INSURANCE COUNCIL OF AUSTRALIA

Committee Secretary
House of Representatives Standing Committee on Social Policy and Legal Affairs
PO Box 6021
Parliament House
Canberra ACT 2600

By email: spla.reps@aph.gov.au

20 January 2012

Dear Sir/Madam

Inquiry into Residential Strata Insurance

The Insurance Council of Australia Limited (ICA) is pleased to make this submission to the House of Representatives Standing Committee on Social Policy and Legal Affairs, on residential strata insurance matters.

The ICA recognizes that there have been significant increases in strata insurance premiums, commencing in 2009 and with a particular focus on the cyclone and flood prone regions of Queensland, Western Australia and the Northern Territory.

The ICA welcomes this opportunity to respond to the issues raised by the Standing Committee.

Executive Summary

- **The role of insurance**. Assisting the community recover from extreme weather is core business for the general insurance industry. Insurers assist by assessing vulnerability, pricing and then spreading the risks presented by extreme weather and then meeting claims when they arise. Insurance assists with post-event loss – Insurance does not prevent a loss from occurring but can send a pre-event price signal regarding the level of risk to incentivize adaptation to that risk.

- **Insurers are able to price risk.** The Australian insurance market is heavily regulated and insurers are required to report frequently to the Australia Prudential Regulation Authority (APRA), demonstrating compliance with regulation and prescribed risk management practices.

- **Strata premiums are risk based**. Insurance protection is purchased by paying an insurance premium for the desired level of cover. Premiums are fundamentally a function of:
  - the mandatory requirements of state based law
  - the value of the facility and covers sought (liability etc),
  - the risk of an insured event occurring at the location,
  - the vulnerability of the insured property to an insured event (age, building codes, building design and materials),
  - The existence of pools, lifts, underground carparks, gyms, tennis courts etc
  - the costs to remediate the predicted damage,
  - the expenses incurred in maintaining required capital and services to meet claims that arise.
  - the government taxes and charges payable by consumers on-top of the risk premium.

- **Strata premiums are rising**. Several factors have combined in recent years to create strong upwards pressure on premiums:
  - Strata premiums have historically been heavily discounted to risk, with some paying less than a third of technical risk prices.
  - There have been a large number of extreme weather catastrophes in recent years, driving up reinsurance costs.
  - Building codes only address structural integrity not the durability of property to extreme weather.

- On average, strata portfolios are subject to more loss than residential home portfolios with some insurers reporting loss ratios in FNQ in excess of 100% for the class in successive years.
- Strata portfolios traditionally experience a higher claims frequency than home portfolios. Some strata insurers report claims frequencies of up to 30%[1] compared to an average of 10% in residential home portfolios.
- Building and repair costs, particularly in regional areas, are continuing to increase.
- Capital holding requirements for insurers, mandated by government, are increasing. The cost of capital worldwide has increased significantly, adding to the cost of providing cover.
- Taxation imposts that operate on top of the premium value exacerbate the impact on those that insure. In Queensland the impacts of GST and Stamp Duty adds approximately 20% to the cost of a premium for property owners.

- **Despite premium increases - Strata unit holders now pay the same or less than householders.** Strata title insurance in some areas of Australia has been heavily discounted in the past, compared to the technical risk price. Recent corrections to price, whilst very significant, now better reflect risk levels and the cost of capital associated with providing cover. Strata title property owners in high risk areas now (on average) pay a premium comparable or lower than the premiums payable by owners of stand alone households.

- **Premiums can be managed downwards by owners.** Strata managers do not always lower premiums with excess or deductible settings. The setting of appropriate excess payments or retention levels is a mechanism widely used in insurance markets to reduce upfront premium costs to a client, by nominating an excess payment to be made at the time of a claim. In the residential strata market there has been a long term trend by some strata managers to set excess payments as low as $200 for some aspects of cover, leaving premiums payable by their strata unit holders at very high levels. Government and the insurance industry should:
  - Examine ways in which strata unit holders can be educated and be encouraged to ask appropriate questions of the strata unit manager, regarding what level of excess has been established on the insurance policy for the strata holding and if there are alternative excess settings that could reduce the annual premium.
  - Carefully consider current evidence being presented to the inquiry regarding high premiums in light of industry practices for setting low excess values.
  - Consider appropriate regulatory guidance at the state level that may assist strata unit owners to establish an excess arrangement that helps manage premium levels.

