



17 December 2021

Reinsurance Pool Taskforce
Financial System Division | Markets Group
The Treasury, Lvl 29 201 Kent St, Sydney NSW 2000
by email: reinsurancepool@treasury.gov.au

Dear Reinsurance Pool Taskforce,

Exposure draft legislation: cyclone and related flood damage reinsurance pool

Thank you for the opportunity to comment on the Exposure draft legislation for the cyclone and related flood damage reinsurance pool. The Financial Rights Legal Centre (**Financial Rights**) welcomes the draft legislation and in particular support the ACCC playing a key role in monitoring the pricing of insurance to ensure that savings are passed on to consumers. This is critical to the success of the scheme.

We also strongly support the inclusion of discounts for policies that cover properties that have undertaken cyclone and flood mitigation. Insurance is a risk mitigation partnership between an insurer and the consumer and consumers need to be encouraged and rewarded for taking action to mitigate against natural hazard risks.

Financial Rights is glad to see the pool will cover a broad range of residential and household insurance contracts, including home and contents, landlord and residential property on agricultural land, residential aged care and social and community housing. Cover for on-site caravans or moveable homes is included as well as boarding houses. We are also glad to see that 'eligible cyclone losses' are not geographically limited, as climate change predictions include cyclones travelling further and further south over time.

Finally we support the decision to make participation in the scheme mandatory for all general insurers and that the pool will cover the cost of all eligible cyclone and related flood claims above the policy-holders excess under their insurance policy.

Concluding Remarks

Thank you again for the opportunity to comment. If you have any questions or concerns regarding this submission please do not hesitate to contact Financial Rights on (02) 9212 4216.

Kind Regards,



Karen Cox
Chief Executive Officer
Financial Rights Legal Centre



About Financial Rights

Financial Rights is a community legal centre that specialises in helping consumers understand and enforce their financial rights, especially low income and otherwise marginalised or vulnerable consumers. We provide free and independent financial counselling, legal advice and representation to individuals about a broad range of financial issues. Financial Rights operates the National Debt Helpline, which helps NSW consumers experiencing financial difficulties. We also operate the Insurance Law Service which provides advice nationally to consumers about insurance claims and debts to insurance companies, and the Mob Strong Debt Help services which assist Aboriginal and Torres Strait Islander Peoples with credit, debt and insurance matters.