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**FIXING INSURANCE LOOMING CLIFF ON THE AGENDA
FOR BUSINESS NSW**

The state's peak business organisation, **Business NSW**, has welcomed the Federal Government's decision to help fix the shambles that is insuring businesses in disaster prone areas.

In last night's Federal Budget, Treasurer Jim Chalmers announced \$22.6 million over 4 years to help reduce the cost of insurance in disaster prone communities.

This funding will be used to establish partnerships between government and the insurance sector.

With rising insurance premiums out of reach for many enterprises, exploring alternative solutions is on the agenda for **Business NSW**.

"Aside from flood insurance – which many businesses find unavailable or unaffordable - many NSW businesses say professional indemnity and public liability cover is either no longer affordable or even available," **Business NSW** Executive Director David Harding said.

"Many businesses have demonstrated their resilience by taking steps to de-risk their operations, but these decisions have in many cases not prevented spiking premiums which have been often rising at a rate four times that of inflation.

"Whilst there may be a strong case for prioritising resilient infrastructure and making more sensible planning decisions, these might not always translate into lowered premiums anytime soon.

"Similarly, reliance on government funding is not sustainable so we need to explore other models that can provide viable alternatives for businesses."

Business NSW is embarking on an engagement process with NSW businesses to investigate other possible options that offer better outcomes for members.

"Through surveys, workshops, and outreach programs we aim to identify whether there is a critical mass of businesses that have risks not covered by traditional insurance products," Mr Harding said.

"We are also exploring what products might offer practical and sustainable alternatives for our fast-changing local risk profiles.

"Once there is a feasible solution, we aim to connect our members with emerging products and providers to deliver a resilient business environment, and a more robust NSW economy.

“We believe businesses should have access to cover that includes immediate financial support, provides an alternative to government funding, and can be incorporated with minimal regulatory impact.”

Mr Harding highlighted the recent deal struck between the NSW Government and Resilience Insurance to offer new apartment buyers ten years’ protection against defective building work.

“The NSW Government’s new apartment insurance scheme shows the innovation that can happen when government and industry work together,” he said.

About Business NSW

Formerly the NSW Business Chamber, *Business NSW* is the peak policy and advocacy body which has been representing businesses in NSW since 1826.

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