



KERRIE KELLY

Kerrie Kelly joined the Insurance Council of Australia as Executive Director & CEO in April 2006. She is a lawyer who has held senior executive positions in the public and private sectors working in the fields of banking and finance, manufacturing and transport.

Ms Kelly has considerable experience in strategic and operational planning, resource allocation, policy development and implementation, strategic alliance development, and product and services development and management.

Ms Kelly has held, among others, the positions of Chief Executive Officer of the Financial Planning Association of Australia; Executive, National Corporate Actions at ASX Perpetual Registrars Limited; National Director, Trustee Corporations Association of Australia; and Director, Corporate Secretariat at the New South Wales Roads and Traffic Authority. Ms Kelly has also had substantial retail banking experience with the ANZ Banking Group, and is well regarded as a lobbyist at a state and national level.

Ms Kelly is also a Member of the Australian Government's Financial Literacy Foundation Advisory Board; Director of the Insurance Ombudsman Service Limited; and Director of Finance Industry Council of Australia Ltd.

**KERRIE KELLY
EXECUTIVE DIRECTOR & CEO**

**“Insurance Council of Australia –
Strategic Policy Issues 2007”**

**Annual Insurance Law Review
18 May 2007**



General Insurance Industry today

Characterised by being:

- Dynamic
- Competitive
- Well regulated
- Responsive
- Consumer focussed
- Strong and stable financial position



Insurance – Critical to the Economy

- Key partner in providing necessary risk protection to underpin economic growth, job creation and innovation for Australians.
- Major contributor to the Australian way of life.
- Have a lot to offer as leaders on key public policy issues – contribute to debate and assist in finding solutions to emerging challenges.



General Insurance Industry - At a Glance

- **\$27.9** billion of direct premium revenue pa
- Assets of **\$81.8** billion
- Employs **58,000** people
- Gross industry value is **\$15** billion or **2%** of the Australian economy as a whole
- Issue more than **41** million insurance policies annually
- Deal with **3.5** million claims each year
- Pay out about **\$75** million in claims each working day.

