

For immediate release
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Suncorp cuts cost of insurance premiums as flood risk drops in regional QLD

Suncorp today announced it was continuing to tackle the insurance affordability issue by slashing home building premiums in towns which were protecting their communities from natural disasters.

Suncorp Personal Insurance chief executive Mark Milliner said the residents of the south-west Queensland town of St George would receive a 15% premium reduction upon their next renewal, following the opening of a new levee today built to protect the town. The change takes effect on 10 April.

The move to reduce the cost of premiums follows a similar re-pricing in the Queensland town of Charleville, which recently completed a new levee, and other mitigation work including house raising and water diversions. Customers of the Suncorp Personal Insurance brands, which includes Suncorp Insurance and AAMI, in Charleville would have faced average home insurance premiums of more than \$3000 without any flood mitigation being undertaken. The average home policy now costs approximately \$990.

In the Queensland town of Roma, in which a new levee is currently under construction, it is estimated that a typical \$300,000 home will see the cost of a home and contents policy drop by approximately 30 per cent.

“Suncorp has long promised that if councils and governments invest in flood mitigation that reduces the risks of natural disasters to properties, we will come to the table and reduce the cost of premiums. Risk reduction is the best way to make insurance more affordable, particularly for people living in communities exposed to disaster,” Mr Milliner, said

“St George is a great example of how we can all work together to reduce not only the risk of heartache, and possibly threats to lives due to the weather, but also to reduce the pressure on families’ back pockets.

“Many communities throughout Australia could be better protected – and pay lower premiums – with the right funding for disaster mitigation, government policies and land-use planning.

“We look forward to working with councils and governments across Australia to encourage further investment in mitigation strategies for the benefit of homeowners and residents.”

Since 2008, the Suncorp Personal Insurance has paid out almost 170 claims in St George due to natural disasters and extreme weather at a cost of more than \$5million.

Following the extreme weather experienced by Australia in 2010 and 2011, Suncorp made the decision to stop writing any new home policies in the Queensland towns of Roma, Charleville and Emerald. The embargo on new business has since been removed from Roma and Charleville, but remains in place in Emerald where no firm commitments to new flood mitigation are in place.

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