

Insurance Council of New Zealand | Te Kāhui Inihua o Aotearoa

# Insuring New Zealand's future

Hon. Kris Faafoi

New Zealand Risk and Resilience Summit

Cordis Hotel, Auckland



# About ICNZ

- The Insurance Council of New Zealand | Te Kāhui Inihua o Aotearoa is the representative organisation for general insurance companies in New Zealand. We are governed by a 10-person board.
- Our members collectively write more than 95% of all general insurance in New Zealand and protect well over \$2 trillion of New Zealanders' assets.
- We advocate to:
  - promote availability and accessibility of insurance
  - enhance the safety and protection of all New Zealanders by strengthening resilience and reducing the risks of climate change to communities and the economy.



# The Insurance Sector



Average Combined Ratio 2020-2024

**87%**



Total claims

**\$3.6B**



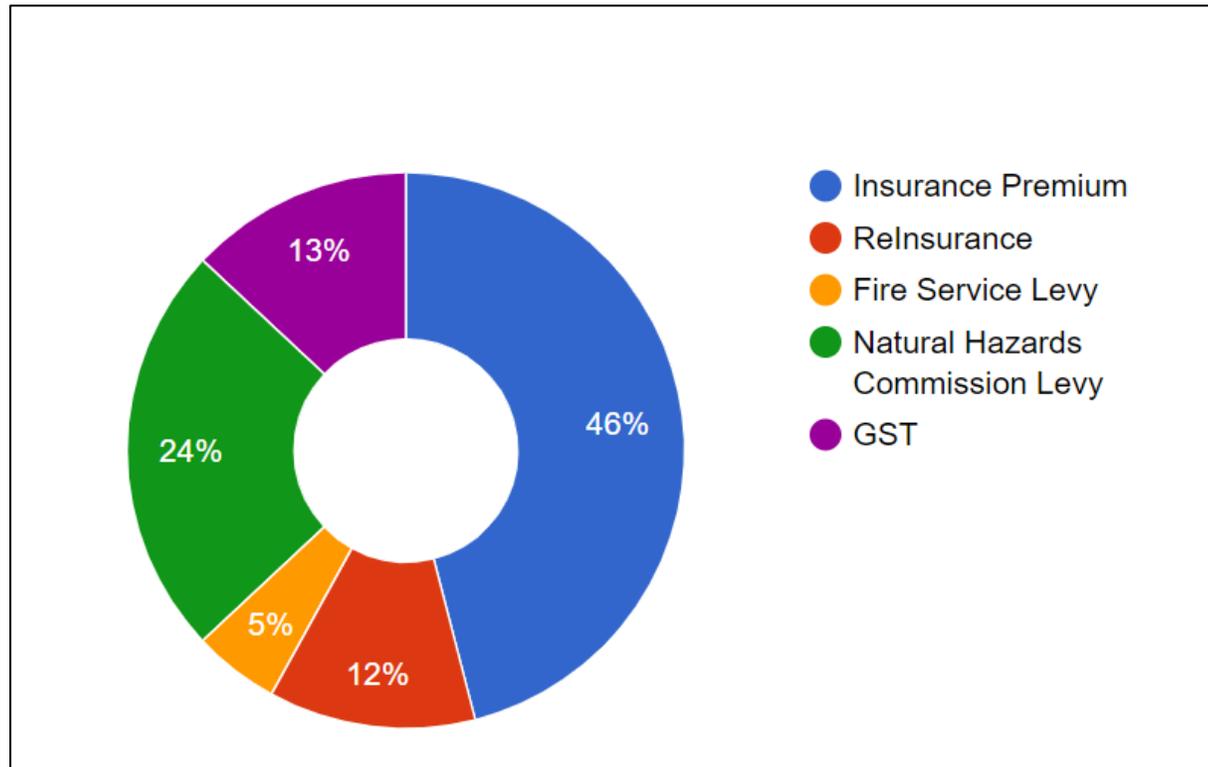
General Insurance companies

**22**

Employees

**8,400 FTE**

# Key Challenges



- Ensuring insurance remains accessible and available
- Reducing the protection gap by avoiding building in dumb places and investing in infrastructure to protect communities
- Working with regulators to prepare for climate change
- Ensuring regulation is cost effective and coordinated

# ICNZ Conference 2025

**“It doesn’t matter who’s in charge, central government is not on top of this.”**

Hon. James Shaw, former Climate Change Minister, operating partner at global infrastructure investment management company Morrison