- **Many factors driving premiums up can be addressed.** Governments are able to sustainably influence affordability by addressing the principal drivers behind general insurance price increases:
  - Removing taxation imposts on general insurance products.
  - Providing regulatory guidance to owners on minimum excess and retention rates for residential strata policies.
  - Modernising the building code to ensure that property durability is addressed as a core requirement for residential property, moving above the BCA base requirement for structural integrity and safety of life.
  - Mandate land-use planning regimes that enforce risk-appropriate development for future property.
  - Invest in mitigation infrastructure to protect existing high vulnerability locations.

- **Intervention in markets needs to be carefully considered.** Government intervention in the private insurance market, in lieu of more sustainable regulatory intervention to address community risk factors, would distort the price signal sent to the community regarding risk and stifle adaptation to extreme weather. If governments wish to intervene in the private insurance market, careful analysis of the costs and benefits must be undertaken. Such an economic analysis might properly be undertaken by a body such as the Productivity Commission and may build upon work being conducted by the Commission as part of its inquiry into climate change adaptation.

[1] For every 100 policies sold a 30% frequency means there are 30 claims lodged.

About the Insurance Council of Australia

The ICA is the representative body of the general insurance industry in Australia. ICA members represent more than 90% of total premium income written by private sector general insurers. ICA members, both insurers and reinsurers, are a significant part of the Australian financial services system and global insurance market.

The private sector insurance industry generates gross premium revenue of $35.1 billion per annum in Australia and has assets of $113.9 billion. The general insurance industry on average pays out $87 million in claims to policyholders each working day.

Insurance Council members provide insurance products ranging from those usually purchased by individuals (such as home and contents insurance, travel insurance, motor vehicle insurance) to those purchased by small businesses and larger organisations (such as product and public liability insurance or cover for commercial property and business interruption).

General Insurance in Australia

In 2010 over 3.3 million insurance claims were lodged by Australian families, individuals and businesses. Many of these claims were as a result of extreme weather impacts on the built environment. Natural disasters during 2011 have helped to generate a national dialogue between industry, governments and to some the extent the community, regarding how Australians can collectively reduce vulnerability to current and future hazards. The general insurance industry is keen to ensure that it performs its role in helping to meet this challenge.

There is a consistent trend in Australia regarding population growth in areas that are prone to natural hazards. Flood plains close to existing towns, coastal areas and urban/bush interfaces are areas increasingly being selected for urban development. If unchecked by appropriate development controls, this continual concentration of vulnerabilities will lead to larger catastrophe impacts in the future. Potential climate change related increases in natural disasters combined with the trend towards concentrating vulnerability will only serve to amplify the danger.

The general insurance industry has a natural focus on the impacts of extreme weather and the resilience of the built environment – an increase in the former and a failure of the latter leads to increased levels of damage and loss for the community.

From a general insurance perspective, the need for adaptation to extreme weather conditions is not a theoretical exercise. Extreme weather events occur now, and all too frequently cause damage to an increasingly brittle built environment. In the Australian context, 19 of the 20 largest catastrophe events over the last 40 years were as the result of extreme weather. It follows that the industry supports, as a general principle, any reasonable measures that improve the resilience and durability of the built environment to extreme weather, as well as community and individual adoption of risk management processes such as adequate insurance over their assets.

Insurance – Measuring risk, assisting recovery and signaling a need for adaptation

The general insurance industry provides financial risk offset and recovery services for Australian families, individuals and businesses – calculating the probabilities of damage, offering insurance cover[2] and then compensation when damage occurs.

