

For immediate release: 26 September 2014

Insurance brokers welcome natural disaster funding report

The National Insurance Brokers Association (NIBA) welcomes the Productivity Commission's [draft report into Natural Disaster Funding Arrangements](#), which was released on 25 September.

The report highlights the need for higher levels of financial support from the Commonwealth to mitigate the risk of natural disasters for communities, and to reduce expenditure on post-disaster support and reconstruction.

NIBA CEO Dallas Booth said that the interim report was entirely consistent with the views NIBA had put forward in its [response to the Productivity Commission Issues Paper on Natural Disaster Funding Arrangements](#) in June.

"Natural disasters are having a significant impact on the Australian Insurance market, and substantial losses have occurred in recent times in many Australian communities," said Mr Booth.

"The Insured losses are occurring in the built environment. However, the location, nature and use of buildings is controlled by governments and government agencies. It is therefore pleasing to note that this report acknowledges that government has a greater role to play in mitigating these risks and increasing community resilience when disasters strike."

NIBA also welcomes the report findings that insurance markets for natural disaster risk in Australia are generally working well, with pricing increasingly risk reflective down to individual property level.

"An Australian Government Actuary report earlier this year found no evidence of insurer price gouging in areas at high risk of natural disasters and it is pleasing that the Productivity Commission acknowledges that the insurance market is working well in this area.

"It can, however, be difficult for consumers to find suitable insurance cover at affordable rates in high-risk areas. In these circumstances, NIBA strongly recommends that consumers, property owners and business owners seek risk and insurance advice from a qualified insurance broker.

"Insurance brokers have extensive experience in helping clients identify, assess, manage and finance their risks," said Mr Booth. "They are able to provide expert guidance and support on a wide range of risk financing strategies, using products and financing packages from Australia and the worldwide insurance markets."

Media inquiries: Rachel Fry 0417 887 432

NIBA is a not-for-profit, independent industry association representing 360 firms and more than 2000 individual Qualified Practising Insurance Brokers (QPIBs), who handle almost 90% of the commercial insurance transacted in Australia. Brokers play a major role in insurance distribution, handling around \$17 billion in premiums annually and placing around half of Australia's total insurance business.

NIBA operates the free Need a Broker service, which puts consumers and business owners in touch with qualified insurance brokers in their geographic vicinity. The service can be accessed at www.needabroker.com.au or by calling 1300 53 10 73.