes to respond effectively to increasing natural disasters and provide the best possible customer experience, and that the industry demonstrates strong governance and is accountable and transparent.

We are extremely mindful that the cumulative impacts of these changes do not contribute to further increasing premiums or exacerbating existing affordability issues.

We look forward to working with consumer advocates, regulators and the Government to ensure our actions remain relevant and suitable in addressing the root causes of the problems identified.