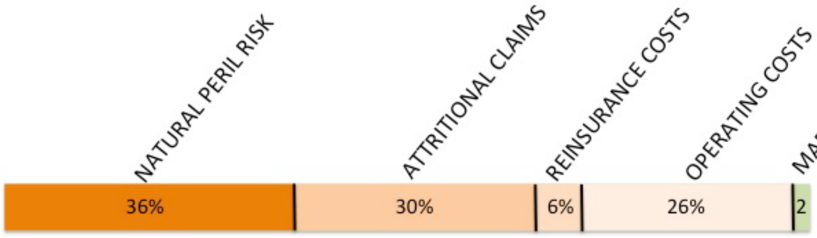
Importantly, private insurance mechanisms also produce a price signal or financial incentive that can motivate adaptive activity to reduce exposures. Where exposures increase beyond the commercial appetite of global insurance markets to provide cover, a critical price signal is delivered. In these extreme cases those in the community who face an ‘uninsurable’ risk are forced to adapt by absorbing the risk potential within their own finances (self-insurance), or by undertaking risk mitigation activity to reduce exposures – move locations, mitigate the risk, or modify built structures to increase resilience.

[2] For insurable events

Insurers are required to operate prudentially - Strata premiums are based on risk and the cost of providing cover

The Australian Prudential Regulation Authority requires that, in order to be licensed, insurers must operate in accordance with prudential regulation and maintain mandated levels of capital. Insurers employ actuarial experts in order to ensure that risk is priced correctly.

The ICA has noted stakeholder commentary suggesting that building insurance premiums also include disproportionate levels of profit. However, ICA analysis of premium data at a national level shows that a typical breakdown of the costs of an insurance premium are:



TYPICAL BUILDING INSURANCE PREMIUM STACK

Source: Insurance Council Data 2011

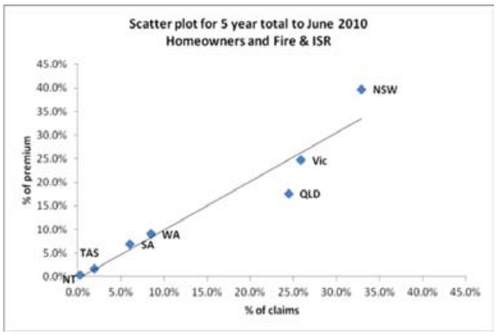
This analysis also shows the significant gravity of natural peril risks on the calculation of the total premium. In regions where natural perils are more frequent or intense they will over time create significant upwards pressure on insurance costs.

Property risks in Far North Queensland – Claims Costs are Higher

Particular focus has been given by commentators to premium increases experienced in FNQ. This region has experienced a greater number of perils than others over time.

It is useful to note that due to its high incidence of natural perils, Queensland, as a state, benefits from insurance arrangements to a greater extent than other states, i.e. Queenslanders account for a greater percentage of national claims than they contribute to national premiums.

The graph to the right compares APRA data for each state's percentage of gross premiums and percentage of gross incurred claims for the five years to June 2010. It does not include claims made during the catastrophic summer of 2010/11.



The data shows that Queensland experiences significantly more claims than other states compared to the contributions made into the national premium pool. In other words, in the five years to June 2010, for all property classes, Queensland has drawn some 25% of all national claims despite contributing around 15% of premium into the national premium pool. By contrast, NSW, despite contributing some 40% into the national claim pool, draws under 35% in national claims.

Do insurers have enough data to calculate premiums for strata insurance?

