

COMMUNIQUÉ

Hazards Insurance Partnership (HIP)

2 February 2023 – Brisbane, Commonwealth Parliamentary Offices

Context

The Hazards Insurance Partnership (HIP) brings together representatives of the Australian Government and the insurance sector to tackle issues at the intersection of hazard risk and insurance. The Partnership aims to inform effective and evidence-based risk reduction activity and investment, with a view to influencing insurance affordability and availability.

- List of attendees – Attachment A

Opening

NEMA Coordinator-General Brendan Moon AM (Chair) opened the meeting by highlighting that Government gets the best outcomes when its work is locally-led, but that the diversity of Australian communities requires regional responses. The Chair set out that we short-change communities if we do not invest in disaster risk reduction and mitigation, and identified the Partnership as a way to better understand vulnerabilities and meet the clear expectation from communities that we all need to do more.

The Chair invited the Minister for Emergency Management, Senator the Hon Murray Watt (Minister Watt), the Assistant Treasurer and Minister for Financial Services, Hon Stephen Jones MP (Assistant Treasurer) and CEO of the Insurance Council of Australia (ICA), Mr. Andrew Hall to address HIP members.

Minister Watt spoke to the impact of increasingly frequent and severe disasters, the Government's focus on building resilience and reducing risk and the HIP as a forum for frank conversations about what can be done that will translate into benefits for Australia. The Minister emphasised that this should be a true partnership, building on the Government's Disaster Ready Fund (DRF) which the insurance sector had supported.

The Assistant Treasurer elaborated on insurance affordability, availability and coverage issues and reiterated Minister Watt's remarks that the Government's current approach to addressing these issues is to focus on reducing risk.

Mr. Hall spoke to the current issues facing insurers and noted that the ICA was pleased to have a formal mechanism to progress conversations on risk reduction, data and collaboration with Government.

Members agreed that there is an opportunity to draw on the expertise of the HIP to inform the development of Australian Government policies and programs that aim to reduce risk in order to ensure that investments are targeted to the highest priorities and will drive improved affordability and availability of hazard insurance. Members affirmed their willingness to share appropriate data to support better targeted mitigation investment, policy and program design. Members noted the opportunity to streamline Commonwealth requests for data from the industry.

HIP vision and outcomes

Members affirmed the vision and desired outcomes for the HIP, that is, to reduce risks for individuals, businesses and communities through:

- better targeted mitigation investment;
- empowering individuals, businesses and communities with the tools and knowledge needed for appropriate and effective risk reduction and mitigation; and
- improved industry advice to Government for broader disaster risk reduction policy and programs;

... with a view to improving the availability and affordability of hazard insurance for Australians.



Terms of Reference and work plan

Members agreed in principle the draft Terms of Reference, expressing the desire for monthly meetings for the first quarter to drive momentum. Members agreed the importance of engagement with reinsurers and other levels of government and requested that this be incorporated into the work plan, enabled through the Terms of Reference. In the context of data sharing, members noted the need to ensure industry competition considerations are appropriately managed.

In relation to the work plan, members recommended that the HIP focus initially on identifying and prioritising locations that would benefit most from risk reduction activities (by event type including flood, bushfire and extreme weather), and advising on the types of activities that would reduce risk at the household and program level. Members noted that the HIP is well placed to provide advice about the impacts of such activities on insurance availability and affordability, and data to support evidence-based decisions. This work would lay the foundations for a national data set that would be progressed over the longer-term. Members called for early engagement on the development of guidelines for Round 2 of the Disaster Ready Fund to ensure that the criteria supports evidence-based investment decisions.

The Secretariat committed to sharing a draft work plan out of session, to be agreed at the next meeting.

Opportunities

Members noted the importance of empowering households to understand their risk and the actions that they can take to reduce risk. NEMA is leading the development of a national mitigation measure knowledgebase that will support this aim.

NEMA officials also noted an adjacent initiative that NEMA is leading to identify opportunities for public-private partnerships that support improved hazard insurance affordability and availability. The HIP will be consulted to understand the likelihood of benefits related to hazard insurance.

