

Risky Business

Ben Honan
Suncorp General Insurance

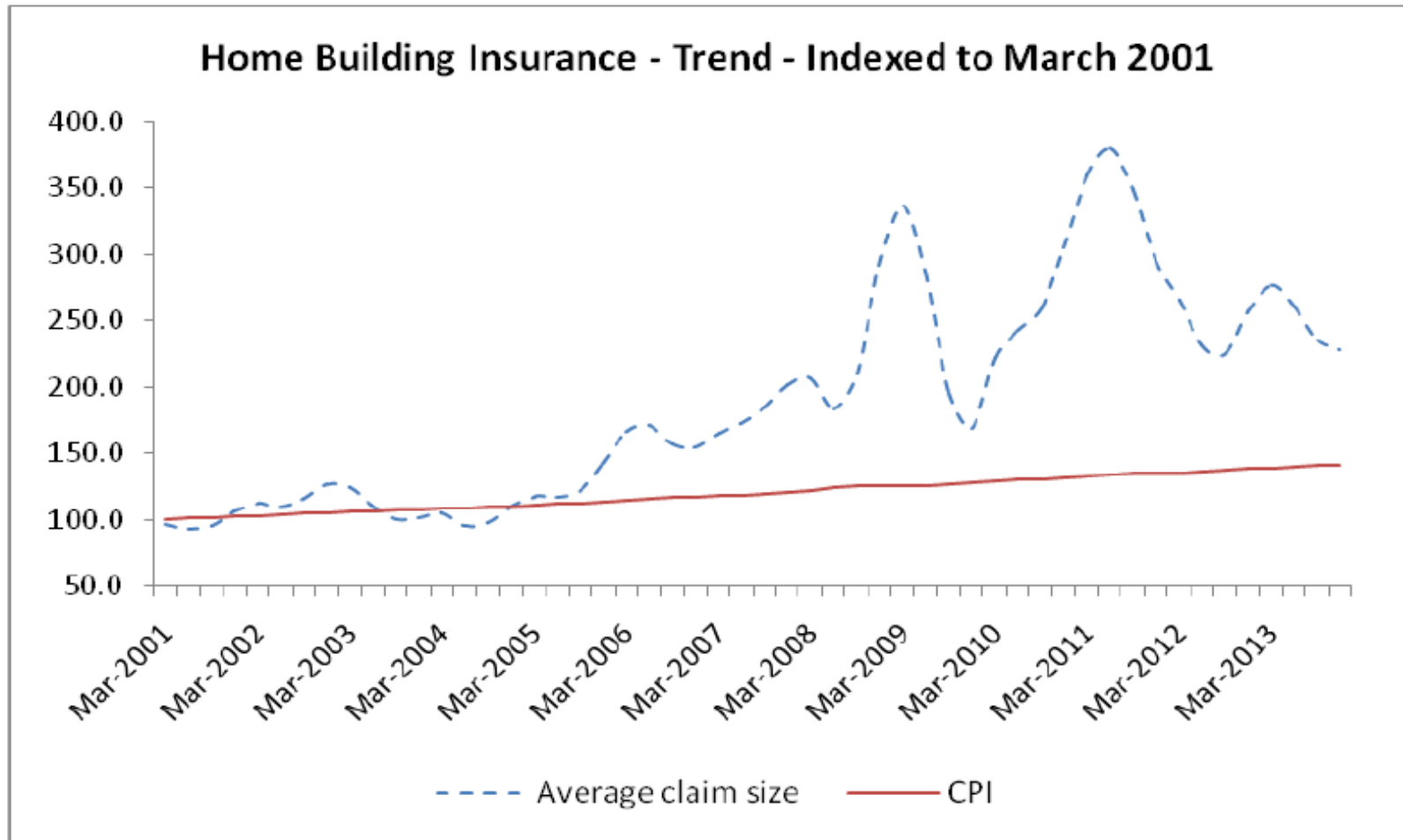


Some Recent Numbers

Industry Disaster Statistics – insurancecouncil.com.au

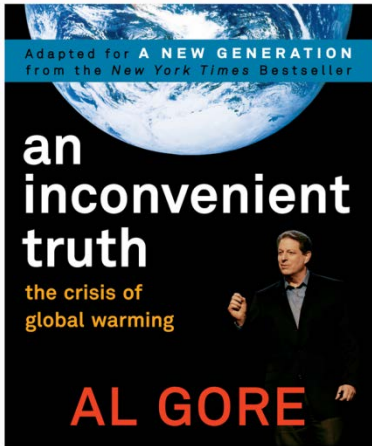
Year	Event	Insured Losses (\$)
2009	Victorian Bushfires	1,070,000,000
2010	Melbourne Hailstorm	1,044,000,000
2010	Perth Hailstorm	1,053,000,000
2011	Qld Floods	2,387,624,000
2011	Cyclone Yasi	1,412,239,000
2011	Melbourne Storms	487,615,000
