

From: [REDACTED]
To: [ReinsurancePool](#)
Subject: Re: Exposure draft legislation: reinsurance pool for cyclones and related flood damage [SEC=OFFICIAL]
Date: Wednesday, 8 December 2021 4:46:42 PM

Dear Sir/Madam,
The bill is very impressive as it stands and I commend you for the writing of this policy.

It appears that you have really listened to those stakeholders most effected by the high insurance premiums.

I would like to see an inclusion in the legislation to reflect (from my original submission):-

Risk: Policy should be designed to reflect the trend in cyclones and related weather.

Insurance companies are using “increasing” cyclone and extreme weather events as an excuse to increase premiums and refuse to quote. I have conducted an analysis of weather trends and my research uncovered the following information:-

Cyclone events have decreased in Cairns in the past 20 years and long-term trends indicate they have decreased not only in quantity but in ferocity across Australia in recent decades. For example, according to the Australian Bureau of Meteorology between 1973 and 1980 there were between 13 and 18 cyclones a year. Between 2014 and 2020 there were on average 5 -10 a year[1].

Insurance companies must only charge premiums commensurate to the risk ie, as above, if trends demonstrate severe weather events are decreasing, insurance companies should not make false claims of the opposite to increase their premiums. If insurers are found to be giving this fraudulent excuse to increase premiums they should be penalised.

Insurers must not charge excesses so high it is not conducive for a claim to be made. For example, the excess on the building policy of my property is \$15,000 per event (\$70,000 for roof). Our premium is \$70,000 annually (40 units), this is up from \$20,000 the prior year before our insurer dropped out of the NQ market. This is an outrageous premium to pay and, unless the building is destroyed in a weather event, is almost useless as the excesses are so prohibitive.

The building has been in place 40 years and in that time has had no substantial damage or claim, and recent statistics indicate decreasing risk in catastrophic weather events. There is no excuse for an insurance company to charge such exorbitant amounts and this must be reflected in the legislation.

Thank you for this opportunity to participate.

Yours sincerely,

Angela Christian

Angela Christian

Policy Writer & Researcher

Property Investor



[\[1\] bom.gov.au/cyclone/tropical-cyclone/knowledge-centre/history](https://www.bom.gov.au/cyclone/tropical-cyclone/knowledge-centre/history)

On Friday, 3 December 2021, 08:35:31 GMT+10, ReinsurancePool
<reinsurancepool@treasury.gov.au> wrote:

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The Government has today released exposure draft legislation for the establishment of a reinsurance pool for cyclones and related flood damage.

The exposure draft legislation and an explanatory factsheet can be found on the Treasury [website](#).

The Government is seeking stakeholder views on the exposure draft legislation. Responses may be submitted via email to the Treasury Cyclone Reinsurance Pool Taskforce at reinsurancepool@treasury.gov.au up until 17 December 2021.

Kind regards,

Cyclone Reinsurance Pool Taskforce

Treasury, Langton Crescent, Parkes ACT 2600

Email: reinsurancepool@treasury.gov.au

The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.

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