



Parliamentary committee report on insurance during disaster events inquiry presented today

The House of Representatives Social Policy and Legal Affairs Committee's report, *In the Wake of Disasters: Volume One: The operation of the insurance industry during disaster events*, was presented in Parliament today.

The Chair of the Committee, Graham Perrett MP, and the Deputy Chair, Hon Judi Moylan MP, are expected to make a statement in the Federation Chamber on Tuesday regarding the report. The Committee will hold a press conference on Tuesday 28 February 2012 at 12:00 noon in Committee Room 2R1 at Parliament House which will be broadcast live on http://www.aph.gov.au/News_and_Events/Watch_Parliament

Mr Perrett said 'This inquiry was held in response to the deluge of complaints about the insurance industry that was falling on deaf ears. During our travels around Australia to regions affected by natural disasters, we found that often the insurance claim process had a detrimental effect on people already devastated by trauma and loss.

'Unfortunately there are no regulations that compel insurance companies to do the right thing by their clients and resolve claims in a timely and satisfactory fashion.'

The report makes 13 recommendations to improve the insurance industry's response to and dealings with claims made in relation to disaster events. The recommendations call on the Australian Government to:

- introduce and enact legislation that increase consumer protections in insurance claims-handling and settlement;
- work closely with the Insurance Council of Australia to strengthen their Code of Practice, particularly for times of natural disasters, and to make the Code of Practice compulsory;
- empower the Australian Securities and Investments Commission to 'name and shame' insurers who breach the Code of Practice;
- allocate continuing funding for insurance law services to operate in areas affected by disaster events and for a consumer advisory position in the Financial Ombudsman Service; and
- address the rising costs and potential market failure of insurance premiums.

Additionally, the report urges the general insurance industry to review its procedures and contingency measures for large volumes of claims following natural disasters and conduct a consumer awareness campaign to raise awareness of the Code of Practice and of consumer rights.

The report is available electronically at http://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=spla/insurance/report/index.htm

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