# ICNZ Conference 2025

**“Insurance won’t be  
available”**

**Amanda Whiting, CEO IAG and  
ICNZ Board Chair**

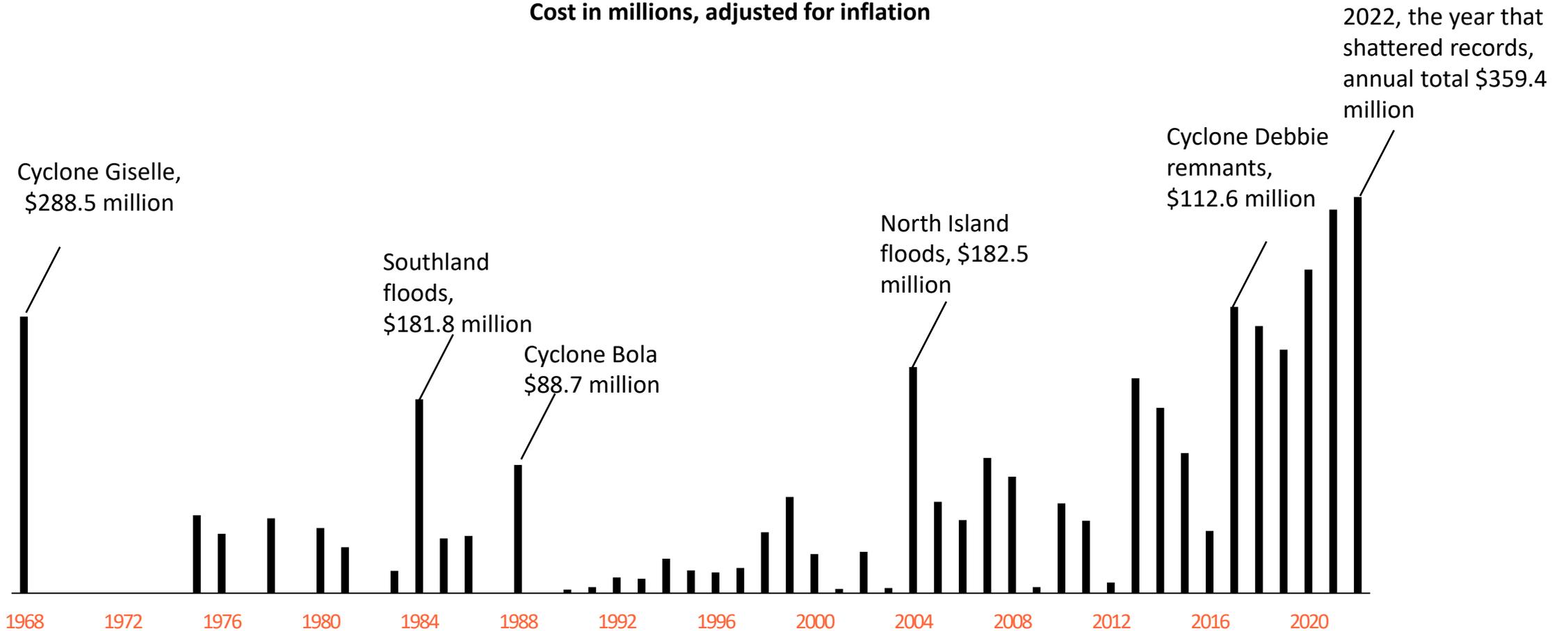
**Ben Kelleher, Chief Risk Officer  
ANZ**

