



**Our Changing Planet,
Your Insurance**

Sue Murray

Steel Pacific Insurance Brokers

Steel Pacific Insurance Brokers specialise in developing economical insurance product opportunities for our preferred customer base.
Steel Pacific Insurance Brokers is licensed to handle all your insurance needs and specialises in;

- - Earthmoving Plant and Machinery Transport Operators (including Heavy Haulage and Refrigerated Units)
 - - Hard To Place Property Risks (including EPS, Sandwich Panel)
 - - Licensed Premises (Hotels, Taverns, Resorts & Clubs)
 - - Liability insurance for Importers and Wholesalers
 - - Aviation Hull & Liabilities
 - - Feasibility Studies – Specialisation & Industry Focus
 - - ISR Industrial Special Risks
 - - Business Combined
 - - Construction
 - - Engineering
 - - Motor, Plant and Machinery
 - - Credit/Trade Debtors
 - - Legal Liabilities
 - - Aviation Hull & Liabilities
 - - Marine Hull/Pleasurecraft Fines and Penalties
 - - Transit Risks
 - - Management Liability
 - - PA, Illness and Travel
 - - Personal Lines Rural and Farm Property
- We also offer the following services which compliment your insurance programme:
- - Premium Funding (the ability to spread payments on a monthly basis)
 - - Claims Advice and Assistance
 - - Advice and recommendations on all your general insurance needs