In the context of strata insurance, insurers take into account many detailed factors to determine costs, including:

Portfolio costs:

- The estimated cost of future claims
- reinsurance and capital costs
- management costs
- Broker costs

Building specific issues:

- The level of cover requested and liability provisions
- Risks at the location
- The age of the building and claims history
- Special limits on the building such as heritage listings
- Building materials and design used
- The number of units and floors, floor space etc,
- Fire protection systems and other mitigation present
- Presence of an onsite manager or measures to lower claims frequency
- The number of pools, car parks, lifts, etc
- The primary use of the building, owner occupied, rental, commercial etc

Strata insurance is sold through a combination of insurance brokers and through strata managers themselves, operating as an agent of strata insurers. Determining an appropriate sum insured often involves the input of building professionals and can involve a physical inspection of the facility used to determine the precise risk factors. Unlike home insurance, where no detailed examination of property condition is undertaken, Strata insurers tend to know a significant amount of information about the facility they are being asked to insure. There is no present lack of knowledge or absence of data that is causing an increase in premiums.

Despite premium increases, strata unit owners now pay a technical price that is lower or on parity with premiums paid by households in the same location.

The ICA acknowledges that premiums for residential strata properties have increased. However, it is instructive to note that premiums for residential strata have been historically discounted compared to a pure technical assessment of price to risk.

Several insurers commenced a return to more technical risk prices in 2008/09, a trajectory that has been exacerbated by recent catastrophes and the cost of capital worldwide.

Whilst there are undoubtedly specific strata buildings that have experienced very significant increases for a variety of localized reasons, the ICA questions claims that the average strata unit owner is now paying a disproportionate cost for insurance cover compared to other parts of the residential housing market.

The table below shows the average premium in three FNQ locations for strata unit owners, compared to average household premiums in the same locations – demonstrating that strata unit owners are, on average, not currently disadvantaged compared to their householder neighbours[3].

2010/11 Strata Property

	Average Sum Insured ($ mil)		Average Annual Premium ($)		Average Annual Premium Per Strata Unit ($)	
	2010	2011	2010	2011	2010	2011
Cairns	8.6	9.2	18,310	36,300	605	1,120
Airlie Beach	9.8	10.3	22,068	61,805	848	2,210
Townsville	12.3	13.1	16,615	48,211	1,007	2,116

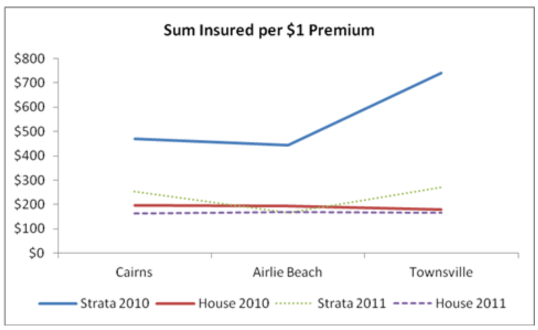
2010/11 Standalone Houses

	Average Sum Insured ($)		Average Annual Premium ($) ($500 excess)	
	2010	2011	2010	2011
Cairns	362,523	378,112	1,834	2,312
Airlie Beach	399,239	407,887	2,065	2,410
Townsville	375,711	399,006	2,101	2,398

Comparison of Far North Queensland Average Insurance Rates
Strata v Household Property

Expressed another way, the increase in strata title premiums have moved average premium to sum insured ratios closer to parity with household property.

A dollar spent on insurance for a strata property in FNQ now purchases approximately the same sum insured as a dollar spent on household insurance.



[3] At a superficial level commentators may assume that unit owners have less property to insure, leading to lower premiums. However, strata unit owners are typically jointly responsible for significant common property including pools, lifts, stairwell, fencing, car parks plumbing and electrical systems.

Premiums can be managed by owners - The impact of setting an appropriate excess payment

An excess payment (sometimes known as a deductible), is an agreed contribution that must be paid each time a claim is made by the policyholder. The amount of the excess payment is set by the policyholder, or in the case of residential strata insurance, is usually selected by the manager of the strata title in consultation with the executive of the body corporate or strata owners committee[4].

The setting of appropriate excess payments or retention levels is a mechanism widely used in insurance markets to reduce upfront premium costs to a policyholder.

Setting a very low excess payment will mean that the policyholder incurs a high premium as all the risk is being borne by the insurer. Setting a higher excess payment, such that the policyholder is retaining a level of the risk, allows the insurers to adjust the premium downwards.

