

February 28, 2013

## Insurers welcome \$100 million federal commitment to fund flood mitigation infrastructure

The general insurance industry has welcomed today's announcement by Prime Minister Julia Gillard, Financial Services Minister Bill Shorten and Attorney General Mark Dreyfus of \$100 million in funding over two years for flood mitigation projects.

The CEO of the Insurance Council of Australia (ICA), Mr Rob Whelan, said the commitment was a significant financial step towards protecting the viability and sustainability of many flood-prone communities.

"We congratulate the Federal Government and Minister Shorten for providing this breakthrough funding for vital flood mitigation infrastructure work," Mr Whelan said.

"The announcement today will ensure that at-risk Australian communities will be better protected in the future from the devastating effects of floods.

"The insurance industry commends the government for this bold initiative and looks forward to working with Minister Shorten and relevant government agencies on the development of the program."

Mr Whelan said mitigation of known risks had long been a critical issue and one of the core priorities of the insurance industry. He said the ICA had been campaigning for many years for a greater focus by all levels of government on mitigation and community resilience to known risks.

The ICA welcomed a further study to be undertaken by the Australian Government Actuary on strata insurance pricing across Australia, which will provide a benchmark to better inform policyholders on how insurance premiums directly relate to risk.

Mr Whelan said the past summer proved mitigation was urgently needed to protect many communities. He said the recent floods in Queensland and NSW caused by ex-tropical cyclone Oswald had caused insurance losses of more than \$661 million.

In the past decade, floods have caused nearly \$4.5 billion in insured losses across Australia, with the Queensland flood of 2010-2011 causing insured losses of \$2.4 billion. Many communities have been flooded two or three times in several years.

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**Note for editors:**

For pictures of ICA CEO Rob Whelan please contact the ICA communications team on: **0432 121116** or email [comms@insurancecouncil.com.au](mailto:comms@insurancecouncil.com.au)

**Media conference:**

**ICA CEO Rob Whelan will be holding a media conference at the ICA's offices this afternoon.**

**Time: 2pm**

**Address: ICA, Level 4, 56 Pitt Street, Sydney**

**For more information contact the ICA communications team on: 0432 121116 or email [comms@insurancecouncil.com.au](mailto:comms@insurancecouncil.com.au)**