

CALL TO ACTION: Joint Select Committee on Northern Australia



Australian Consumers Insurance Lobby Inc (ACIL) advocates for the implementation of the following actions by the members of the Joint Select Committee on Northern Australia (Committee) in relation to the Cyclone and Cyclone-Related Flood Reinsurance Pool (Pool).

March 2024 Inquiry: Cyclone Reinsurance Pool

ACIL believes that a March 2024 inquiry offers the optimal timing for the Committee to assess the progress of the Pool. With the requirement for major insurers to join the pool by December 2023, this timeframe enables the committee to thoroughly evaluate the Pool's efficiency.



Review of March 2023 Inquiry Evidence

ACIL advocates for an investigation into evidence provided by the Insurance Council of Australia (ICA) at the Committee Inquiry in March 2023. There are serious concerns about the evidence provided by ICA during the Inquiry. In their presentation of evidence, insurers suggested that the disparity in marine insurance premium levels between northern and southern Australia is negligible – less than five percent across their member portfolios. The omission of evidence associated with cyclone excess and cover limitations, combined with contradictory accounts from marinas and boat operators, casts doubt on the accuracy and transparency of the information provided by insurers. We call for an inquiry into the evidence provided by the ICA.

Advocacy for Northern Australia - Modelling

ACIL issues a resounding call to the ARPC and Treasury to undertake a comprehensive review of the current modelling. This review must encompass historical weather events and account for the potential impacts of future weather dynamics. By doing so, we pave the way for a fairer, more resilient, and collectively responsible Australia. We request that the Committee write to Treasury and ARPC, urging them to conduct a review of the modelling for the Pool.