2011	Melbourne “Christmas Day” Hailstorm	728,640,000
2013	Ex TC Oswald	1,098,300,000

Home Claims – Industry Trend Data



Source of underlying data: Insurance Statistics Australia and Australian Bureau of Statistics.

What's driving this escalation of risk?



Climate Change?



Urbanisation

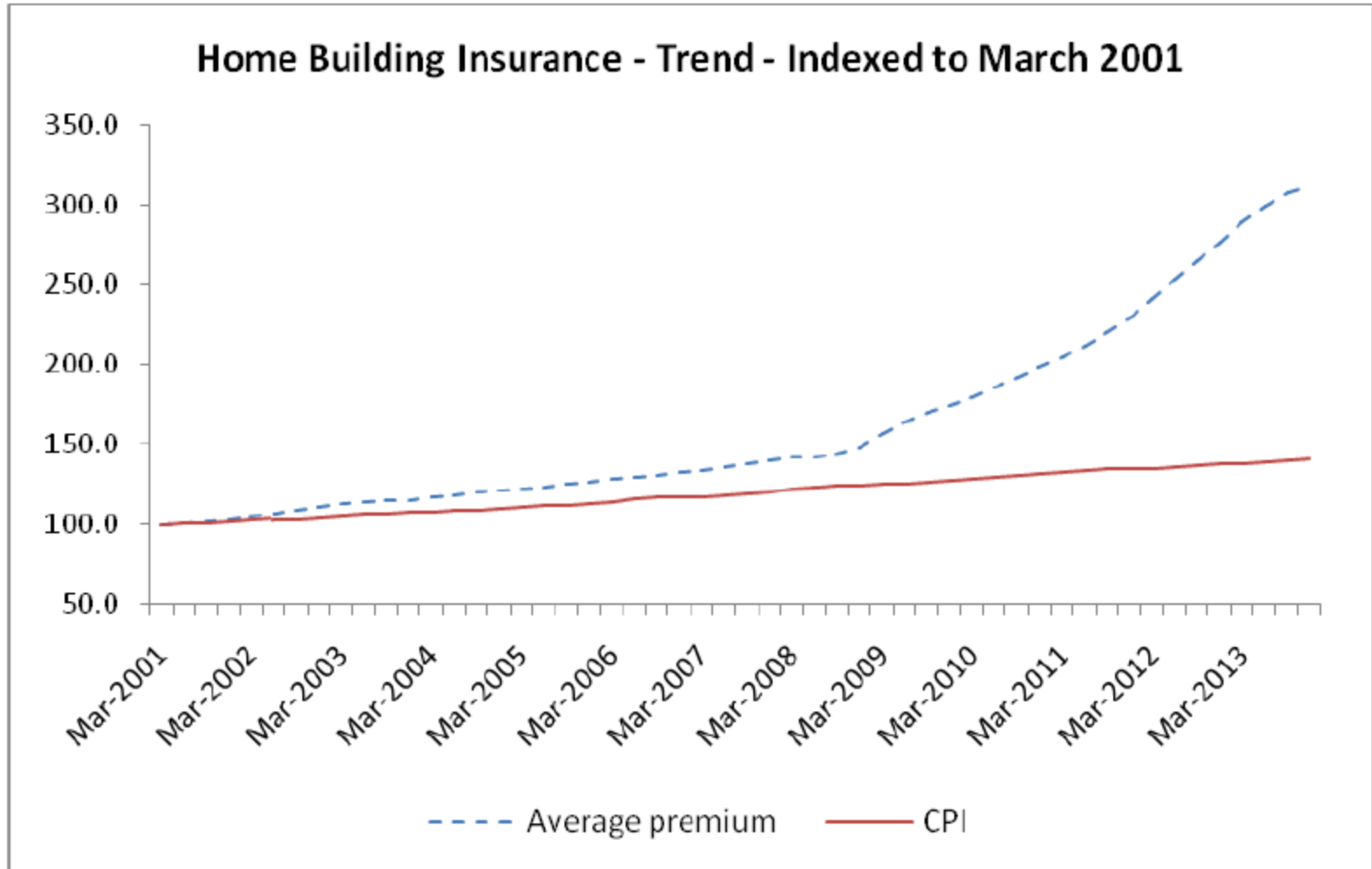


Economic Growth



Building Trends

Premium Trends – Home Insurance



Source of underlying data: Insurance Statistics Australia and Australian Bureau of Statistics.