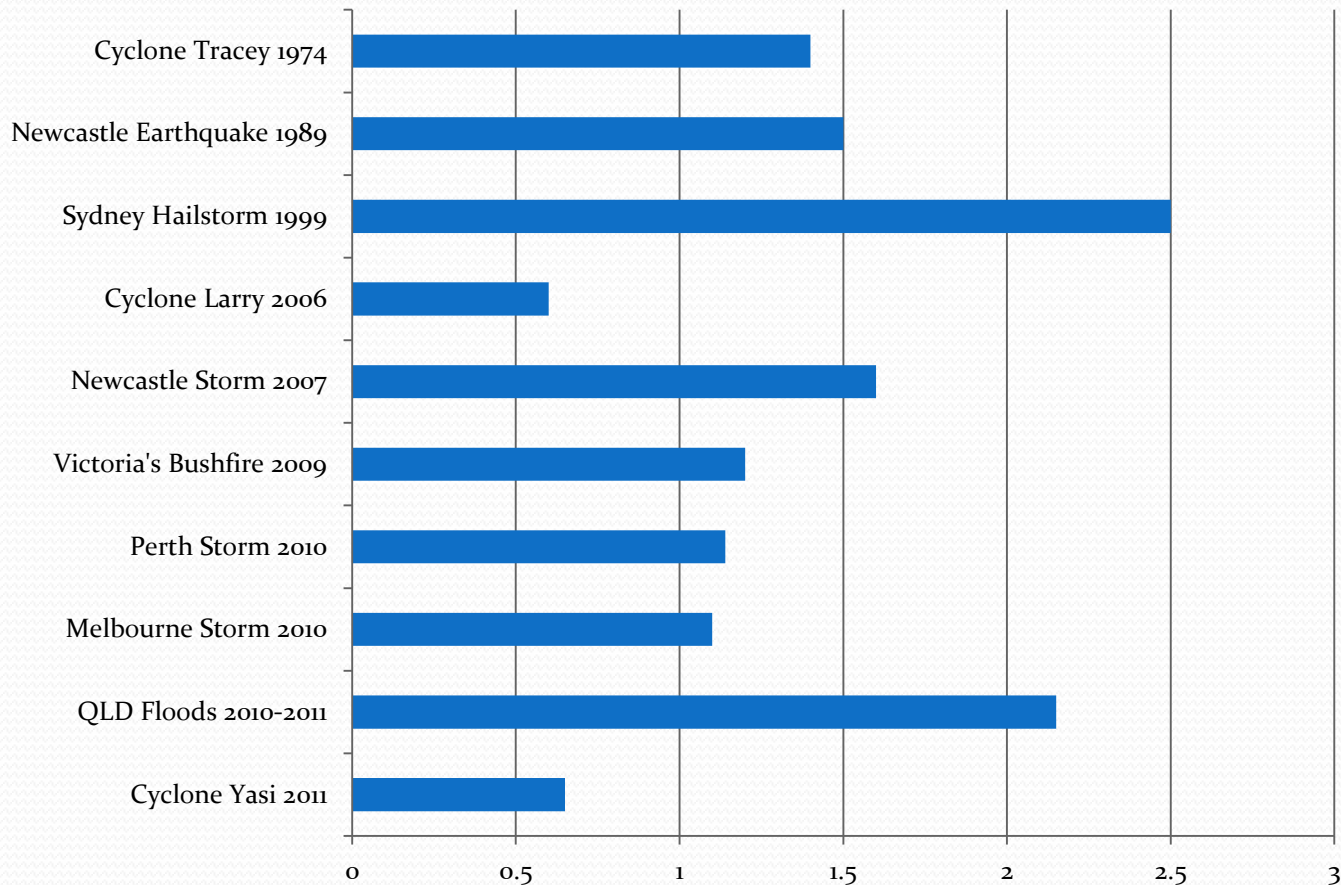
WORLDWIDE INSURANCE LOSSES

Top 10 Global Natural Disaster Events 1950-2013

Insured Loss	Event	Year
\$16.7 billion	Hurricane Andrew	August 1992
\$16.3 billion	Earthquake U.S.A	January 17, 1994
\$71.1 billion	Hurricane Katrina	August 2005
\$13.3 billion	Hurricane Wilma	October 2005
\$16.2 billion	Hurricane Ike	September 2008
\$14.4 billion	New Zealand Earthquake	February 22, 2011
\$37.2 billion	Earthquake/Tsunami	March 11, 2011
\$16.5 billion	Thailand Flood	June – December 2011
\$21.2 billion	Drought U.S.A	Yearlong 2012
\$31.9 billion	Hurricane Sandy	October 2012

