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MEDIA RELEASE

INSURANCE CRISIS.

McCARTHY to move Private Members Bill – One Market and Major Disaster Fund to Resolve Insurance Crisis in the North.

There is 2 critical parts to resolving this unacceptable situation.

1. The first of which is for the Federal Government to set up a Significant Natural Disaster Reinsurance Fund the same way they set up Terrorism Insurance scheme in 2003 which has a government guarantee with a \$10 Billion dollar cap. This can be established via the Australian Reinsurance corporation (the ARPC). This fund after extreme events like 100 year storms etc will take much of the heat out of the rare catastrophic end of natural disasters for the insurance companies. Australia has a harsh natural environment and we do have a history of significant natural events.
The disparity is when major weather events happen down south where millions of people contribute to the insurance pool they don't suffer massive price hikes like we do in the north.

It does need to be noted that with the excellent post cyclone Tracey building codes, damage is generally minimal in North Queensland even in the face of significant events.

2. *The 2nd part is to legislate changes to address the issue once and for all.*
“Once I win the seat of Leichhardt I will move a ‘Private Members Bill’ in the parliament to force insurance premiums down. We will legislate that Insurance companies must treat the whole of Australia as one market if they want to participate in the Australian insurance industry” says Daniel McCarthy KAP candidate for Leichhardt.

“This will force the insurance risk be spread around the nation. I would envisage this will cause a meager price rise of a couple of percent for the huge population in the capital cities But it will mean an enormous reduction in insurance premium costs for the people living in northern Australia. For a decade we here in the north have had to do all the heavy lifting with out of control price hikes while the mass population down south have enjoyed relatively low and stable pricing” says McCarthy.

The outrageous Insurance prices have crippled many families in the far north over the last decade. The enormous price hikes coupled with numerous insurers simply just not offering their products, or not at anywhere near reasonable rates to many areas has put thousands of families at risk, and often the most vulnerable members in our community our elderly.

Too many people have had to take the risk on themselves and ‘self insure’ which means they aren’t insured at all. They’ve effectively been forced to ‘run the gauntlet’, hoping and praying they don’t get robbed or significantly damaged during a storm or they would struggle to manage the repairs on their own from savings.

This situation has festered for far too long under current state and federal governments. LNP alone has been happy to take donations from the insurance companies to the tune of \$1.5M in recent years and has also failed to address the enormous impost skyrocketing insurance premiums have had on our community in Far North Qld.

“I have previously raised Banning donations to political parties from Banks and Insurance companies. If someone can tell me what the benefit to the nation is from Banks and Insurance companies propping up political parties I’d be interested to hear it. I will move to Ban these donations once elected” says McCarthy.

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