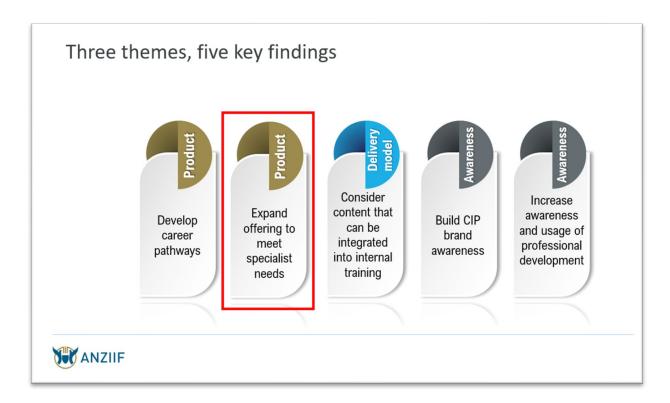
2. Strategic alignment



Parliamentary Inquiry evidence



The House Standing Committee on Economics has released its report on the inquiry into insurers' responses to 2022 major floods claims.

The Chair of the committee, Dr Daniel Mulino MP, said the title *Flood failure to future fairness* reflected "the collective failure by insurers to meet their obligations to policyholders after the 2022 floods, and our hope for a fairer system in the future through the 86 recommendations in this report."

Dr Mulino said that "too many cases were badly mishandled. Inconsistent decision-making meant neighbours received different outcomes after the same event. Long delays caused emotional, mental health and financial strain. More than two years on, many people still can't go home. Initial offers were often too low, which was especially problematic for cash settlements."

Recommendations in the report include:

- registration of the General Insurance Code of Practice with ASIC; and that the Code be made enforceable through insurance contracts
- standardising key terms across all insurance contracts through legislated definitions, including "rainfall runoff", "storm surge", "wear and tear" and "lack of maintenance"
- new regulatory guidance by ASIC to clarify that insurers cannot deny claims based solely on expert reports that do not link
 the damage observed with the reported cause, including for hydrology and building reports
- requiring insurers to provide guidance to policyholders on any maintenance obligations up front, and that there be a
 presumption of coverage in cases where maintenance would be infrequent, costly and highly irregular (for example,
 stumps)
- requiring insurers to make a decision on whether to accept or deny a claim within 12 months, and if that doesn't occur, that they be required to accept the claims in full
- requiring insurers to report key data on claims management performance to ASIC quarterly and, after a natural disaster, monthly, and that this data be published at the insurer and brand level, along with data on breaches of the Code of Practice.

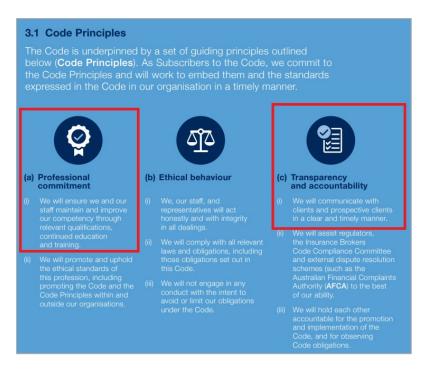
Source:

https://www.aph.gov.au/About Parliament/House of Representatives/About the House News/Media Releases/Flood insurance inquiry reports on industry failures#:~:text=%E2%80%9CThe%20 Committee%20recognises%20that%20insurers,for%20the%20highest%2Drisk%20properties.

Industry association evidence

NIBA

The National Insurance Brokers
Association is the peak representative
body for the intermediated insurance
industry in Australia. This extract is from
their Code of Practice demonstrating the
requirement for Professional
Commitment which includes continued
education but also Transparency and
Accountability which speaks to the core
of the Insurance Risk Management
Program, delivering the best possible
outcomes for customers.

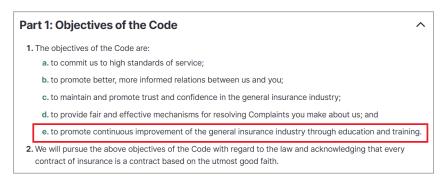


Source: page 8

https://www.niba.com.au/sites/default/files/content-files/Code%20of%20Practice 251023 Final.pdf

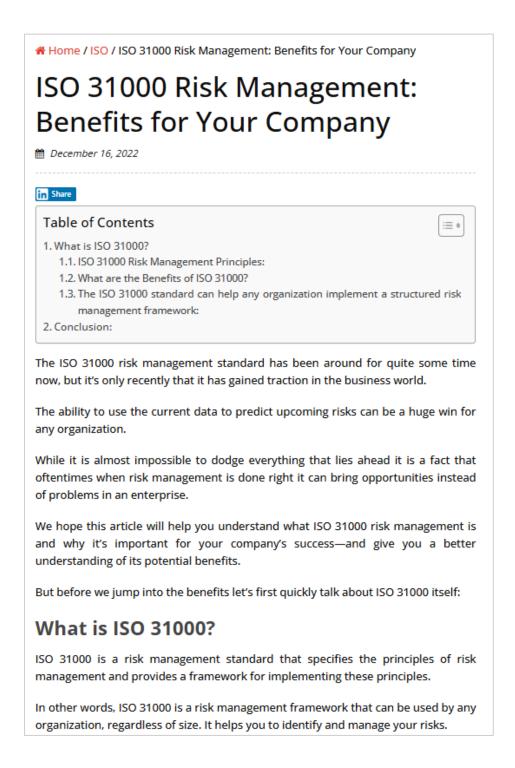
Insurance Council of Australia

The Insurance Council of Australia leverages its unique position to build partnerships with governments, communities and regulators to ensure the strength and sustainability of the general insurance sector. The below is an extract from their Code of Practice demonstrating the requirement for continuous improvement of the industry through education and training of which this initiative contributes and provides evidence of Code compliance.



Source: https://insurancecouncil.com.au/cop/#the-code-new-cop

ISO31000 is an international standard that provides guidelines for risk management practices and procedures. Following is a blog post providing evidence to support the inclusion of ISO31000 in the Insurance Risk Management program as a guiding principle.



Source: https://blog.gsdcouncil.org/what-is-iso-31000-risk-management-and-how-can-it-benefit-vour-company/