The table below shows how the selection of various excess payments can vary a typical residential home building premium:

	No Excess	$200 Excess	$500 Excess	$750 Excess	$1000 Excess	$2000 Excess	$5000 Excess
Annual Premium Payable	$4,999	$4,314	$3,890	$3,540	$3,234	$2,536	$1,757
Premium Reduction due to excess payment	0%	-14%	-22%	-29%	-36%	-49%	-65%

Example Impact on annual premium of selecting excess payments
$378k Sum Insured, Flood Prone Residential **Home Property** in Cairns, Average of 9 Insurers

Several strata insurers have reported evidence that some strata bodies choose to not lower premiums by selecting a proportional excess setting. Some strata bodies set excess payments as low as $200[5] for aspects of cover, leaving premiums payable by their strata unit holders at very high levels.

The setting of a proportional excess rate for a residential strata policy can have an impact on the premium payable by strata unit holders. The table below shows how the selection of various excess payments can impact a typical residential strata premium.

	No Excess	$200 Excess	$500 Excess	$1000 Excess	$2000 Excess	$5000 Excess	$10,000 Excess
Annual Premium Payable	$18,000	$17,820	$16,920	$16,380	$15,840	$14,940	$13,320
Annual Premium Payable per strata unit	$1,125	$1,113	$1,057	$1,021	-$990	$933	$832
Premium Reduction due to excess payment	0%	-1%	-6%	-9%	-12%	-17%	-26%
Excess payment payable by each strata unit holder upon claim.	$0	$12.5	$31.25	$62.5	$125	$312.5	$625

Example impact on annual premium of selecting excess payments – Varies depending on risk location and underwriting parameters
$5,000,0000 Sum Insured, 16 units, **Residential Strata Property** in Cairns – These levels of discount are not achievable by every insurer, it will vary depending on the underwriting model used.

Clearly, if a strata manager recommends a policy with a minimum level of excess payment (payable when making a claim), then the residents will be paying fees based on a larger annual premium. Strata insurers report that some strata managers may do this in order to be in a position to make many small claims over the policy term to save on maintenance budgets.

4 It is relevant to note that state based legislation contains requirements to consider all members (strata property owners) and thereby obtain the best possible outcomes to reduce financial burdens for managing the asset collectively. Depending on the delegated authority given, it will not just be the Strata Manager that makes the decision unilaterally.

5 This may be for part of the policy only, with higher retentions set for named disaster events such as cyclones. Regardless, the net effect remains the same – increased annual premiums.

Strata title regulation in some states specifically identifies the applicability of excess payments as a measure to assist in the management of premiums (see QLD example regulation below).

> **QLD BODY CORPORATE AND COMMUNITY MANAGEMENT (STANDARD MODULE) REGULATION 2008 No. 273 - SECT 184**
> **184 Excess**
> (1) Despite a requirement under this part to insure for full replacement value, the body corporate is not prevented from insuring on the basis that an excess is payable on the happening of an event for which the insurance gives cover.
> (2) However, in putting the insurance in place, the body corporate must ensure the arrangements for the liability for an excess under the insurance would not impose an unreasonable burden on the owners of individual lots, having regard to subsections (3) and (4)….

The ICA submits that the regulatory guidance offered in this example should be interpreted to mean that a 'reasonable burden' on owners of individual lots would be an excess payment on parity with that paid by all others in the residential property market. On this basis the average excess entered into for a strata building should be $500 per lot. Current evidence suggests that the average excess is around $12.50 per unit or lower.

Members of the inquiry may wish to inform themselves, when presented with evidence from strata managers of high premiums and the impacts upon residents, of what excess payment arrangements have been made for the policy and if higher deductibles have been requested as a way of reducing the annual premium.

Insurance council experience with strata unit holders, through the insurance hotline[6], is that there is often a low level of understanding and knowledge from property owners regarding the policy purchased by the strata manager on their behalf, including knowledge about terms, conditions and exclusions.

