



Insurance Council  
of Australia

# News release

## Extreme weather costs: the silver medal we don't want

New data released by the Insurance Council of Australia (ICA) today shows that Australia has consistently taken the silver medal for extreme weather losses over the last 45 years – beaten only by the United States.

The data uses both the insured and broader economic costs of extreme weather, averaged across the populations of each of six developed countries in order to accurately compare the growing impact of extreme weather.

Published as part of the ICA's annual *2024-25 Insurance Catastrophe Resilience Report*, the data from Munich Re's NatCatSERVICE global database shows that for most of the last 45 years Australia has ranked second only behind the United States for economic and insured losses per capita – and was only pushed into third place in the last five years by two extraordinary events in New Zealand.

Each decade since 1980, inflation-adjusted losses from floods, bushfires, storms and extreme cold temperatures have climbed across the globe, with the Report looking at France, Canada, and Germany in addition to Australia, New Zealand and the United States.

Australia's persistent second place reflects our unique geography and exposure to natural perils, compounded by the growth of populations in higher-risk areas and infrastructure that has not been built to withstand the impacts of a changing climate.

Also included in the Report is updated data on the cost of extreme weather over the past 12 months, with insured losses reaching almost \$2 billion across three events – the North Queensland Floods (\$289m), Ex-Tropical Cyclone Alfred (\$1.43b), and the Mid North Coast and Hunter floods (\$248m).

Following the Federal Government's recently released Climate Risk Assessment, the Report highlights those policy recommendations that will help Australia adapt to our physical climate risks. These include defending critical infrastructure, better land use planning and improving building resilience – predominantly through the establishment of a \$30 billion Flood Defence Fund to protect Australia's most at-risk communities.

Quotes attributable to ICA CEO Andrew Hall:

While Australia has always faced extreme weather, the accelerating losses per person and their compounding impact on communities is costly and ongoing.

Australia is in a global race to ensure its built environment has the resilience needed to protect assets – this data clearly shows that each decade is costlier than the last, with insufficient investment in resilience leaving Australians to shoulder an outsized economic burden.

Insurers have been costing the implications of extreme weather for a long time now – but with escalating costs and pressure to build more homes faster we need to speed up our investment in the interventions required to mitigate the impact of these events.

With the cost of restoring or rebuilding increasing every year, all levels of government will continue picking up an ever-growing bill that could have been prevented through strategic resilience investment now.