Submission to the Australian Government's discussion paper - Addressing the high cost of home and strata insurance in North Queensland

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1. About QBE

For over 127 years, QBE has been an integral part of the Australian business landscape providing peace of mind to Australians during normal business and times of crises. Our business has been a significant feature of Australia's commercial landscape since its early beginnings in Queensland. QBE is proud of its heritage and the support that it has provided to our customers and policy holders during this time.

Listed on the ASX and headquartered in Sydney, stable organic growth and strategic acquisitions have seen QBE grow to become one of the world's top 20 insurers with a presence in all of the key global insurance markets. QBE today is one of the few domestic Australian-based financial institutions to be operating on a truly global landscape with operations in 43 countries around the globe.

As a member of the QBE Insurance Group, QBE Australia operates in Australia primarily through an intermediated business model that provides all major lines of insurance cover for personal and commercial risk throughout Australia.

2. Background

Natural disasters are an ever present risk for communities in Australia. The contributions of the insurance industry in the recovery of communities from recent catastrophes are significant not only in terms of the billions of dollars of claims paid, but also in terms of the evolving risk mitigation and emergency management initiatives that build resilience into our communities. Included in appendix 1 is the Insurance Council of Australia's (***ICA)*** disaster statistics for natural catastrophe indemnification since 2009, demonstrating the significant contribution of insurers during this time. The support that private sector general insurance provides for people, businesses and communities is a critical factor in assisting in the expeditious economic recovery and rebuilding when natural disasters and misadventure occurs.

There has however been much recent debate with Government and industry on the topic of accessibility and affordability of insurance, particularly for natural peril risks like cyclone risk in northern Australia or flood risk following the recent Queensland and Victorian floods. On 9 May 2014, the Australian Government issued a discussion paper - *Addressing the high cost of home and strata title insurance in North Queensland* (***discussion paper***) calling for business and community input on further policy options to address concerns around the perceived "high cost" of property insurance in North Queensland.

QBE believes it is important that the issues outlined in the discussion paper do not pre-empt and are considered holistically in the broader context of the current Federal Government's Financial Systems Inquiry (***FSI)*** and also the current Productivity Commission's Inquiry into Natural Disaster Funding. The FSI and the Productivity Commission's review provide a real opportunity at this time in Australia to increase understanding and awareness of the complexities in this debate. This would then provide an informed platform for all levels of government and industry to collaborate to promote risk awareness, develop better risk data, build resilient infrastructure and embed appropriate incentives to achieve these aims.

QBE's submission to the FSI explores these issues in some depth and is available on the FSI website[1].

3. Risk and insurance pricing

General insurance is a fundamental foundation of a modern economy and touches almost all levels of the community and our individual human and corporate activities. A strong, stable and innovative insurance industry is critical for the smooth functioning of the economy. General insurance provides important social and economic support structures which are demonstrated through the industry's role in:

[1] http://fsi.gov.au/files/2014/04/QBE.pdf

- pooling and diversifying risk;
- facilitating business activities and mobilising savings;
- identifying, understanding and managing risks that help build resilience in society;
- helping individuals and communities recover and rebuild after disasters occur;
- encouraging personal responsibility and risk management;
- delivering productivity gains such as returning injured workers and motor vehicle accident victims back into the workforce; and
- contributing to the economy through direct and indirect employment and the provision of significant capital reserves and assets, typically conservatively invested in longer duration investments.

Identifying, understanding and managing risk is the central focus of an insurance business. Insurers use a variety of methods and tools to estimate the likelihood or frequency of an event occurring and the severity of loss that is likely to occur from the event. As technology develops and data becomes more available and accessible, insurers are gaining more information and developing better skills utilising modern risk assessment and risk management techniques to better understand, assess and continuously manage the nature of insurable risks.

Once risks have been identified and assessed, to enable insurers to provide coverage for such risks, insurers must be able to set rates for each potential customer or set of customers. The premium paid by the insured needs to be sufficient to cover costs of claims, the insurer's various internal expenses (including operating costs, commissions, regulatory and compliance costs, etc), reinsurance (insurers' own protection), profit margins (inclusive of cost of solvency capital), taxes, levies and stamp duty. These costs are also partly offset by investment income made on insurance and capital reserves that are held by insurers that are currently at relatively quite low levels.