Government and the insurance industry should consider:

- Ways in which strata unit holders can be educated and encouraged to ask appropriate questions of the Strata Unit Manager, regarding what level of excess has been established on the insurance policy for the strata holding and if there are alternative excess settings that could reduce the annual premium.
- Current evidence being presented to the inquiry regarding high premiums in light of industry practices for setting low excess values.

The fundamental factors driving premium increases – How can they be changed?

Perhaps the most fundamental factor driving premium increases is the growth in the value of those items that the community typically insures.

As the table below indicates, households in Queensland, WA and the NT are accruing wealth in non financial assets (home, contents and motor vehicles) at rates greater than for the rest of the nation. For example, for the average household in Queensland the stock of non financial wealth increased by 72% between 2003/04 and 2009/10 compared to 51% for the nation as a whole.

	Average Household Value of Total Non-Financial Assets $000			% change 09-10/03-04	Number of Households		Total Value of Household Non Financial Assets $000		% change 09-10/03-04
	2003-04	2005-06	2009-10		2003-04	2009-10	2003-04	2009-10	
NSW	$494.1	$531.4	$612 9	24 0%	2,523,500	2,708,800	$1,246,908,338	$1,660,223,520	33.1%
VIC.	$402 8	$439.2	$633.1	57 2%	1,906,000	2,099,100	$767,809,819	$1,328,940,210	73.1%
QLD	$326.4	$426.6	$561 9	72.1%	1,526,400	1,670,700	$498,264,935	$938,766,330	88.4%
SA	$305 0	$371.2	$490 2	60.7%	626,500	654,700	$191,097,987	$320,933,940	67.9%
WA	$348 3	$471.5	$717 3	106 0%	770 500	864 000	$268 335 517	$619 747 200	131.0%
TAS.	$265 8	$349.2	$453.4	70 6%	198,200	204,100	$52,681,693	$92,538,940	75.7%
NT	$305 2	$330.7	$553 3	81 3%	56,200	65,300	$17,152,723	$36,130,490	110.6%
ACT	$438 8	$492.3	$689.4	57.1%	128,700	131,900	$56,468,330	$90,931,860	61.0%
TOTAL.	$400 6	$462.3	$605 9	51 3%	7,735,778	8,398,520	$3,098,636,273	$5,088,663,268	64.2%

The table also shows that the gross stock of non financial assets has increased considerably in Queensland, WA and the NT. Combined these States now have approximately $1.6 billion in non financial household assets compared with $0.8 billion in 2003/04 – a doubling of wealth in six years.

6 The ICA runs a 24hr insurance hotline to answer community questions about insurance products and processes. In 2011 the hotline received in excess of 2000 inquires.

Further, as a share of national household non financial wealth, these states now accrue one third of all the nation's wealth, compared to one quarter in 2003/04.

The ICA submits that this increase in household wealth will invariably affect future insurance premiums given that the cost of claims will rise in accordance with growth in asset values.

Equally however, as these States become wealthier, the capacity to fund mitigation increases as well. As the Economist magazine has stated…

> "*One the one hand, urbanisation strips cities of their natural defences against disaster and exposes more people to loss of life and property when an earthquake or cyclone hits. On the other hand, urbanisation makes people richer. The density and infrastructure of cities makes people more productive and more able to afford the measures needed to make them safe*".

Whilst increases in the underlying value of the assets that people own is one factor driving an increase in premiums, it is not a factor than can be actively controlled.

However, there are a number of factors that government can control regarding the risk factors to those assets and the affordability of insurance cover the community purchases to protect their assets – risk premiums and the ultimate cost of insurance could be influenced over time by:

Removing state based taxes on insurance products that collectively cost consumers $4.5 billion annually on top of risk premiums	Determining an appropriate mechanism for educating strata unit owners regarding the choice of excess in order to manage annual premiums
Mandating land-use planning regimes that enforce risk-appropriate development for future property	Reducing the risk to the built environment overtime by requiring in the Building Code of Australia that property be constructed in a durable manner
Implementing hazard mitigation strategies at a local level to reduce the risk to properties with high exposures and require that any property constructed in the future have external hazards managed by appropriate mitigation infrastructure	

Each of these factors has been the subject of frequent submissions to government inquiries. A copy of the industry's submission to the Productivity Commission inquiry in climate change adaptation is attached and delivers a view on each of these points.

