

Disaster risk reduction and climate change

Overview

We are enabling communities in Australia and New Zealand to better prepare for and respond to natural hazards and climate change by using our unique knowledge, capabilities and assets in partnership with others.

Communities ready for anything – nationally

Playing a meaningful role through engagement and leadership

At the global level, IAG contributes to sector-wide climate solutions through the UNEP-FI Principles for Sustainable Insurance, Principles for Responsible Investment, and membership of the Geneva Association (an international insurance thinktank). IAG will continue playing a leadership and advocacy role on climate change, including through our work with federal, state and local governments in Australia and New Zealand. An example of this is the active role we are playing in implementing the Australian National Disaster Risk Reduction Framework.

Disaster resilience in Australia and New Zealand

IAG is a founding member of the Australian Business Roundtable for Disaster Resilience & Safer Communities (Roundtable). The Roundtable was established in 2012 and brings together aligned organisations to lead and influence public policy in a way that reduces the impact and cost of extreme weather events on life, property and the economy. In the past 12 months, the Roundtable refined its focus to engage with disaster resilience frameworks and policies sitting at all levels of government, and to demonstrate that business and the wider Australian community have a role to play in building resilient communities. In New Zealand, IAG is working through the Climate Leaders Coalition to ensure businesses are actively adapting and building resilience to climate impacts.

IAG's climate change impacts

Climate change is one of the world's most pressing issues. We have a long-standing record of addressing the opportunities and risks associated with climate change and have taken practical steps to minimise our own environmental impact. Our objectives and progress are outlined in our Climate Action Plan and Scorecard. In the 2019 financial year, we reduced our greenhouse gas emissions to 26,457 tonnes CO₂e through a combination of reducing: emissions from electricity; transport related activity including vehicles and travel; and the sale of IAG's Asia-based business. We are on track to achieve our 2020 financial year science-based emission reduction target. Our detailed 2019 climate related disclosure is set out in our 2019 annual report, and available in the Safer communities section of our website (www.iag.com.au).



Communities ready for anything – locally

Supporting communities to better manage risks from storms

We partner with the State Emergency Service (SES) in New South Wales and Queensland to help communities be safer during, and more resilient to, extreme weather. We focus much of this work on raising awareness of storm risks and encouraging better storm preparation in at-risk communities. Some of our activities include:

- storm preparedness campaigns to raise awareness of how to better prepare for and respond to storms, floods and cyclones: 94% of people in New South Wales and 97% of people in Queensland who heard or saw this year's campaign took storm preparedness action;
- localised and targeted community preparedness programs in high risk areas; and
- grants and awards programs that support local volunteers and units to enable their communities to better mitigate their risk.

Supporting disaster risk reduction through our products and claims servicing

Our purpose is to make your world a safer place and one of the ways we do this is by offering insurance products which enable individuals, businesses and communities to better recover when disaster strikes. In the past year, we acknowledge there has been some community concern in Wellington, New Zealand that IAG was going to withdraw or retreat from the insurance market due to the high peril risk associated with that area. It was reported that IAG would not be providing home or contents insurance to new customers in the area. This is not the case. IAG continues to offer insurance to existing and new customers across New Zealand, including in Wellington. We know that New Zealanders want us to be there for them. As such, our focus has been to continue to support and protect the community, which includes making sure insurance is available as the circumstances of our customers change. IAG has provided insurance to New Zealanders through its NZI brand, and subsequently through its other principal brands AMI, Lumley, State and NAC for 160 years, and will continue to do so.

Australia was also subject to significant weather events, with the hailstorm in Sydney and Berowra, New South Wales in December 2018; the floods in Townsville, Queensland in January 2019; and another severe hailstorm in Sydney in March 2019; severely affecting customers living in those areas. When natural perils occur, our immediate priority is to help customers who have been affected.



Neighbours working together to ensure their homes are safe.

IAG responded well to multiple large-scale weather events which occurred during the year. Following a major weather event such as the Townsville floods, we see a wide range of damage that has a variety of causes. We take great care to review the individual circumstances of a customer's claim to ensure we make a fair and appropriate decision that reflects the insurance policy they have purchased.

The scale of the December 2018 hail events in New South Wales presented us with the opportunity to implement a dedicated claims management response team to ensure we had the right focus on supporting our customers until their claims were finalised. We established three call centres across Melbourne, Sydney and Brisbane employing an additional 230 consultants to support our response. From the Sydney hailstorms, we received more than 25,000 claims for property damage and 45,000 claims for motor damage. By 30 June 2019, we had finalised 70% of property and motor repairs.



People ready for anything

Helping people be prepared and get back on their feet

We have developed and implemented a range of programs and initiatives at a state and local level aimed at supporting communities to prepare for and respond to disasters. Through our 10-year partnership with Australian Red Cross we've co-created the Get Prepared app to help communities better prepare for emergencies. The app helps people prepare with an easy process to establish a network of contacts, consider the risks relevant to where they live and create checklists of actions to undertake. The Get Prepared app has been downloaded over 13,000 times since its launch in October 2017.

Initially, we learnt that in some instances users have been reluctant to complete preparedness tasks that require the input of personal data into the app, leading to lower than expected engagement and completion of emergency plans. We used this insight to redesign the app and now have a target for 100,000 downloads next year.

One of the other ways we support communities to recover and bounce back from the impact of extreme weather events is by partnering with GIVIT. GIVIT helps connect people who have items to donate to those in the community who need them. GIVIT mobilised after the floods in Townsville, Queensland in January 2019 and managed the donation of over 224,000 items, helping those people worst affected to recover quickly.

In New Zealand, AMI partnered with New Zealand Red Cross to provide an Emergency Essentials Pack to the 65,000 New Zealanders who participated in Red Cross training last year. The Emergency Essentials Pack is a water-resistant pouch, designed to store essential documents for easy access in an emergency, with details on how to create an emergency plan, pack an emergency kit and download the Red Cross First Aid and Emergency app and the Red Cross Hazard app which alerts users to emergencies in their region.

Following the hailstorms that hit Sydney and the Central Coast in December 2018, we worked with our four specialist hail repairers to set up 11 hail repair centres across the affected areas. The centres triaged up to 1,000 vehicles a day and, after all the assessments were completed, they became full repair centres. We replaced damaged windscreens immediately so customers could be back on the road without delay, even if they had to wait for their cars' panels to be repaired.