Unlike other industries, a large portion of the ultimate costs are uncertain for insurers when they market their products. Claims costs are estimated by insurers based on a combination of claims statistics, stochastic models and economic forecasts. The level of insurance premium will vary from one insured to the other based on individual circumstances as well as the marginal effect of every new policy on the diversification of the insurer’s overall book of business.

As insurers on the one hand develop more sophisticated methodologies and data to understand risks at a more granular level, technical pricing and our current prudential regulatory regime demands that insurers in Australia appropriately price for and hold capital for such risks Similarly, regulators are directing insurers to purchase more reinsurance than ever before. On the other hand, this inevitably means that those individuals or consumers who are considered to constitute a high risk will have that risk reflected in the higher insurance premium required to be paid to the insurer to cover that risk.

Australia has experienced a large number of natural disasters over the past few years including cyclones, bushfires and floods. As information becomes more readily available, insurers become more able to reflect the level of that individual risk and price accordingly. As insurers have experienced these events and repriced products to reflect the loss experience and updated information around such natural perils, this has led to significant premium increases, primarily for sectors of the community where disasters are more frequent and costly. This has occurred in the aftermath of the Queensland and Victorian floods and persistent cyclone and storm experience in northern Queensland.

The issue is compounded by prudential authorities gradually forcing insurers to raise solvency levels (and therefore cost of capital) to avoid insolvencies in all but the worse possible scenarios, as well as the rising value of assets to be insured.

There is a danger however, when differentiated premiums are viewed by society and politics as unjust and discriminatory and public policy measures are introduced to address the perceived inequity.

Insurance pricing plays a critical role for society by signalling to individuals, communities and government important information about the existence and nature of specific risks. In pricing risks, insurance companies give a signal to the market as to how they see that risk.

Risks with a greater severity and/or frequency are priced higher than risks with less of each. In an efficient market, this is desirable, with price providing an appropriate signal to individuals, society and governments about the increased level of risk and encouraging risk mitigation. Optimally, this would lead to action being taken to stop allowing development in inappropriate areas or by ensuring that new dwellings and construction in "high risk" areas meet building standards that would significantly reduce the potential damage should a significant weather event occur.

If a pricing signal is lost or distorted in any way (for example by cross-subsidizing or by Government subsidization and/or regulation), market information is lost.

When individuals believe that governments will step in and provide a safety net there is significant risk of moral hazard as individuals are dis-incentivised from mitigating or insuring their risk. As the ICA notes in its submission to the FSI:

> *... in the end, private insurance is not a substitute for social policy. Efficient risk-bearing requires that the true cost of insurance be signalled to those who own insurable risks. The efficiency of the overall system is enhanced when a rational decision is made as to how much risk is self-insured and how much risk is ultimately laid off. Furthermore, the efficiency of the system is not improved if policy makers inadvertently "crowd out" private market insurance markers with social insurance schemes especially if inadequate consideration is given to the implications for risk mitigation across the entire system....*[2]

Insurance is socially valuable and an effective tool for transferring and mitigating risk however, the expectation that insurance alone can bear this risk is not realistic. Increasing natural peril risk and loss feeds directly into an increasing requirement for recovery funding with direct impact on the fiscal spend for Government. According to a study by Deloitte Access Economics in 2013, the economy wide cost of natural disasters in Australia was over $6 billion in 2012 alone. Disregarding the effects of possible climate change, this was estimated to double by 2030 and to increase to a yearly average of $23 billion by 2050[3].

Government clearly has a role to play, particularly in ensuring that appropriate incentives are in place for reducing and mitigating risk. Often there can be conflicting objectives which can create considerable tension between Government and consumers' expectations and insurers' appetite for risk and regulatory obligations. When public policy intersects and mandates a social policy response in private markets there is the potential for unintended consequences to eventuate with inadvertent effects.

Insurance works best in undistorted markets. There has been an increasing tendency for policy advisers to intervene directly in the market, which can have the unfortunate effect of distorting markets and potentially producing unintended consequences for insurers and consumers. QBE believes the case for market intervention has not been made but rather the market is working effectively to price and balance risks in the high risk market of north Queensland.

Government intervention that can distort or destabilise a functioning market runs the risk of thinning or undermining the availability of private insurance. If private insurance cover becomes scarce, it is simply a question of time before the Government will be required fund losses which will have significant implications for the fiscal spend.

This is a complex issue that requires considerable unpacking and debate by stakeholders to ensure that it is well understood prior to the implementation of any policy measures by Government.