The Australian Bureau of Statistics (ABS) on behalf of the Australian Climate Service (ACS), provided an update on their work to understand relevant hazard and insurance data and the data sharing landscape. The ACS will be developing a data asset to better understand hazard insurance issues, which will be discussed in future HIP meetings.

The Department of the Treasury (Treasury) provided an update on their work to standardise hazard definitions and review the standard cover regime. A definition of 'flood' was standardised in 2012 and the Government is considering standardising other terms to benefit consumers. They reflected that a review will ensure that the standard cover regime is fit for purpose, with a formal consultation paper forthcoming.

Next steps

The HIP will be consulted regarding the guidelines for the next round of the Disaster Ready Fund (DRF).

The HIP will meet again in March 2023.



Attachment A: Attendee List

Government	
Ministerial offices	<p>Senator the Hon Murray Watt, Minister for Emergency Management <i>Observer</i> – Tom Campbell-Hardwick, Adviser, Minister for Emergency Management</p> <p>The Hon Stephen Jones MP, Assistant Treasurer and Minister for Financial Services <i>Observer</i> – Belinda Robinson, Chief of Staff, Assistant Treasurer</p> <p><i>Observer</i> – Sophie Johnston, Adviser, Assistant Treasurer</p> <p><i>Observer, virtual</i> – Stephen Fitzpatrick, Chief of Staff, Office of Senator Tony Sheldon, Special Envoy for Disaster Recovery</p> <p><i>Observer, virtual</i> – Briony Roelandts, Adviser, Assistant Minister for Climate Change</p>
National Emergency Management Agency	<p><i>Chair</i> – Brendan Moon, Coordinator-General, NEMA</p> <p>Rina Bruinsma, Deputy Coordinator-General, NEMA</p> <p>Richard Samuels, Assistant Coordinator-General, NEMA</p> <p>Lizzy O'Shea, Director, Built Environment and Economic Policy, NEMA</p>
Department of Treasury	<p>Robert Jeremenko, Acting Deputy Secretary, Market Group, Department of Treasury</p> <p>Robb Preston, Assistant Secretary, Banking, Insurance and Credit Branch</p>
Australian Bureau of Statistics	<p>Gemma Van Halderen, Deputy Australian Statistician, Statistical Services Group, Australian Bureau of Statistics</p>
Australian Climate Service	<p>Andrew Johnson, Senior Responsible Officer, Australian Climate Service and CEO & Director of Meteorology, Bureau of Meteorology (BoM)</p> <p><i>Observer, virtual</i> - Vicki Woodburn, Group Executive, Australian Climate Service</p>
Home Affairs	<p><i>Observer</i> – James Robinson, Assistant Secretary, National Resilience Taskforce</p>
HIP Secretariat	<p><i>Secretariat</i> – Erin Cronin, Built Environment and Economic Policy, NEMA</p> <p><i>Secretariat, virtual (2)</i> – Shakya Weerakkody, Katie Shoemark – Built Environment and Economic Policy, NEMA</p>
Insurance sector	
Insurance Council of Australia	<p>Andrew Hall, CEO, ICA</p> <p>Kylie Macfarlane, COO, ICA</p> <p>George Houssos, Senior Manager, Government and Stakeholder Relations, ICA</p>
IAG	<p>Julie Batch, Group Executive, Direct Insurance Australia, IAG</p> <p>George Karagiannakis, Executive Manager Government Relations, IAG</p>
Suncorp	<p>Lisa Harrison, CEO Insurance Product and Portfolio, Suncorp</p> <p>JongSok Oh, Executive Manager, Industry Affairs and Public Policy, Suncorp</p>
RACQ	<p>Trent Sayers, Chief Executive Insurance, RACQ</p> <p>Josh Cooney, General Manager Advocacy, RACQ</p>
Allianz	<p>James Fitzpatrick, Chief Technical Officer, Allianz</p> <p>Nicholas Scofield, Chief Corporate Affairs Officer, Allianz</p>
QBE	<p>Andrew Ziolkowski, Chief Underwriting Officer, QBE</p> <p>Kate O'Loughlin, General Manager, Government Relations and Industry Affairs, QBE</p>