**Michael Stiasny, Chairman,  
Tower**



# Cost of weather events

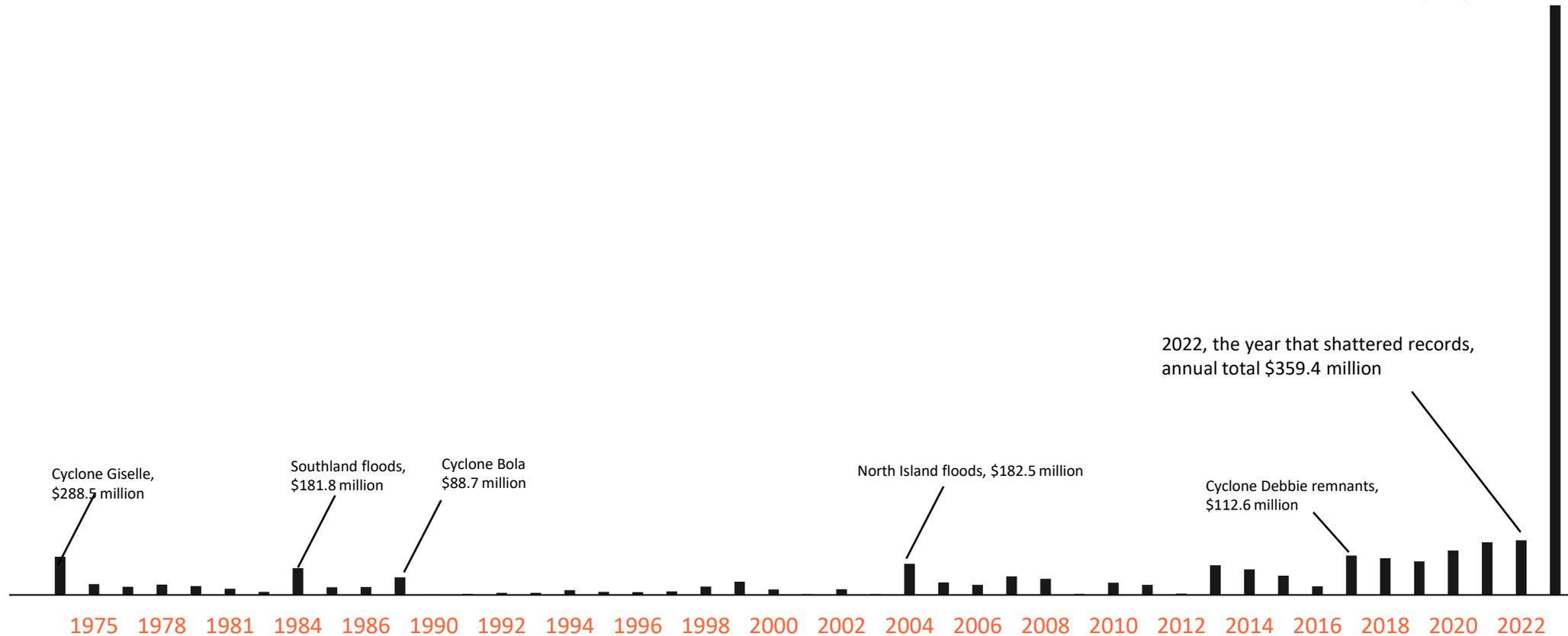
Cost in millions, adjusted for inflation



# Cost of weather events

Cost in millions, adjusted for inflation

Auckland Anniversary  
floods and Cyclone  
Gabrielle, combined \$3.8  
billion



# ICNZ Conference 2025

**“We cannot financially sustain that degree of expenditure and loss going forward into the future.”**

**Simon Watts, Minister for Climate Change and Local Government**



# ICNZ Priorities



- Climate resilience as core infrastructure
- Insurance availability and accessibility
- Cost-effective, coordinated regulation

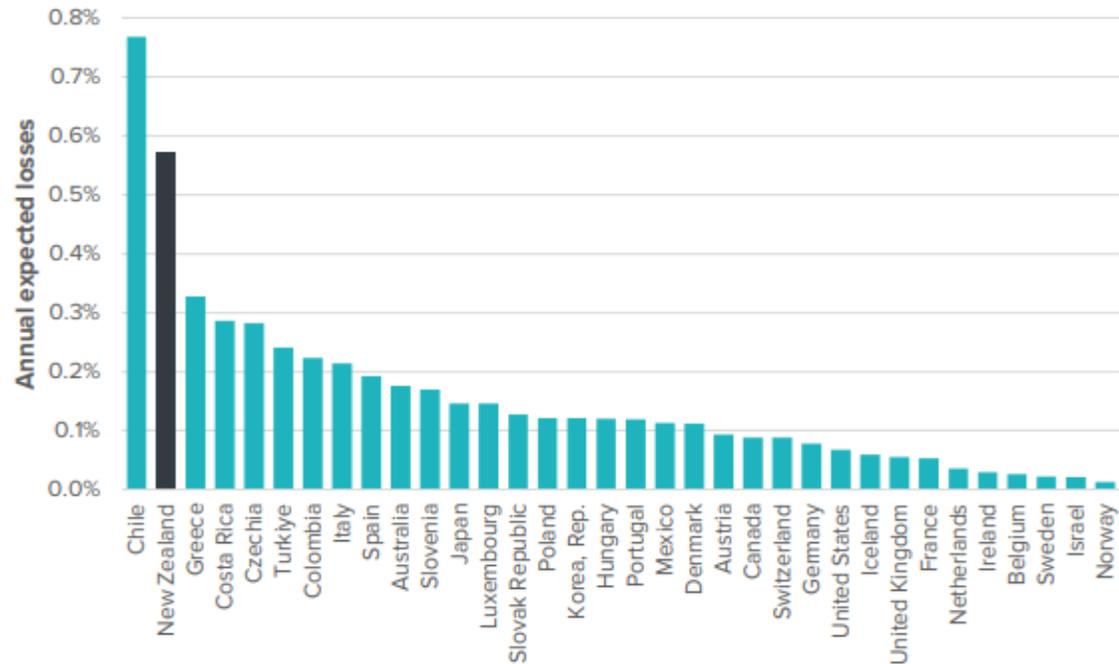
# Resilience in New Zealand



- New Zealand is a risky country and vulnerable to natural hazards
- New Zealand experienced new record highs for weather-related insurance losses in five of the last eight years
- The 2023 North Island weather events resulted in up to \$14.5 billion in asset losses
- Modelling estimates approx. 450,000 residential buildings with an estimated total replacement value of \$218 billion were exposed to flooding alone