4. Insurance premiums in North Queensland

The higher cost of insurance is obviously a concern for those living in areas that are assessed as "high risk" from an insurance perspective. However, the higher cost of property insurance in far North Queensland appropriately reflects the underlying risk factors of the region and provides an important price signal to individuals, communities and governments about the natural peril risk in this region.

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[2] Insurance Council of Australia, *Financial Systems Inquiry Submission*, 2014, page 22.
[3] Deloitte Access Economics, *Building our nation's resilience to natural disasters – Prepared for the Australian Business Roundtable for Disaster Resilience and Safer Communities*, 2013

This is recognised in the discussion paper which outlines the higher proportion of claims payout for Queensland in recent years compared to other states, noting the drivers behind this are principally that Queensland, and in particular Northern Queensland, is exposed to more natural hazard events.

> *While Queensland has long been exposed to natural hazards, the frequency of extreme weather events and their level of destructiveness appear to have risen significantly since 2006...these events caused significant damage with total insurable losses estimated at approximately $3.4 billion[4]. Against that background some increase in insurance premiums in Queensland since the recent disasters is unsurprising.*

The discussion paper also recognises that other factors are contributing to the increased cost of providing property insurance in North Queensland, such as increased reinsurance costs, the introduction of flood cover, increasing levels of sums insured and the increased costs of rebuilding over recent years.

Additionally, the Australian Government Actuary in 2012 undertook a study on strata title insurance prices rises in North Queensland[5] concluding that profitability in the region over the period of the study (2007-2012) was poor at around minus 30 percent of premium (which is unsustainable for insurers) and that premium increases were a result of historic under-pricing and better reflect the risk levels insurers' face and the cost of capital associated with providing this cover. The AGA's study did not conclude that prices in the region were unreasonably high when assessed against the underlying risk.[6]

In this context, QBE believes that focusing solely on the cost of insurance premiums as an issue of affordability and introducing short term policy solutions to drive insurance premiums down will lead to unintended consequences. Some aspects of the recent increases in insurance premiums are cyclical, for example, reinsurance costs where we anticipate higher reinsurance costs may soften.

It is important for government, industry and communities to focus on sustainable long term policies rather than quick fixes that could well exacerbate the tension between affordability and sustainable risk insurance, particularly in the context of the Federal Government's ambitious growth agenda for northern Australia. The complexity of the issue warrants a deeper debate and careful policy development.

5. Competition in North Queensland insurance markets

The insurance market is very competitive in Australia and, given the uncertain nature of the risk assessment, various insurers will have different views as to the assessment of the ultimate costs embedded in the insurance premiums that are charged. As such, it is not uncommon for insurance premiums to vary significantly between insurers for one particular risk. In the case of North Queensland however, clearly the high natural peril risk of this area coupled with the high loss potential will undoubtedly result in higher insurance premiums than other areas in Australia.

The peculiar risks to which North Queensland is vulnerable, especially cyclones, creates a different insurer appetite for this risk. However, as noted in the discussion paper, although the degree of contestability in North Queensland property insurance markets may be lower than for markets in most other Australian regions, there is no market failure. Insurance is available, and given the region's significant exposure to natural perils, prices are not unreasonably high when assessed against the underlying risk[7].

Governments and communities are concerned about the affordability of insurance premiums and the high cost of property insurance in North Queensland. There is however, a ready solution, which has been recommended by all inquiries into tax in recent decades including the Henry Tax Review. QBE

[4] Discussion paper, page 3.
[5] Australian Government Actuary, *Report on investigation into strata title insurance price rises in North Queensland,* 2012.
[6]Ibid, page 17.
[7] Ibid.

suggests it is contradictory for governments on the one hand to be raising concerns and issues about affordability of insurance, and on the other hand to be increasing or adding to taxes, duties and levies that make up a significant proportion of the cost of insurance. QBE believes it is time to act on the universal recommendation of these reviews and remove all state taxes, duties and levies on insurance, which are viewed as very inefficient and counterproductive.

With the importance of affordability of insurance and the potential implications of non or underinsurance on the public purse, we believe it is time for state and territory governments to act to remove all these specific imposts on insurance, which add considerably to the costs of insurance for no public benefit; indeed they worsen outcomes for communities and governments.

