



# News release

Insurance Council  
of Australia

Monday, 20 September 2021

## **New measures to improve insurance availability and affordability for SME sector**

The Insurance Council of Australia (ICA) today announced measures intended to improve the affordability and availability of commercial insurance products for the small and medium-sized business sector, including the creation of a Business Advisory Council to collaborate on solutions to these issues.

The measures are in response to recommendations contained in the final report of the Independent Strategic Review into the role of the private commercial insurance market undertaken by industry expert John Trowbridge.

The Business Advisory Council will bring together business and insurance sectors with the aim of working through practical solutions to insurance availability and affordability issues, most particularly for professional indemnity, public liability, and business interruption cover. These will be considered at a sector level and not for individual enterprises.

The Advisory Council will provide reports and recommendations directly to the ICA Board, which includes the CEOs of Australia's largest insurers.

It will also participate in an ICA-led examination of the feasibility of business interruption cover providing protection against future pandemics.

To be chaired by respected industry veteran and outgoing CEO of the National Insurance Brokers Association (NIBA) Dallas Booth, it will include representatives of the ICA, the Council of Small Business Organisations Australia, the Australian Chamber of Commerce and Industry, the Australian Small Business and Family Enterprise Ombudsman, and the Office of the NSW Small Business Commissioner.

NIBA and the Underwriting Agencies Council will participate as required and will separately work with the ICA to facilitate greater access by brokers to underwriters to enable more understanding of and dialogue on underwriting decisions.

Mr Trowbridge's final Review found that in the context of a hardening insurance market there is no one-size-fits-all solution to issues of affordability and availability for SMEs and that solutions require collaboration and goodwill between the insurance sector, SME sectors, and governments.

The final Review includes 13 recommendations which broadly fall into three categories: improved engagement between insurers and SME sectors; better understanding of insurance by SME policyholders; and advocacy to government and transparency. The ICA supports all recommendations of the Review.

Other measures announced today in response to the Review and its recommendations include:

- The creation of an ICA Board committee to consider proposals by the Advisory Council to intervene where no single provider of cover exists
- An examination of the simplification of commercial policy definitions and documentation
- Consideration of consistent industry-wide protocols for situations where significant increases occur on already high-cost premiums
- Continued support of work to improve the transparency of broker fees

- Improved engagement with government to ensure policy development and implementation takes account of overt and latent insurance issues, and to reform insurance taxes and levies
- Further development of risk management and mitigation advice and education
- Advocacy to expand public availability and improve useability of the National Claims and Policies Database held by APRA

The ICA and the Business Advisory Council will act in compliance with competition laws and where required will seek regulatory approval for any proposed recommendation or action.

The Business Advisory Council will convene its first meeting in coming weeks. A review of progress on the recommendations of the Independent Strategic Review will be undertaken in 12 months.

The Review, the ICA's response, and submissions received during the consultation period are available at [insurancecouncil.com.au](http://insurancecouncil.com.au).

Comment attributable to ICA CEO Andrew Hall:

The ICA welcomes the final report of the Review into the role of the private commercial insurance market and thanks John Trowbridge for this important piece of work, which confirms there are issues in the market but no one silver bullet to fix them.

In establishing the Business Advisory Committee and other measures the ICA is responding to a key theme of the Review: solutions where they exist will require a concerted effort between the insurance sector, small business and government.

We are pleased this high-calibre group will be chaired by Dallas Booth, whose extensive experience in insurance and broking brings to the table the vital intermediary skill needed.

The Advisory Council will look at how to address market gaps in various lines of cover and to evaluate what the risks and solutions could be for sectors such as carnivals, caravan parks, adventure parks, financial advisers, and building professionals.