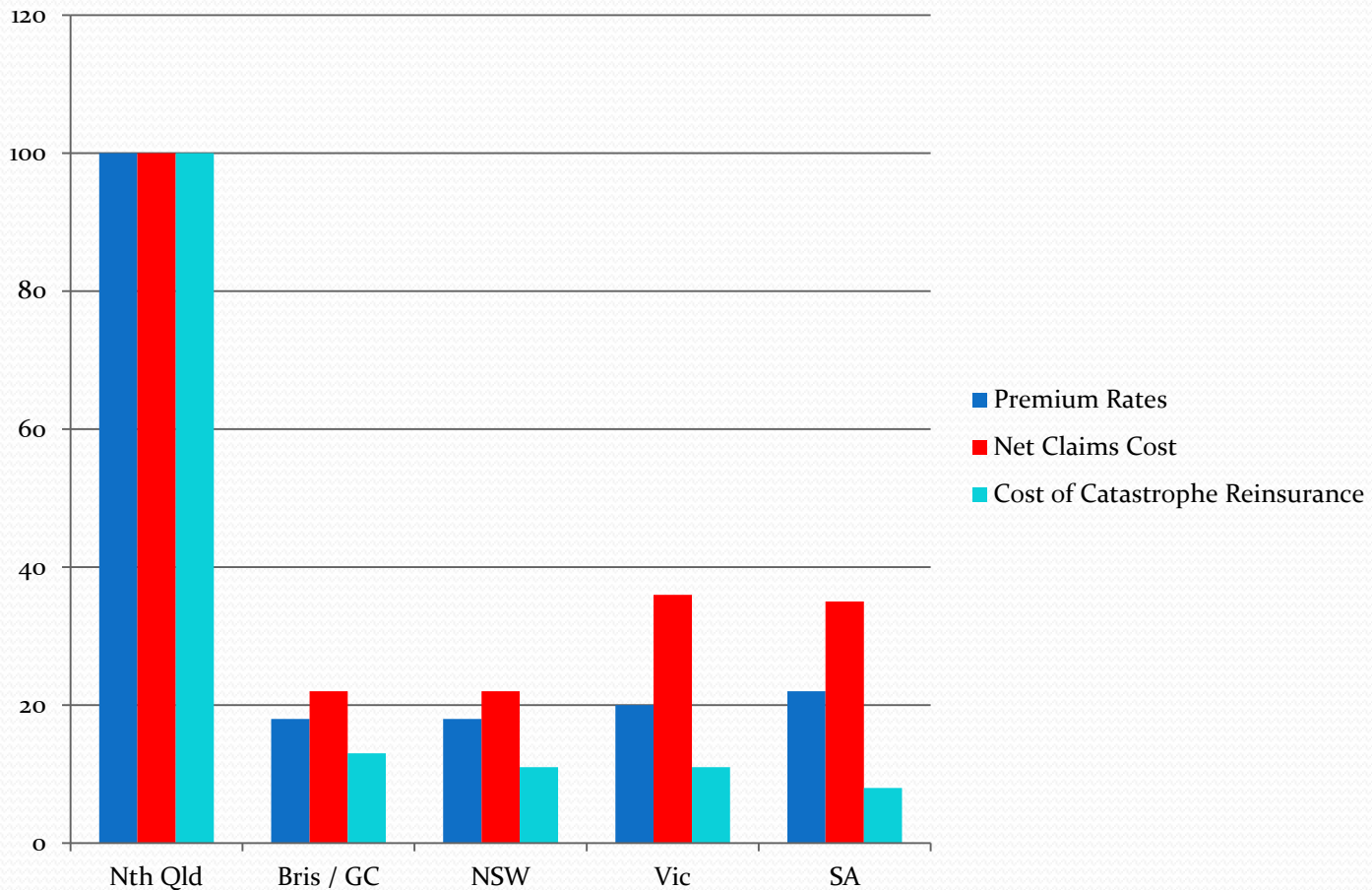
National Insurance Losses

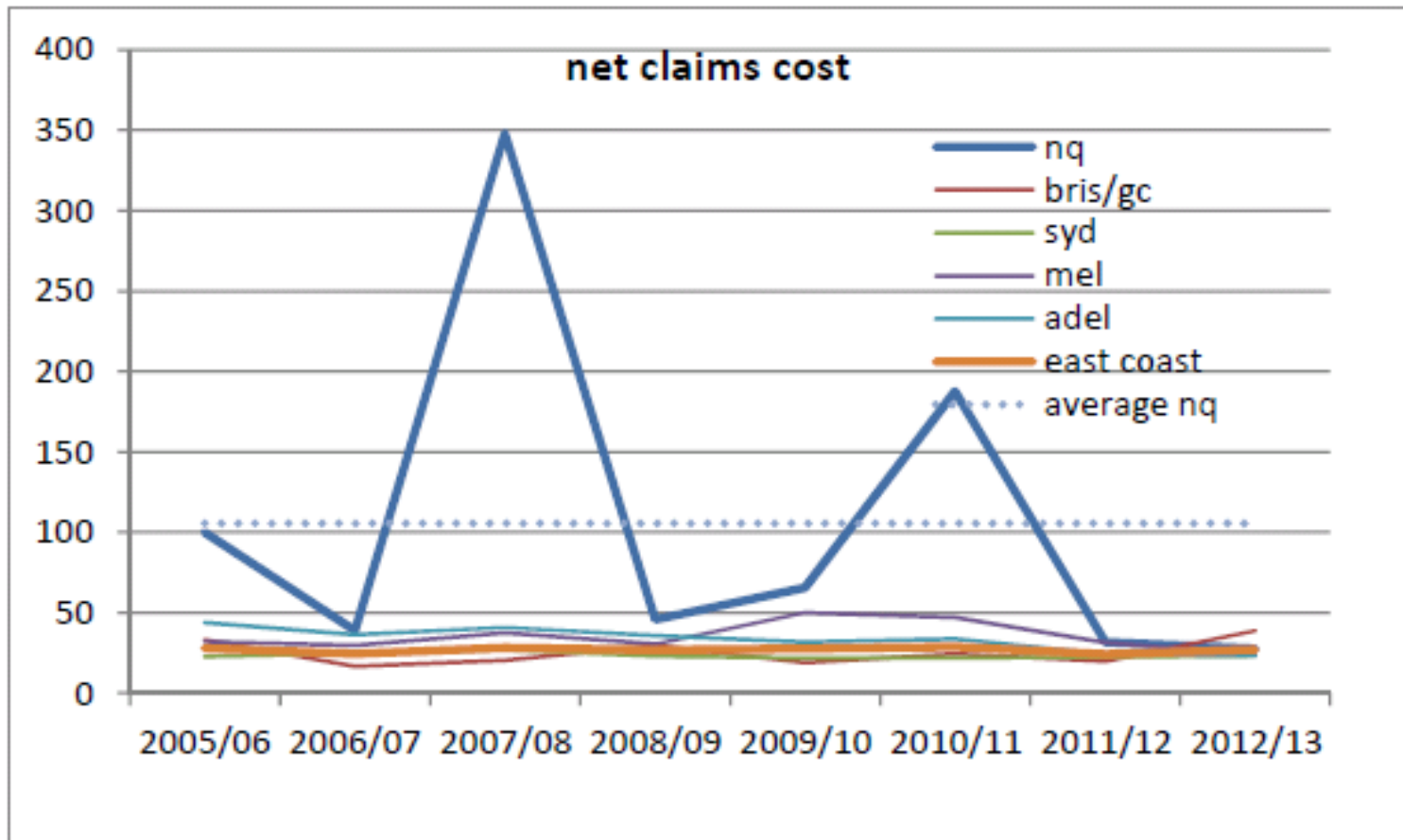
10 Largest Events Since 1974. (Billion)



