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26 February 2024

Mr Lachlan Wilson
Committee Secretary
Standing Committee on Economics
PO Box 6021
Parliament House
Canberra ACT 2600

By email: floodinsurance.reps@aph.gov.au

Dear Mr Wilson,

I am writing to you in relation to the evidence we provided to the Standing Committee on 23 February 2024 and in our submission to the Inquiry.

In our submission, at page 3, we note that *our data shows that in the two years leading up to the 2022 fiscal year, the industry had downsized from a workforce of 118,000 in 2019-20 to 87,000 in 2021-22, a five-year low*. In my opening statement to the Committee on 23 February, I reiterated that: "Our data indicated that in the lead-up to the floods in February and March of 2022, insurers had reported their lowest staffing levels for three years".

We would like to correct the figures in our submission and provide additional context on the resourcing issues to clarify the evidence provided.

Our submission ought to have stated that the data shows that in the two years leading up to the 2022 financial year, the industry had downsized from a total workforce of 118,000 in 2019-20 to 101,000 in 2020-21. This is an approximate 15% reduction in total staffing levels.

In the three years leading up to the floods therefore, workforce numbers highlighted by insurers in their annual reporting to us were:

- 2019-2020 – 118,000
- 2020-2021 – 101,000
- 2021-2022 – 130,000 (in response to the floods)

The above represent total workforce numbers and are not isolated to the staff that support claims management functions and associated activities.

Overall, the figures above show that there was a reduction in workforce levels in the year preceding the floods, and this contributed to the industry being unprepared to respond to the large volume of claims.

We apologise for misquoting the data in our submission and thank the Committee for the opportunity to correct the record and provide further clarification.

Please do not hesitate to contact me if you have any queries or require additional information.

Yours sincerely,

Prue Monument
General Manager, Code Compliance