



News release

Insurance Council
of Australia

Wednesday, 1 April 2026

Industry to support customers as conflict drives up costs

The Insurance Council of Australia (ICA) has tasked its most senior industry committee to actively manage the evolving impacts of the Middle East conflict across all insurance lines, ensuring the industry is ready to respond swiftly for customers.

Preliminary industry data shows the increasing fuel costs are disrupting existing supply chains, increasing the cost of materials, and delaying labour to complete repairs to homes and vehicles.

Insurers have reported price increases of up to 36 per cent for building materials, up to 30 per cent for trades and on-site specialists, and up to 50 per cent for freight.

Following a meeting of the ICA Board earlier this week, the ICA's Board Strategy Committee will:

- Work with member companies to support consumers seeking hardship assistance in line with the General Insurance Code of Practice.
- Lead cross-sector engagement with government and industry stakeholders to anticipate supply chain disruptions and develop mitigation strategies.
- Coordinate proactive communications to small businesses, encouraging them to talk to their insurer and/or broker for information around policy coverage or adjustments to premiums

While claims directly linked to Middle East supply chain disruptions have not yet materialised, the ICA has systems in place to track, detect and respond to any shifts as they emerge.

The ICA has noted the Government's release on Monday of four levels of action: 'plan and prepare'; 'keeping Australia moving'; 'taking targeted action'; and 'protecting critical service', and is committed to working with the Australian Government on practical relief measures during this uncertain time.

Quotes attributable to ICA CEO Andrew Hall:

The insurance sector, as always through times of crisis, stands ready to work together with Government to support Australians as supply chains cause further disruption and add cost pressures to customers and the operations of the industry.

In the same way the ICA works when a natural catastrophe occurs, the Board has tasked the industry's most senior executives to monitor impacts and, as appropriate, coordinate the industry's response.

We welcome National Cabinet's announcement on Monday around the staging of the impacts of the war on Australia, as we continue to work with state and federal governments to support Australians.

If insurance customers have any concerns or believe they have a claim they should speak with the insurer or broker in the first instance.