

Media release
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RACT welcomes inquiry into insurers' flooding response

RACT, Tasmania's largest and only locally owned general insurer, welcomes the House of Representatives Standing Committee on Economics inquiry into insurers' responses to the 2022 major floods.

This inquiry represents a crucial opportunity to understand how insurers can better serve Tasmanians in the face of increasing extreme weather events.

RACT Group Chief Executive Officer, Mark Mugnaioni, welcomed the opportunity to hear from Tasmanian communities on their experiences following the October 2022 flooding event.

"We welcome this inquiry as it allows us to learn from the past and ensure we are strongly positioned to meet our members' needs in the future," Mr Mugnaioni said.

"The 2022 floods were the costliest extreme weather event in Australian history and highlighted the urgent need for comprehensive investment in protecting communities from the impacts of a warming planet."

As a member-owned organisation, RACT prioritises the support and wellbeing of our members.

As we do after every major climate event, following the October 2022 floods that severely impacted northern Tasmania, RACT undertook a thorough review of our practices as part of our commitment to continuous improvement.

"We received a combined 167 home claims and accepted and paid out the vast majority of these claims within 21 days, totalling more than \$4.13 million," Mr Mugnaioni said.

"Our quick assessments, payments, and repairs were possible due to the fast mobilisation of our Tasmanian teams and the proactive engagement of our supplier networks.

"Our commitment to serving our members, especially in times of need, is at the core of our operations. We take pride in being able to deliver swift and effective support during such challenging times,"

"Our efficient response in accepting and paying out claims after the 2022 floods is a testament to the commitment of RACT's team, and their dedication to our 218,000 members."

Advocating for climate resilience

RACT continues to advocate for increased investment in mitigation infrastructure to safeguard communities and address the challenges posed by climate change.

"With a warming planet, the frequency and severity of devastating climate events like the 2022 floods are expected to rise," Mr Mugnaioni said.

"Investment in mitigation infrastructure is critical. We know that such investments work. Every dollar spent on mitigation saves \$5 in recovery and helps keep insurance premiums down."

"These projects not only prevent loss and suffering but also unlock economic opportunities and reduce future disaster costs."

RACT remains committed to leading the conversation on climate resilience and advocating for the necessary investments to protect our communities.

"We are committed to working with all levels of government to find mitigation solutions that will keep our communities safe and save lives.

"By working collaboratively, we can ensure a safer and more resilient future for all Tasmanians," Mr Mugnaioni said.

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