



MEDIA RELEASE

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Urgent need for the community and general insurance industry to act on climate change

Brokers believe they should advise customers on climate change but are not confident they can

- Zurich - NIBA Climate Risk Survey

The community, including the general insurance industry, must urgently act on the issue of climate change. Many brokers believe they have a major role advising customers on climate change risks – but are not confident they are knowledgeable enough to.

These are some of the findings of the first ever national survey of brokers on climate change.

The survey – to be an annual event - was undertaken by Zurich Financial Services Australia (Zurich) and the National Insurance Brokers Association (NIBA) to find out how much brokers are aware of climate change, the impact it may have on their customers and how they see their industry can take action. The survey results were announced at the NIBA National Convention in Sydney today.

One in four brokers report they have already started discussing the potential source of risk with customers and adding cover or adjusting policies to help customers cope with climate change risks. But many surveyed indicated much of their knowledge about climate change and its impacts was limited.

Consequently, only one in five brokers feel confident talking to their customers about climate change risks.

Brokers are looking to the Government and insurance companies to help them and their customers better understand climate change issues.

More than half of the brokers say the insurance industry can help reduce the risks customers face from climate change by education and information. The majority of brokers agreed that they need more information from insurance companies to help them better understand climate change. One in four brokers is looking for training by the end of the year.



“The survey clearly demonstrates there is a major role for the insurance industry to play in helping the community adapt to the impacts of climate change,” said Mr David Smith, Chief Executive of Zurich.

“The issue should be seen by brokers and insurers as not just a business risk but as an opportunity for us to help customers understand and deal with the threat of climate change. The days when insurers just handed over the cheque are gone; the community expects us to help them get their lives back when climatic disasters hit,” Mr Smith said.

“The survey also shows that brokers are looking to insurers to assist them better understand climate change so they can help their customers. That is why Zurich is shortly launching climate change training for key brokers and now provides automatic flood cover for its commercial customers,” he said.

At the opening of the annual convention of the NIBA held in Sydney, NIBA President, Steve Lardner, said that weather events had formed increasing general insurance claims over the past decade and look likely to escalate in future.

“Regardless of your personal position on global warming, climate change and weather cycles, the facts appear irrefutable,” he said.

“The increasing frequency and severity of natural catastrophes will invariably lead to re-pricing and premium hikes,” said Mr Lardner.

The broker survey is another example of how Zurich globally is committed to helping our customers adapt to the impacts of climate change, including developing new products and services, as well as engaging with global experts and universities to bring a multi-disciplinary approach to this issue.

A more detailed summary of the results can be found on the Zurich Australia and NIBA websites after 4pm.

Inaugural Climate Ready Broker Award

Zurich has established the Climate Ready Broker Award to recognise a broker who demonstrates leadership in the area of managing climate risks for their customers. Zurich Chief Executive, Mr David Smith, announced the inaugural winner of the award at the NIBA Convention in Sydney as Peter Farrar, a director of RJ Vaughan & Monaghan Insurance Brokers, in Hornsby, NSW.

(A separate media release is being distributed with fuller details.)

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