Risk Pricing



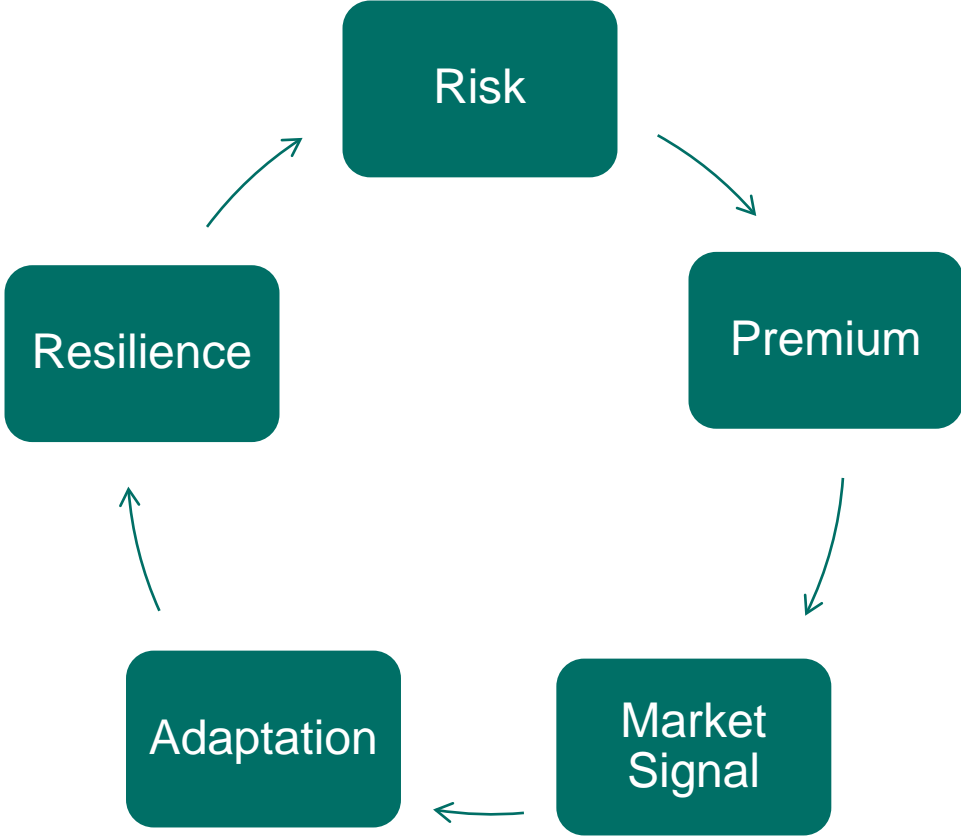
\$800 premium



\$3100 premium

Why has my premium increased?!?!

Insurance and Adaptation



What a levee in Roma means for HOME INSURANCE PREMIUM

Number

of properties in Roma affected by the 2012 floods

1,671 



SINCE 2008 SUNCORP HAS PAID OUT MORE THAN **1,000 HOME CLAIMS** FROM FLOODING AND EXTREME WEATHER EVENTS IN THE ROMA REGION AT A COST OF \$100 MILLION+

THE TOTAL PUBLIC AND PRIVATE SECTOR REPAIR BILL FOR ROMA SINCE 2005 **\$500 MILLION**

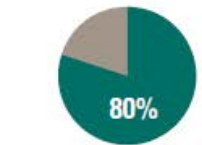
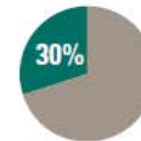


COST TO BUILD LEVEE IN ROMA TODAY MORE THAN **\$20 MILLION**

Amount government can save for every dollar spent on disaster prevention

\$2 - \$10

Initial estimates for reduction of cost of premium for a typical \$300k home in Roma once the levee is complete



Potential reduction for highest risk properties