

16<sup>th</sup> December 2021

Treasury

Email: [reinsurancepool@treasury.gov.au](mailto:reinsurancepool@treasury.gov.au)

To Whom it May Concern,

RE: Submission – Exposure draft legislation: cyclone and related flood damage reinsurance pool

The Onslow Chamber of Commerce & Industry (OCCI) is an independent and not for profit organisation that provides advocacy and representation, networking and events and business support for Onslow's dynamic business community. Since becoming incorporated in 2004, the OCCI has grown its membership to over 100 businesses and organisations and has developed a reputation as a highly credible business sector champion.

#### OUR PURPOSE

Driven by the needs of our members, and led by an elected Executive, the OCCI offers invaluable support and guidance to businesses across a range of sectors and services. At its core, the chamber actively promotes the interests of its members in the Onslow business community, and works to achieve positive social, economic and environmental outcomes for the town of Onslow.

In response to the recent announcement of the Government of a draft legislation to implement a reinsurance pool for cyclones and related flood damage, which will be backed by \$10 billion Government guarantee and cover household, residential strata and small business property insurance policies, OCCI have conducted a short survey of our members to gather the following data.

- Over 80% of respondents currently have an active insurance policy
- Over 30% of the respondents are currently underinsured because they cannot afford the premium
- Almost 50% of the respondents are paying \$10,000 or more for insurance with 16% paying over \$50,000
- Majority of respondents indicated a reasonable premium to be paying per year is less than \$3,000
- Over half of the respondents have never made a claim against their current insurance policies, followed by the next group having not made a claim for over 6 years

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We then asked the respondents if insurance premiums were reduced significantly what would they most likely invest the money on, below are the suggestions mentioned starting from the most popular:

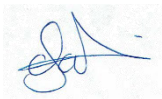
1. Investment to grow business
2. Pass on cost savings to tenants
3. Reduce stress / improve mental health
4. Additional money for household budget
5. Reduce the cost of products & services to customers
6. Increase staff wages

As you can see with the data and information we have collected from our membership, insurance premiums are a concern and challenge. We have not only shown the excessive costs our businesses face with insurance premiums but we have also identified areas of spending with cost savings.

All of the above suggestions directly flow into the regional area through growth and direct benefits to the local economy and community. Based on the statistics provided that show the exponential premium difference over the equivalent policy outside the region and lack of major claims we do not believe the value to be justified and therefore back the draft legislation to implement a reinsurance pool for cyclones and related flood damage.

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Kind Regards,



Chantelle King  
CEO



Jason Varcoe  
President