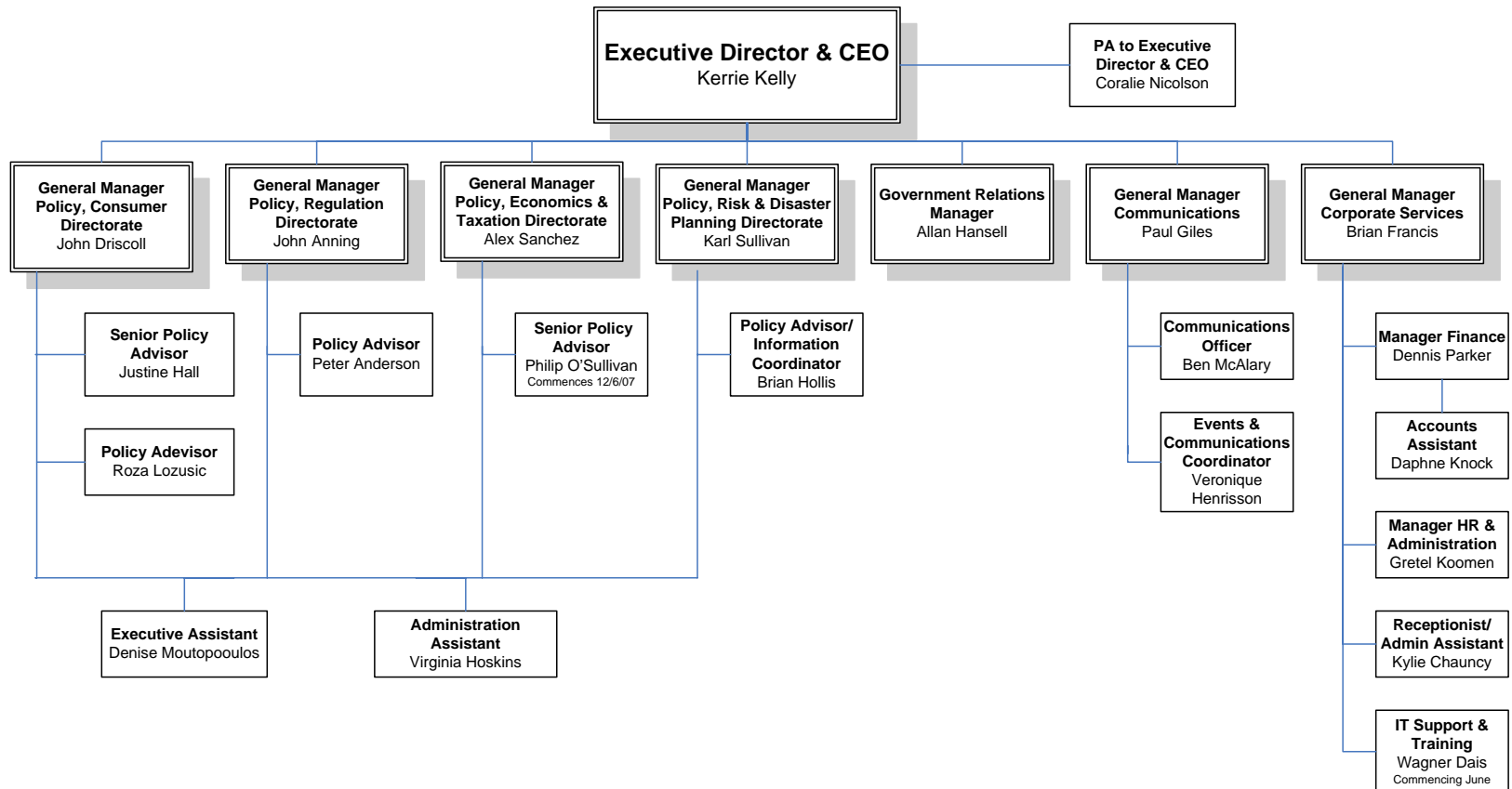


Insurance Council 2007

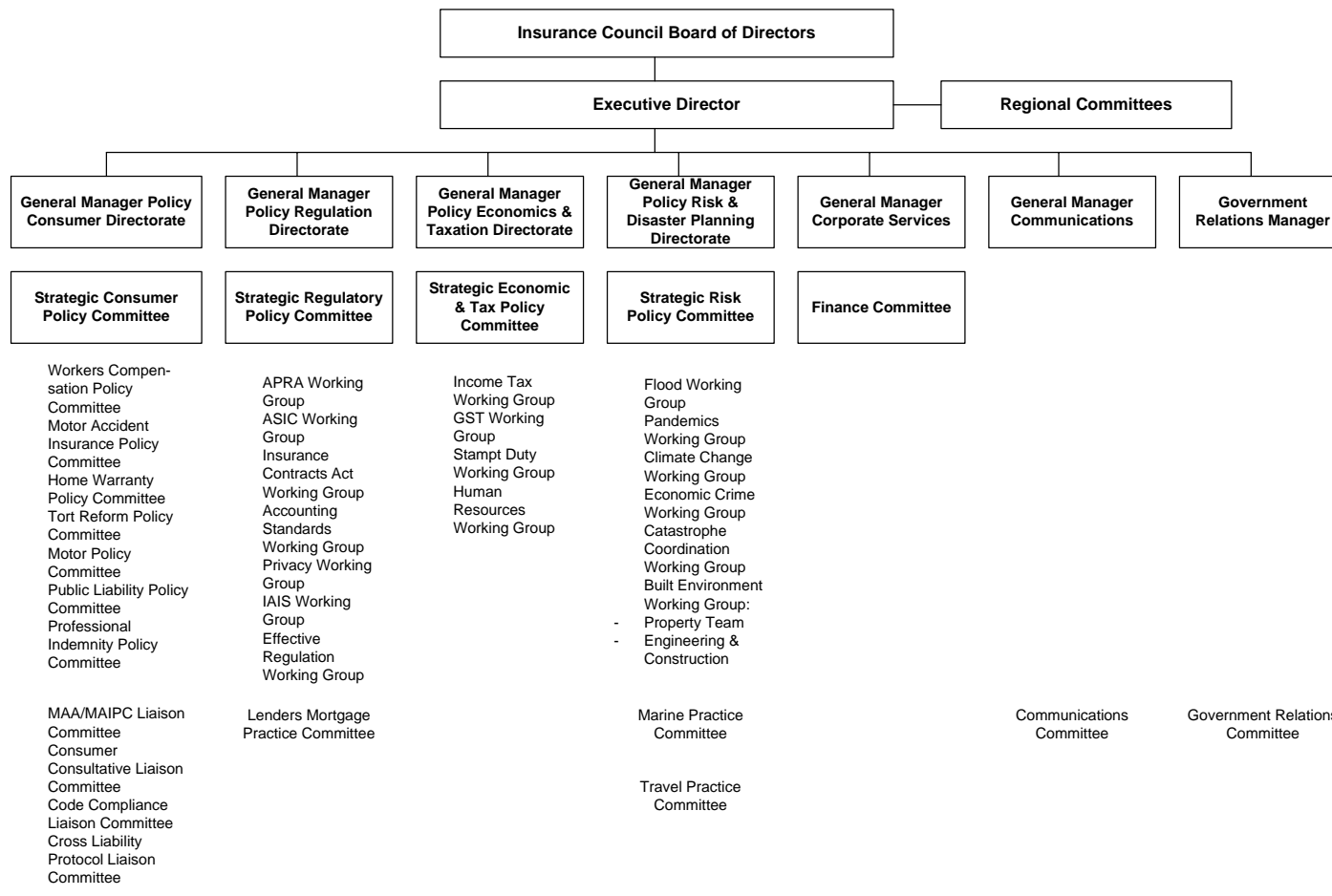
- Contributing to public policy formulation & debates
- New Executive Team
- New Committee Structure
- Insurance Council of Australia Mission Statement



