



## Chambers Welcome Reinsurance Pool

### Description

Two of the most passionate business representative bodies in North Queensland are applauding Scott Morrison's announcement to introduce a government backed reinsurance pool that will finally address market failure in the insurance industry across Northern Australia.

The Townsville Chamber of Commerce and Hinchinbrook Chamber of Commerce, Industry & Tourism jointly lobbied for a reinsurance pool, among other solutions, to decrease the cost of insurance against floods and cyclones following the release of the ACCC report of the Northern Australia Insurance inquiry that highlighted market failure and soaring premiums yet failed to recommend worthwhile solutions.

Townsville Chamber President Michele Falconieri said that the ACCC report in December didn't tell anyone in North Queensland anything they didn't already know, but it provided the proof that was required to tackle insurance premiums once and for all.

"Establishing a reinsurance pool was the first recommendation made by the Chambers of Commerce in Townsville and our surrounding regions as part of our Federal budget submission" said Mr Falconieri.

"We have been saying that if the Government is serious about developing Northern Australia, a reinsurance pool to cover natural events such as cyclones and floods is a crucial first step. We need to ensure competition and sustainability of insurance markets here in the north so the issues around affordable insurance are removed and development can take place" he said.

"The introduction of more competition in the marketplace will lead to further reductions in premiums in the north, but it is now critical to look at our other recommendations, to ensure the competition returns and insurance prices remain affordable in the North. We are in this for the long haul and will continue to advocate for and keep track of progress against each of our recommendations."

Hinchinbrook Chamber President Rachael Coco said an insurance pool was an outcome that many voices have advocated for and that "credit should be shared".

"Insurance is a complex issue and there was never going to be a 'quick-fix', but I commend the

Townsville Chamber of Commerce for its proactive approach, tireless efforts and professional budget submission” said Ms Coco.

“We received really valuable insight from North Queensland Insurance Brokers to substantiate our claims, especially relating to why mitigation was not a genuine solution, and we’re so proud to have finally had our voices heard” she said.

“We’re incredibly grateful to Bob Katter for taking the time to hear our concerns, give genuine consideration to our solutions and ultimately take the issue to Canberra – if the reinsurance pool becomes a reality, it will be a win for business, a win for households and a win for Northern Australia.”

With the pilot program not scheduled to commence until July 2022 and finer details yet to be determined, the two chambers remain cautiously optimistic that next year’s Federal Election will not set the “David vs Goliath” battle back again.

Both chambers are promising to continue to apply pressure to all levels of government “as required” and will be watching the progress of the program closely.

**Date Created**

07/05/2021

**Author**

bbarbi