6. Increasing consumer awareness

6.1. Increased transparency and disclosure at time of purchase

Although not raised in the discussion paper, QBE believes that increased transparency and disclosure to purchasers of property in high natural peril risk about the natural peril risk exposure should also be a consideration in this debate. When individuals believe that governments will step in and provide a safety net there is significant risk of moral hazard as individuals are dis-incentivised from mitigating or insuring their own risk.

With increased transparency and disclosure, individuals are best positioned to make informed choices and consequently accept individual accountability and responsibility for those choices. Although the cost of property insurance may be higher in areas of high natural peril risk, there are likely to be other tradeoffs or factors for individuals that make property in such areas attractive.

There are legacy issues with current development and occupation in high natural peril risk areas in Australia that need to be dealt with. Focusing forward, and especially bearing in mind the Australian Government's growth agenda for northern Australia, it is vital that consumers are made aware of the natural peril risk and consequent implications - at the time of purchase or occupation - to enable informed choices to be made of the cost/benefits of living in these areas.

6.2. Development of an insurance website/aggregator

The discussion paper seeks views on whether developing an insurance information and comparison website (or an "insurance aggregator") will help consumers compare insurance products and reduce the cost of insurance in far North Queensland. Three options have been canvassed:

- Option 1 – a consumer information site – price and features comparison
- Option 2 – a website to provide indicative or sample prices
- Option 3 – a live quote aggregator.

QBE is strongly of the view that the high exposure to natural peril risk in far North Queensland and the consequent implications for prudentially regulated insurers is the primary driver of the higher cost of property insurance in this region.

On this basis, QBE does not believe that the operation of an aggregator or comparator site will lead to greater competition or lower transaction costs or insurance premiums for consumers. In fact, because of the limited appetite of insurers for this risk, it may have the opposite impact on insurance prices, with insurers pricing to limit exposure, rather than gain market share.

Aggregators may work in a highly competitive market for vanilla product offerings however, QBE does not consider this a feasible option in a very high risk market such as North Queensland and for a complex product like home and building insurance.

The aggregator example used in the discussion paper focused on the UK experience for motor insurance. Although there has been some suggestion that the introduction of aggregators for motor insurance in the UK did result in downwards pressure on prices, it also resulted in consumer behaviour focused purely on price (rather than considering the level of coverage and different product offerings) and ultimately led to market exit of a number of insurers, reducing product offerings, worsening deals for consumers in the medium term and affecting the level of competition in the market.

Reduced product offerings, worsening deals with consumers and reduced competition, is obviously not the result either the Australian Government or the general insurance industry wants and is certainly not in the interests of communities.

QBE submits that developing an aggregator for the comparison of home and property insurance (rather than motor) is far more complex and this type of insurance will not translate effectively into an aggregator model. It will increase the risk of consumers getting the wrong coverage for their situation as the emphasis inevitably focuses predominantly on price.

An aggregator model leading to a predominant focus on price would be of even greater concern in relation to strata insurance. The primary purpose of strata insurance is to protect the collective interests of the collective lot owners. Each lot owner is liable for the full extent of the schemes debts. Any underinsurance will lead to special levies to all lot owners to make up short falls and often cause schemes to take action to recover monies (such as bankruptcy proceedings). As such, in each state, strata schemes have a legislative obligation to insure common property for the full replacement value. Unfortunately there is no real mechanism to monitor this. In a price sensitive market, we are already seeing strata schemes choose lesser levels of cover and understate values and the building sum insured, which has significant underinsurance implications. An aggregator model for strata insurance may exacerbate this issue.

Property insurance is complex. It is important for consumers to understand the relevant offerings and choose cover that is suitable for their individual needs. A distribution model that inevitably leads to a “dumbing” down of cover with a focus purely on price will inevitably mean inappropriate or insufficient insurance cover for individuals. The efforts of the industry to increase education about insurance and the importance of suitable cover will be negated, if not reversed.

Unlike motor insurance, while people can make do without a car, making do without a place to live creates the risk of personal ruin. This is the likely reason why an aggregator model for home and building insurance has not achieved similar penetration to motor insurance in the UK.

Additionally QBE considers the set up costs and ongoing compliance costs of participating in a live quote aggregator would be prohibitive, ultimately leading to increased prices to customers and affecting shareholder returns. QBE has provided separate confidential information on the anticipated set up and ongoing compliance costs for participate in a live quote aggregator.