New Executive Team



New Committee Structure



Mission Statement - Insurance Council

To influence, ethically and expertly, the political, social, business and economic environment, in order to promote members' role in providing insurance protection and security to the community



Insurance Council Strategic Blueprints 2007

- Contributing to Australia's Economic Strength
- Community Safety and Support
- Disaster Planning Response & Recovery
- Environment & Climate Change
- Personal Injury Management & Compensation
- Industry Leadership



Insurance Council Public Policy Focus 2007

- Non-insurance
- Flood insurance
- Catastrophe coordination arrangements
- Public liability reforms
- Tax reform including Fire Services Levy and Stamp Duty
- Climate Change



Non-insurance

Key Findings

- 1.8 million households in Australia that have no home or contents insurance – that is 23% of all Australian homes.
- QLD 390,000 households have no insurance which is 26% of all QLD homes.
- ABS Statistics show state taxes on insurance in 2005/06 amount to \$3.56 billion or 8% of all State taxes.

Glimpse of the non-insured

- Renters
- Financially poor in terms of income and amounts saved
- Young
- Old and single
- Without children
- Living in capital cities



Flood Insurance

- Considerable research and work undertaken by the general insurance industry on the availability of domestic flood insurance.
- Insurance Council Board has endorsed an approach which will lead to residential flood insurance being available for nearly all Australian households.
- Minimum standard definition for flood developed to address consumer confusion.
- Council work with members and government in 2007 to achieve coordinated flood modelling in Australia.



Catastrophe Coordination Arrangements

- Implementation of new arrangements in 2006 has been a success.
- Shows focus of general insurance industry on serving community and facilitating speedy recovery.
- Insurance Council is not a disaster recovery organisation – *its role is one of industry coordination and communications.*
- New arrangements have been deployed on a number of occasions already.
- Insurance Council a member of each State's disaster coordination committee & a conduit between government and industry.



Public Liability Reforms

- Reforms have been successful.
- General insurance industry viewed with increasing concern the efforts by legal interests to wind back public liability reform initiatives.

Fact:

Partnership between the insurance industry, the community and government has resulted in more available and more affordable public liability premiums for consumers



Climate Change

- A debate the Insurance Council is entering through advocating the need for adaptive behaviours.
- Key priority identified in Strategic Blueprints.
- Education of individuals to consider what they can do to prepare for effects of climate change is the number one priority.
- Insurance Council providing leadership through:
 - Mitigation through emissions control
 - Adaptation through Insurance Product Innovation
 - Adaptation through increasing community resilience.



Tax Reform

- Insurance Council will vigorously pursue the need for tax reform in the states in 2007 – especially VIC and NSW over fire services levy.
- In 2005-06 taxes on insurance products amounted to \$3.7 billion – a 72% increase in taxes on insurance between 2000 and 2006.
- On average across jurisdictions taxes on insurance products is around 40% of the total cost of an average home and contents premium.
- Drives the vicious cycle of non-insurance.





**INSURANCE
COUNCIL
OF AUSTRALIA**

