

NZILA ‘Raising the Bar’ Conference

Industry Perception and Performance

16 September 2020

Tim Grafton
Chief Executive
Insurance Council of New Zealand

the ROLE of General Insurance IN NEW ZEALAND



AND



How GENERAL Insurance SUPPORTS NEW ZEALAND

we all PLAY A PART

UPTAKE of Insurance eases OUR costs



with Insurance we're TRUSTED by BANKS + INVESTORS to Trade NO MATTER WHAT

INSURERS HELP with RISK MANAGEMENT

they give me Advice + support

THE ASSURANCE Banks need TO LEND



GOVERNMENT

BUSINESSES

FAMILIES + INDIVIDUALS

how Insurance HELPS IN AN EARTHQUAKE

When EVERYONE is INSURED it's a QUICK ECONOMIC and SOCIAL RECOVERY



the LAST MAJOR EARTHQUAKES PUT \$30Bn into our ECONOMY



WE PROVIDE RISK management EXPERTISE

70% of CATASTROPHE CLAIMS are

PAID BY RE-INSURERS

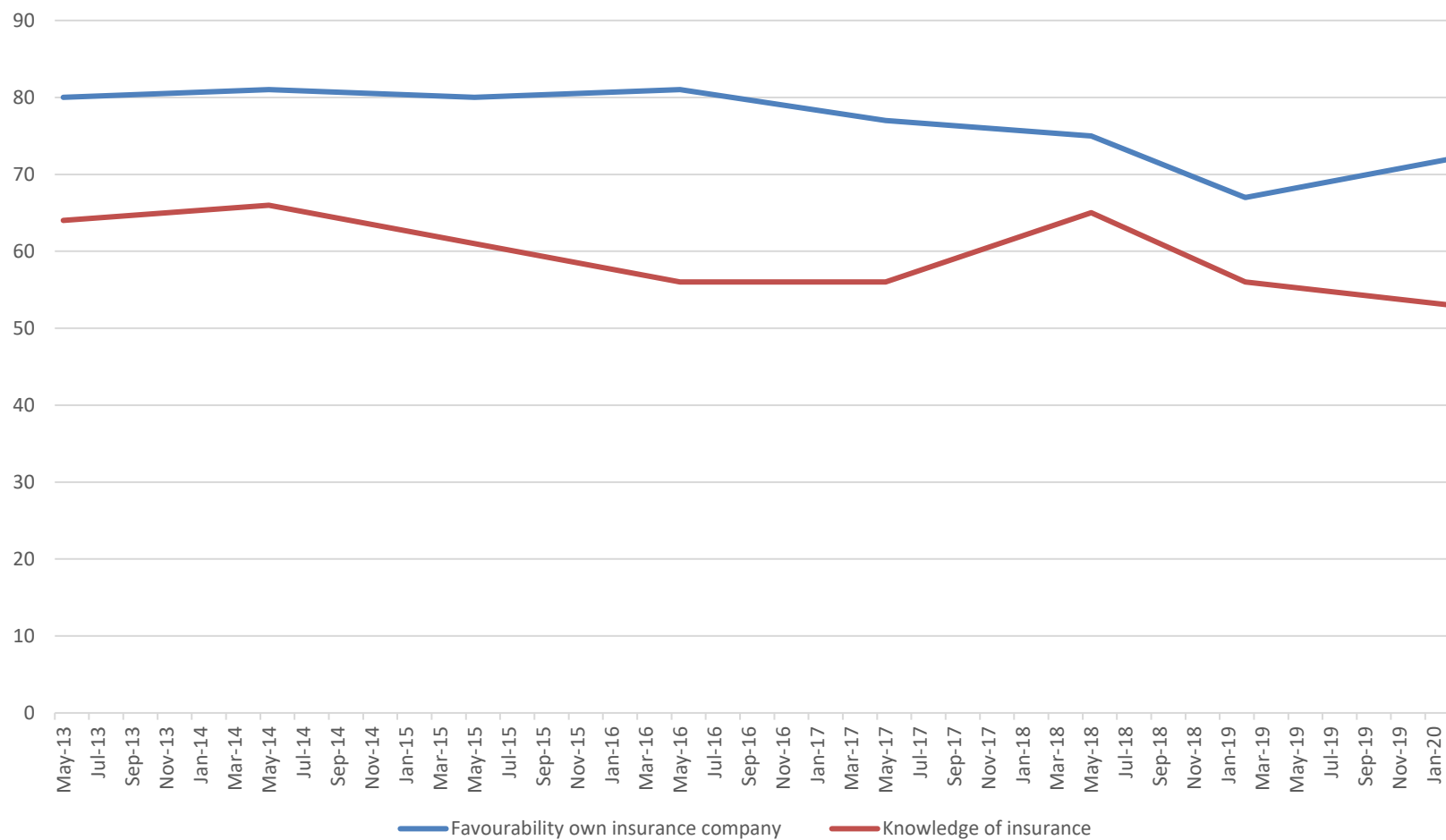


1.1 MILLION CLAIMS EACH YEAR!



Perceptions

ICNZ-UMR Market Research



- » Value
- » Understanding
- » Apathy
- » Claims
- » Complexity
- » Jargon



The fundamental problem



Raising the Bar – plain English

Fair Insurance Code 2020

Effective April 2020



Raising the Bar –education programmes



Raising the Bar - claims

63%

Agree insurers
pay out on valid
claims

(UMR Feb 2020)

1%

Report having
a claim
declined

(UMR Feb 2020)

78%

Report having a
claim accepted
without any
problems

(UMR Feb 2020)

90+%

Insurers
report claims
paid (excluding
withdrawn claims,
under excess)

Raising the Bar – complaints

1,175,715

No. of claims

6,592

No. of complaints to
internal DR

283

No. of complaints to
external DR

35

No. of complaints
to external DR
withdrawn

11

No. of complaints to
external DR **settled**

24

No. of complaints to
external DR **partially
upheld**

38

No. of complaints to
external DR **upheld**

11

No. of significant
breaches

2

No. of **unresolved**
significant **breaches**

» Price Transparency

» Intermediated and
Brokered Distribution



Unintended consequences



Thank you