

Insurance Insight



INSURANCE INDUSTRY NEWS AND VIEWS FROM EBM

Welcome

Dear subscriber,

Welcome to the September–October edition of *Insurance Insight*.

Time flies – it's been six months since the Government introduced the mandatory Notifiable Data Breaches requirements. In the first six months of the scheme, there have been 305 notifications. The statistics serve as a timely reminder about the need to protect your business from falling victim to a data breach.

And speaking of protecting your business... as society becomes increasingly litigious it is having an impact on insurance premiums. In particular, Directors' & Officers' (D&O) cover is getting harder to secure and more costly as a result of the skyrocketing number of class actions being pursued through the courts. We take a look at the factors influencing the D&O market.

As we head into spring and warmer weather, many of us will head into the great outdoors to pursue sports and leisure activities. Sadly, it is often during sporting and recreational pursuits that participants sustain life-changing injuries. EBM have been the insurance broker for the Paraplegic Benefit Fund for four years and have witnessed first-hand the value in having insurance cover when tragedy strikes.

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry has moved into the sixth (of seven) round of public hearings – a focus on the insurance industry. Round three concluded in June and turned the spotlight on to small business lending. In our Finance article, we explore the possible impact of the inquiry on lending for SMEs.

We welcome your feedback and invite you to **contact us** to see how our multidisciplinary team of insurance brokers, financial planners and finance experts can help provide risk mitigation solutions for you and your business.

Ward Dedman, Managing Director (Group Operations)
Steve Sparkes, Managing Director (Corporate Broking)

WORKCOVER UPDATES

ReturnToWorkSA

New Schedule of Sums

ReturnToWorkSA has released a new Schedule of Sums.

Effective from 16 August 2018, the new maximum gross Income Support Weekly Rate of Pay is \$2,999.20.

icare New South Wales

New Maximum Weekly Compensation amount

In New South Wales the maximum weekly compensation amount is capped and indexed in April and October.

From 1 October 2018 to 31 March 2019, the maximum amount will be \$2,145.30 gross per week.

For further information, please contact Frances Cook in our Sydney office on 02 9276 6999 or email francesc@ebm.com.au.

EBM's specialist Workers' Compensation team

EBM can assist you with every aspect of your Workers' Compensation policy, please [contact us](#) to see how we can help.

If your business is faced with a Workers' Compensation claim, [EBM's Injury Management team](#) is here to help you with advice and support throughout the claims process.

EXPOSURE DISCLOSURE

Six months after the Notifiable Data Breaches scheme came into effect, there have been 305 notifications made. Will you avoid becoming a statistic?

Once More Unto the (Data) Breach: 305 notifications and counting



Private data is irresistible to cybercriminals.

Armed with personally identifiable information, the unscrupulous can make mischief and money. Accessing private data enables criminals to perpetuate all manner of crimes – from identity theft to payments fraud.

The serious harm that can come from having private data exposed was acknowledged by the Government and on 22 February 2018 the Notifiable Data Breaches (NDB) scheme came into effect. The NDB requires all organisations covered by the *Privacy Act 1988* to notify the Australian Information Officer and individuals if their private data has been breached.

Statistics from the Office of the Australian Information Commissioner reveal that since the NDB commenced (to 30 June 2018), it had received 305 notifications (within the first six weeks there were 63 breaches reported). So from 22 February to 30 June, on average, 18 notifiable breaches were being reported each week. Factor in the number of people affected by each incident and it has been estimated that up to 5.3 million Australians may have had their information compromised in the last quarter alone.

The kind of information breached reinforces the attractiveness of the data stored by many Australian businesses across the sectors:

- 89 per cent of breaches exposed contact information (e.g. address, phone number, email address).
- 42 per cent financial details (e.g. bank account or credit card numbers) – and with financial information breaches there is heightened risk of litigation.
- 39 per cent identity information (e.g. passport number, driver's licence number and other government identifiers like Medicare numbers).
- 19 per cent TFNs (individual tax file numbers).

Of the 242 breaches recorded over the quarter (1 April to 30 June 2018):

- **59 per cent were the result of malicious or criminal attacks** including “cyber incidents such as phishing, malware, ransomware, brute-force attack, compromised or stolen credentials and hacking by other means, as well as social engineering or impersonation and actions taken by a rogue employee or insider threat. Theft of paperwork or storage devices was a significant source of malicious or criminal attacks. Many cyber incidents exploited vulnerabilities involving a human factor such as clicking on a phishing email or disclosing passwords”.
- **36 per cent were human error**, for example sending personal information to the wrong recipient (usually via email) or the unintended release or publication of personal information.
- **5 per cent were as a result of system faults.**

The figures highlight the need for businesses to take a two-pronged approach to cybersecurity and privacy compliance.