For these reasons, QBE is strongly opposed to and is unlikely to participate with the introduction of an "aggregator" (option 3) or a live comparator website (option 2) for far North Queensland for strata, home and property insurance. We believe this proposal to be fundamentally flawed with likely significant unintended consequences.

QBE does recognise and support the Government’s aim to increase general consumer information about the availability of insurance and the different product offerings in far North Queensland. If government is intent on an insurance information and comparison concept, QBE would support a consumer information website (option 1) that facilitates awareness of the insurers that offer insurance products in this area. QBE considers an information website with simple price and features comparison for insurance products, updated on a six monthly basis, could be a cost effective and efficient method of increasing transparency for consumers without significantly increasing red tape and ongoing compliance costs that would ultimately end up being passed on to consumers.

7. Promoting resilience

QBE is very supportive of proposed initiatives to mitigate against natural peril risk, build resilience and enhance information and data about the nature of the risk. As such, QBE supports the suggested scheme outlined in the paper to provide access to strata building engineering inspections (as developed with James Cook University) as this will enable insurers to better understand and accurately price for the specific risk factors of individual strata schemes in North Queensland.

We particularly welcome recent efforts to improve disaster co-ordination between Government agencies and insurers, steps taken to improve mitigation and enhance information and data about the nature of risk to our community.

The progress in Australia over the last decade with industry/Government initiatives like sharing of flood risk data, flood mitigation projects and studies into strata building risks from cyclonic weather in far north Queensland has increased the communities' understanding and helped reduce uncertainty for insurers when considering and pricing these risks. This benefits the majority of insureds in areas of low or medium to high risk, however, there are areas where legacy issues exist and the risk is relatively high, for example, some existing developments and strata in far north Queensland. Further, local council, state and territory governments continue to allow development in areas that are considered high risk flood or bushfire zones with limited risk mitigation strategies required of developers.

There are numerous examples that demonstrate the effectiveness of "future proofing" against these types of risk. Interestingly, Geoscience Australia has modelled the impacts of the 1974 Cyclone Tracy on Darwin if the same event occurred in 2008 having regard to the reconstruction of the city to new standards with the revision of building codes after that time. It is believed that approximately 80% of residential buildings were either destroyed or rendered unliveable by the impact of Cyclone Tracy with damage estimated at 36% of full reconstruction costs. The 2008 modelling has estimated that the damage from the same event would be 3.5% of full reconstruction costs reflecting a 90% reduction in mean losses compared with the 1974 impact.

QBE accepts its vital role in protecting the financial well being of individual, households and communities, restoring their standard of living and helping communities recover after catastrophes. The expectation that insurance alone can bear this risk however, is not realistic.

8. Foreign insurers

One of the questions for consideration in the discussion paper is whether foreign insurers might be attracted to participate in the North Queensland market. While apparently aimed at encouraging competition in the market, in practice this option would not work in the interests of most consumers.

Foreign insurers may be able to offer cheaper premiums if they are allowed to participate but only if and as long as they do not have to comply with the Australian regulatory regime, as do other insurers in the market.

This option would create an unlevel playing field with Australian insurers who are subject to and must comply with rigorous prudential regulatory requirements and Australian consumer protection laws and has the potential to distort current market operations and consumer protections. The Australian regulatory regime has been extensively debated and developed over the last decade requiring insurers offering consumer insurance in Australia to meet robust solvency and regulatory obligations with fundamental, embedded consumer protections at the core of all such offerings.

QBE considers allowing foreign insurers to operate on the suggested basis would significantly undermine and distort the current regulatory settings, may result in Australian insurers exiting the market with potentially dire consequences for consumers.

Additionally, whilst the introduction of foreign insurers could possibly provide a short term policy to potentially address the concerns about the high cost of insurance in this region, it is highly unlikely to provide a sustainable solution to the underlying risk issue. Participating foreign insurers would still face the same underlying risk factors relating to the high natural peril risk of this region with the inevitable loss experience and flow through consequences.

QBE's past experience has been that offshore entrants to the North Queensland market tend to disappear after experiencing a catastrophe event, leaving a number of claims and consumer issues that are difficult to manage from offshore and create potential reputational issues for the broader Australian insurance industry.

Should any such proposal be seriously contemplated, it would be critical that this is ring-fenced and applicable only in relation to far North Queensland. It would also be fundamental for Government to provide core consumer assurances commensurate with the existing regulatory insurance protections for consumers. Without such assurances, the reputation of the entire insurance industry is likely to suffer, in the event that foreign insurers are unable to meet consumers' expectations or fail to meet claims obligations in an effective or timely manner.

