



New inquiry into insurance response to natural disasters

The responsiveness of the insurance industry to natural disasters is the subject of a new inquiry by the House of Representatives Standing Committee on Social Policy and Legal Affairs.

Recent extreme weather events, such as widespread flooding, bushfires and cyclones, have devastated businesses, farms, communities and homes. In the wake of these disasters, questions have been raised about the capacity of the insurance industry to respond quickly and in good faith to the high volumes of claims.

Committee Chair Mr Graham Perrett MP said the Committee is aware of significant community concern about the role of the insurance industry in respect to these natural disasters, particularly regarding the timeliness and adequacy of the industry's response to policy-holders.

"The Committee is concerned about the length of time it has taken for the insurance industry to process many claims, and about the claims handling process more generally. We are also concerned about the widespread mismatch between what people thought their insurance policies covered, and the outcomes of their claims," he said.

The inquiry will examine the insurance industry in respect to extreme weather events. In particular, the Committee will consider:

- the information provided to consumers about claims processing arrangements
- the timeliness of claims processing
- the impact of third-party consultants on timeframes for claims processing, and
- external and internal dispute resolution processes.

As part of the inquiry, the Committee will be conducting an online survey in order to assess issues concerning disaster-affected communities with respect to insurance claims. The survey gives policy-holders who have made a disaster-related claim in the past five years the opportunity to comment on the coverage of their insurance policy, the adequacy of the information provided when choosing their policy, and the handling of their insurance claim. The Committee strongly urges policy-holders to visit www.aph.gov.au/house/committee/spla/insurance/index.htm to complete the survey.

Mr Perrett said, "We want to find innovative ways to bring policy holders and insurers together to achieve a better outcome for all parties." The Committee will be making visits to several affected communities around Australia and holding public hearings in the second part of 2011, and the Committee anticipates reporting its findings in early 2012.

For the full terms of reference, please visit the Committee's website at www.aph.gov.au/house/committee/spla/insurance/index.htm or contact the Secretariat on spla.reps@aph.gov.au or ph 02 6277 2358. Information about making submissions can be found at <http://www.aph.gov.au/house/committee/documnts/howsub.htm>. Interested individuals and organisations are invited to make submissions to the inquiry by **Friday, 15 July 2011**.

Note: The Committee cannot investigate or make rulings on particular insurance claims, but invites submissions which address the processes of insurance claims and dispute resolution, and invites policy-holders to complete the online survey.

For media comment, please contact the Committee Chair, Mr Graham Perrett MP, on (07) 3344 2622 or 0408 883 312.

For background information, please contact the **Secretariat of the Committee on Social Policy and Legal Affairs:**

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