QON No. 6

Legislative Assembly for the **Australian Capital Territory**
Standing Committee on Public Accounts and Administration

Inquiry into Annual and Financial Reports 2023–2024

Answer to question on notice

Asked by: Mr Andrew Braddock MLA

Addressed to: ACT Insurance Authority

Reference: FINANCE

Hearing: 17/02/2025
In relation to: Consequences of LA Fires for Insurance costs
Question received: 18/02/2025
Answer Due: 26/02/2025

The ACTIA Annual Report on Page 16 says:

There continues to be pressure on reinsurance premiums in response to increased claims activity and reduced capacity in the insurance market. While there continues to be a gradual stabilisation of the global insurance market conditions, the Authority anticipates that the commercial insurance market will remain sensitive to the experience of individual accounts.

Has your assessment of the global insurance market changed subsequent to recent events including the Palisades Fire in Los Angeles, and if so, what are the currently anticipated ranges of consequences for ACTIA's activities and costs?

Ms Rachel Stephen-Smith MLA: The answer to the Member's question is as follows:

The full global insurance market impacts of the Los Angeles wildfires in January 2025 are not yet known.

ACTIA will continue to engage with the global reinsurance market, specifically in the property and public liability areas via the Territory's insurance broker, to understand potential impacts to the Territory's future reinsurance arrangements.

Approved for circulation to the Standing Committee on Public Accounts and Administration

Signature:

Date: 1 | 3 | 25

By the Minister for Finance, Rachel Stephen-Smith MLA