8. Conclusion

There has been an increasing tendency for policy advisers to intervene directly in the market, which has the unfortunate effect of distorting markets and potentially producing unintended consequences for insurers and consumers. The natural disasters experienced in Australia over the last 5 years have shone a spotlight on the industry and also the complex issues of catastrophic natural peril risk in our country. It has raised unrealistic expectations of governments by consumers and unrealistic expectations of insurers by governments.

With increasing natural peril risk and loss anticipated to double by 2030 and to increase to a yearly average of $23 billion by 2050[8] (disregarding any impacts from potential climate change) it is very important that we collectively focus on a holistic solution to mitigating risk and building resilience in our communities. This should be the focus rather than adopting short term policy positions that have the potential to distort well functioning markets.

Although there are no easy, short term solutions on the issue of affordability or accessibility (as evidenced by similar debates around the world), we believe that better communication and collaboration between governments and the industry would help to tackle these complex issues, particularly in relation to land development, risk awareness and mitigation initiatives for exposure to catastrophic natural events for certain areas and risks in Australia.

It is important that:

- **any public policy intervention in insurance markets be carefully considered and tailored to address the specific issue in question rather than a broad brush and reactive response that could operate to undermine the broader market insurance offering; and**
- **individually, and as an industry, we continue to work collaboratively with all levels of Government to promote risk awareness, develop better risk data, build resilient infrastructure and embed appropriate incentives to achieve these aims.**

[8] Deloitte Access Economics, *Building our nation's resilience to natural disasters – Prepared for the Australian Business Roundtable for Disaster Resilience and Safer Communities*, 2013

Appendix 1 - Historical natural catastrophe statistics in Australia since 2009

Event	Date dd/mm/yy	Location	State	Original Cost (AUD$)
Cyclone	11/04/14 - 16/04/14	QLD	QLD	$8,400,000 (as at 15/04/14)
Bushfires	11/01/14 - 14/01/14	Perth	WA	$15,000,000 (early figures)
Bushfires	17/10/13 - 27/10/13	NSW (various locations)	NSW	183,400,000 (early figures as at 05/12/13)
Inundation and Storms	27/01/13 - 30/01/13	Northern NSW	NSW	121,300,000
Inundation and Storms	21/01/13 - 31/01/13	QLD	QLD	977,000,000
Bushfire	13/01/13 - 19/01/13	Coonabarabran	NSW	35,000,000
Bushfire	04/01/13 - 10/01/13	TAS	TAS	89,000,000
Flooding	24/02/12 - 16/03/12	NSW & VIC	NSW & VIC	131,890,000
Flooding	24/01/12 - 15/02/12	SW QLD	QLD	131,432,000
Christmas Day Storms	25/12/2011	Melbourne	VIC	728,640,000
Margaret River Bushfires	22/11/11 to 24/11/11	Margaret River	WA	53,450,000
Perth Bushfires	05/02/11 to 07/02/11	Perth and surrounds	WA	35,128,000
Severe Storms	04/02/11 to 06/02/11	Melbourne and suburbs	VIC	487,615,000
Cyclone Yasi	02/02/11 to 07/02/11	QLD	QLD	1,412,239,000
Flooding	13/01/11 to 18/01/11	VIC	VIC	126,495,000
Flooding	21/12/10 to 14/01/11	QLD, Rural Toowoomba, Lockyer Valley	QLD	2,387,624,000
Perth Storm	22/03/2010	Perth	WA	1,053,000,000
Melbourne Storm	06/03/2010	Melbourne	VIC	1,044,000,000
West QLD flooding	05/03/2010	QLD	QLD	46,700,000
Toodyay Bushfires	31/12/2009	Toodyay WA	WA	7,400,000
Inundation & Storm Damage	21/05/2009	South East Queensland & Northern NSW	QLD/NSW	48,000,000
Flooding	10/04/2009	Northern NSW	NSW	37,000,000
Victorian fires	07/02/2009	VIC	VIC	1,070,000,000
Floods	13/01/2009	Far North Queensland	QLD	19,000,000

Source: Website of the Insurance Council of Australia per March 11, 2014: http://www.insurancecouncil.com.au/industry-statistics-data/disaster-statistics/historical-disaster-statistics