Intervention in private insurance markets by government

Advocates for the strata property industry will argue that their clients should have premiums subsidized either directly or through the provision of an insurance pool – that market failure has occurred.

Insurance policies are intended to address residual risk to the community, after appropriate steps have been taken to reduce the impacts of hazards. On this basis insurance can been seen as operating at the top of the risk spectrum, once all appropriate mitigation actions have been undertaken to prevent, avoid and reduce exposure to hazards.

The premium charged for risk cover provides a *canary in the coalmine* indicator of the acceptability of residual risks faced by members of the community (the policyholders). Where the built environment is exposed to high levels of residual risk due to poor land-use planning, inappropriate development controls and hazards that remain unmitigated, an insurance price signal through higher premiums can serve to motivate an adaptive action.

However, where insurance premium increases occur to match high or extreme risks there can be temptation for governments to intervene and to modify or regulate price. This might occur through the provision of subsidised insurance, through the capping of premium rates or by otherwise pressuring the private market to artificially retard premiums below the technically correct price – all in the interest of preserving a community's status-quo and access to 'affordable' insurance protection.

The ICA submits that such intervention distorts the price signals provided by the insurance market and can lead to a failure to adapt to hazards.

Flood and cyclone risks provide a contemporary example of how market distortions could influence a poor community response to managing risks. Should private insurance premiums for these risks in an area become unaffordable or unavailable, government may elect, as they have in some international jurisdictions, to provide subsidisation for insurance products that lower premiums payable by their risk prone constituents.

Such actions can ultimately encourage further inappropriate development of risk prone land, using construction techniques that whilst legal are not durable to the hazards present – as there is little downside and no financial cost. Perversely this increases the exposure of the community rather than assisting with difficult structural adjustments that may be more beneficial in the long term.

The ICA submits that governments should continue to resist urges to distort the insurance market through intervention, as the price signal generated by insurance products is a driver for adaptation. Those with higher risks should pay for those risks through higher premiums – adaptive actions can be incentivized as community members move over time, or actively seek opportunities to reduce exposures and consequential insurance costs.

Governments should focus on operating the policy levers that they have control of and that will benefit the community the most:

- Removing taxation imposts on general insurance products.
- Educating property owners regarding excess and retention rates for residential strata policies that will assist with managing premiums.
- Modernising the building code to ensure that property durability is addressed as a core requirement for residential property.
- Mandating land-use planning regimes that enforce risk-appropriate development for future property.
- Investing in mitigation infrastructure to protect existing high vulnerability locations.

CONCLUSION

The ICA recognizes that there have been significant increases in residential strata insurance premiums, in particular in the flood and cyclone prone regions of Queensland, Western Australia and the Northern Territory.

The general insurance industry has not increased premiums in these regions on a speculative basis. Premiums are risk based and the practice of prudentially managing the operations of an insurer is highly regulated in order to avoid the risk of insurer failure. This regulation is administered by the federal government through APRA, who mandate levels of capital to be maintained and risk management practices.

In this new premium paradigm it should be remembered that whilst strata unit owners have experienced premium increases, those increases have only raised premiums to a point below or on parity with what is already being paid by householders in the same areas. In many instances strata unit holders still have a significant premium advantage over their neighbours in houses.

Governments should avoid the temptation to intervene in a private market that is presently functioning and providing services. Intervention would distort the market and propagate built environment risk practices that are unsustainable in the long term.

Governments should focus on implementing long overdue policies to help manage the community risks that drive insurance pricing whilst at the same time removing pricing disincentives such as insurance taxes.

[redacted]

Yours sincerely

[redacted]

Robert Whelan
Executive Director & CEO