# Managing and reducing risk

Figure 5: Annual expected losses from natural hazard events in OECD countries (as a share of GDP, 1960-2022)

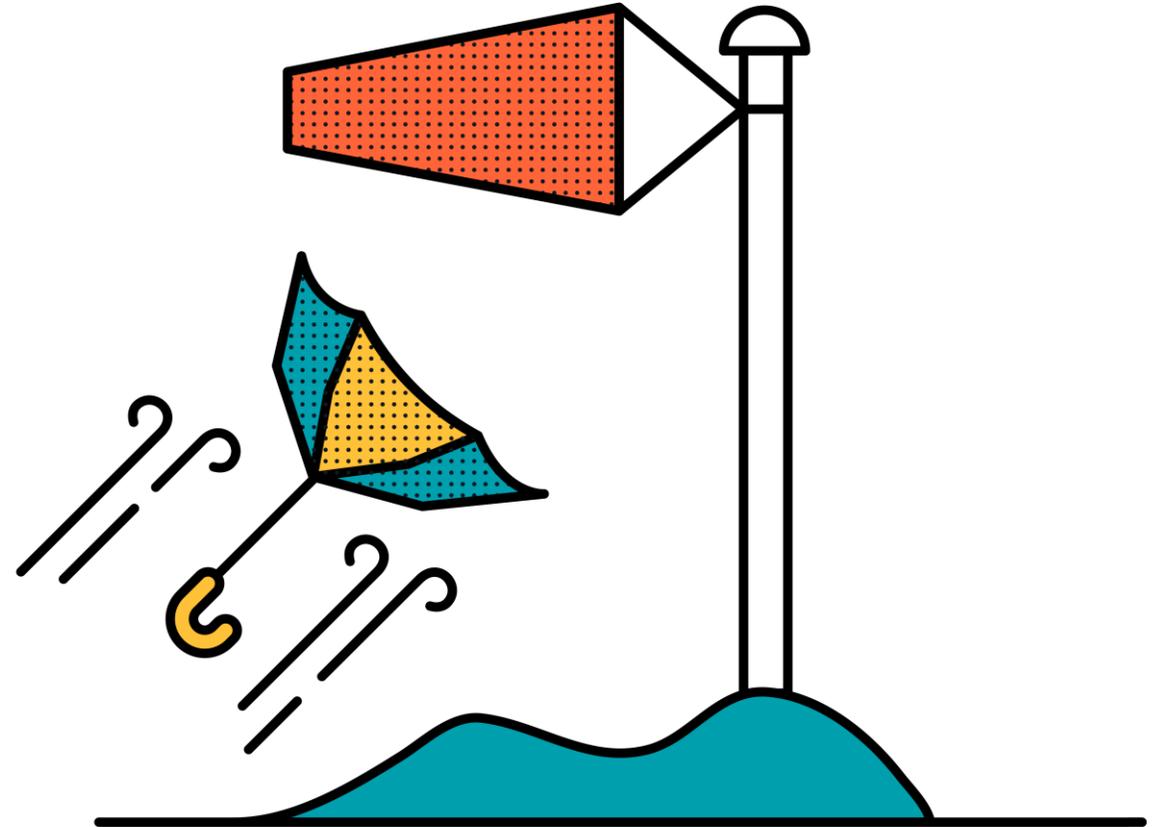


Source: Te Waihangā analysis of EM-DAT database and World Bank GDP data. See Appendix 1 for details of calculation.

- Understanding the risk to our assets from natural hazards
- Improving the quality, consistency and availability of natural hazard and climate risk data
- Establish a climate adaptation framework that creates a consistent and holistic approach nationally, ensuring a unified direction but allowing for local flexibility
- A cross-party political consensus that delivers a clear, coordinated and enduring climate adaptation framework.

# What we're working on

- Facilitating industry involvement in the Climate Adaptation Framework, due to be released late this year
- Increasing engagement with local Councils to drive smarter land-use planning decisions
- Engagement and submissions on legislation change
- Enabling the exchange and use of meaningful data between the industry and key stakeholders
- Building an intelligence capability to help anticipate future industry risks and opportunities



# ICNZ Data Strategy



**Purpose:** Better sharing of information and insights on natural hazards, climate impacts, and claim drivers to enhance understanding of risks, mitigations and the importance of insurance.

**Aims to enable:**

- better understanding of insurance levels and the protection gap
- greater collaboration between industry and government
- improved information sharing between industry and local councils leading to smarter long-term planning decisions, reducing risk to our communities
- enhanced preparedness and response to natural hazards and climate-related events.
- advanced analytics.



[www.icnz.org.nz](http://www.icnz.org.nz)