All weather related except Newcastle Earthquake

Strata Premium Rates, Net Claims Cost & Estimated Cost of Catastrophe Reinsurance.(%)





Net claims cost refers to total strata property damage claims cost per \$'000 Sum Insured less any recoveries from catastrophe reinsurance (but not any other reinsurance recoveries).

Climate Change & Severe Weather

Hazard	Change In Climate	Resulting Change In Hazard
Cyclone	2.2°C mean temperature increase.	Increase of 5-10% in cyclone wind speed.
Bushfire	1°C mean summer temperature increase.	17-28% increases in bushfires.
Drought	1.3°C maximum temperature increase.	25% increase in evaporation leading to increase bushfire risk.
Flood	25% increase in 30 minute precipitation.	1 in 100yr flood becomes 1 in 17yr flood.

Small changes in mean climate can dramatically increase hazards

INSURANCE INDUSTRY –

The Experts in Risk Management

- Provide information on risks.
- Engage in policy development at all Government levels.
- Provide incentives for energy efficiency renewable energy and other new technologies.
- Look at strategies to expand markets, reduce risks and prevent loss.
- Identify new opportunities - provide communities with risk management solutions.
- Develop expertise in weather and technology and promote science based modeling and methods.
- Improve Disaster management - help communities rebuild their lives.
- Help communities become more resilient. Work with client and promote loss reduction behaviours.

Questions that need to be asked.

- Why is there an unquestioned acceptance that extreme weather must destroy or severely damage property in Australia?
- Why do minimum building codes only prevent a buildings collapse and not a loss of amenity and value to the \$3 Trillion Australian's invest in property?
- Why do Australian building codes not incorporate measures to ensure the property is durable to predictable hazards from extreme weather?
- Why do building regulators assume that all risks to a property can be insured in perpetuity regardless of how high the risk grows?
- Why do governments heavily tax insurance products, and expect the community to still take up private insurance so they do not become a burden on the state?
- Why do regulators assume that the trajectory of insurance premiums will not follow the same trajectory of unmitigated risks to Australia's increasingly brittle building stock?

Moving Forward

Reform: Policy to prevent brittle buildings

Action: Modernise the building code to include a requirement for durability

Reform: Policy to help families & small business' protect themselves

Action: Remove taxation disincentives on insurance products

Reform: Policy to limit property exposures to hazards


Action: Create a National Agreement on land-use and planning reform

Reform: Help to protect communities

Action: Create a new mitigation funding model/process



Questions



“For the first time in human history, more people live in cities than in rural areas. Many of these metropolitan areas are threatened by floods, storms, earthquakes and other natural hazards. As people continue to move to the cities and business’ invest locally, more lives and assets concentrate in disaster-prone areas. Strengthening the resilience of these communities is therefore becoming a matter of urgency.”

Swiss Re ‘Mind the risk’ report, 2013

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