



**Australian  
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Manager  
Cyclone Reinsurance Pool Taskforce  
Treasury  
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Via email to: [ReinsurancePool@treasury.gov.au](mailto:ReinsurancePool@treasury.gov.au)

### **Consultation on a reinsurance pool for cyclones and related flood damage**

ACCI and our member network hold significant concerns around the rising cost of insurance premiums emerging as a major constraint on businesses. Ensuring adequate levels of insurance coverage, affordability and efficiency is an essential element to creating a resilient national economy in the face of future disaster risk.

We welcome the announcement to establish a reinsurance pool covering the risk of property damage caused by cyclones and cyclone-related flood damage and the establishment of a Treasury Taskforce to consult with industry on the design of the proposed reinsurance pool.

We note that the scope of this consultation paper is limited to cyclones and related flood damage with northern Australia more exposed to these disaster events. The issues of: greater risk of extreme weather events, greater cost to insurers to provide property insurance and the resulting levels of underinsurance and non-insurance are issues, we believe, that are relevant to areas beyond northern Australia and for other hazards. For example, the recent NSW floods highlighted a high level of underinsurance and non-insurance due to sky-rocketing premiums along the floodplains which significantly impacted recovery efforts.

ACCI would like to see this project undertaken as a potential pilot that could then be expanded to other disaster-prone areas where issues of insurance affordability and availability are known.

ACCI understands that the current hardening of the insurance market is both cyclical and global and we hold the position that any government intervention in this space should be temporary, targeted and ad hoc in nature. Due to unprecedented times, with the confluence of a global pandemic and a series of natural disasters disproportionately impacting a number of industries and geographically spread communities, a genuine case of market failure is at play. Businesses and business persons without adequate insurance coverage are at significant risk of poor economic and job security, adverse health outcomes and slower recovery and rebuild efforts. The current state of the market warrants Government intervention and a Government backed reinsurance pool is a proportionate response.

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Given our interest in the issue of insurance and as a number of our member Chambers of Commerce and Industry Associations intend to provide submissions, we would appreciate the opportunity to discuss the proposal in more detail through an industry roundtable or forum.

I look forward to your response and note that ACCI would gladly facilitate a roundtable discussion with the Taskforce and our members at an appropriate date and time. Please feel free to contact me at: [REDACTED]

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Low', located below the 'Yours sincerely' text.

**JENNIFER LOW**  
Director, WHS and Health Policy