Prong 1 – Implement robust IT and cybersecurity safeguards

- Install security software that includes a firewall, anti-virus and anti-spyware on company-supplied and BYO devices.
- Always install the security updates/patches on all devices.
- Secure networks, including Wi-Fi.
- Use best-practice when it comes to passwords.
- Use multi-factor authentication where possible.
- Encrypt all inbound and outbound data, especially on portable devices such as laptops and smart phones.
- Be careful when using public wireless networks and avoid making online transactions when using public or complimentary Wi-Fi.
- Regularly back-up all data using multiple platforms e.g. on a portable hard drive and to the cloud (and avoid storing sensitive information in the cloud).

Prong 2 – Implement thorough information handling policies and procedures

- Undertake an audit to determine what data the business holds, where it is stored and who has access to it.
- Only collect the personal information that is actually needed.
- Use best-practice to dispose of or de-identify that information once it is no longer required to be kept.
- Only provide access to databases and other sources of private information to those staff who need it to do their jobs.
- Restrict administrator level access.
- Enforce strict policies and procedures around the collection, updating, sharing and disposal of confidential and private information.
- Train staff on best practice data protection (passwords, network security, portable device security, recognising cyber risks such as spam, scams and phishing emails etc.) and handling confidential/private information (including their responsibilities and obligations).

Businesses should also have a cyberattack response plan. An important part of this plan should be Cyber Liability insurance cover.

Cyber Liability covers vary, but generally are designed to provide protection when there is a breach of a business' IT systems resulting in loss of its or someone else's information and offers coverage for a range of first-party (costs the business would incur) and third-party (claims for compensation by others such as customers and suppliers) losses. Talk to your EBM Account Manager about the best [Cyber Liability](#) insurance policy to meet your business' needs and also help you understand your obligations under the cover, so if your business should fall victim to a cyber incident, you'll be protected.

PBF COVER IN ACTION

Every day an Australian suffers a spinal cord injury, with the majority of these the result of a trauma such as a vehicle accident or sporting mishap. While sustaining such an injury is not something you can plan for, you can take out insurance to provide crucial financial protection if you or a loved one does.



Quad bike accident leads to paraplegia

Little did John¹ know that an afternoon hitting the beach to cruise around on his quad bike would change his life forever. Like most fun-loving 21-year-olds, having an accident was the furthest thing from his mind, but when his bike clipped a partially concealed log buried in the sand his world was turned upside down. John had to be airlifted by emergency helicopter from the Queensland beach to the hospital where he received the devastating news he would now live as a paraplegic.

John's employer had taken out Corporate Membership cover insurance with the Paraplegic Benefit Fund (PBF) and, as a result, John and his family received a \$250,000 lump sum to assist with the immediate costs of a spinal cord injury (SCI), as well as ongoing living, medical and rehabilitation expenses including modifications to house and car. The payout enabled John to be moved to a hospital closer to his home and meant his family could invest in his rehabilitation and other short-term costs. The financial strain on his family having to be away from home and work to be by his side while he recovered was significant and the money helped ease that burden. If John's employers had not taken out the cover, he would not have been able to access these vital funds.

Every day, someone in Australia suffers an SCI, whether the result of a motor vehicle accident, sporting or recreation mishap, a workplace accident, act of violence, alcohol-related injury, disease or slips and falls.

Not only does an individual suffering an SCI and their family have to cope with the physical and emotional impacts, but often are faced with immediate and substantial financial costs. That's where PBF comes in.

Founded by renowned spinal surgeon Sir George Bedbrook in 1984, PBF aims to create greater awareness of the risks of SCI and to help those already living as a quadriplegic or paraplegic.

PBF Australia is a member-based organisation offering affordable SCI injury protection (insurance) for individuals, couples, families, corporates and clubs. The Australia-wide, not-for-profit organisation provides financial support for members suffering an SCI and offers peer support programs, lifestyle education and employment opportunities with the goal of demonstrating that life can and does go on.

EBM have been PBF's insurance broker since 2014 and managed John's claim. Having helped PBF streamline the claims process, EBM was on hand to assist with the claim, which saw John's family receive the funds three days after his claim was completed by AIG (following the claim being lodged, the necessary medical assessment carried out and approval from the PBF Board being granted).

¹ Name changed to protect privacy

In addition to streamlining the claims process, which means people get the lump sum payment they need to help restructure their lives promptly, EBM has been working with PBF and AIG to improve the cover available.

“Over the last few years we have helped PBF identify areas of insurance cover that could be augmented, added or improved to provide the most benefit to their members. With this in mind, we explore options to evolve the cover with PBF CEO Martin Browning and then, with PBF Board approval, we negotiate with underwriter AIG to see how to best accommodate these policy improvements while ensuring the cover remains relevant and cost-effective,” said EBM Executive Account Manager, Craig Goodwin, who has worked with PBF for many years.

Since 2014, EBM has aligned with a new underwriter for the insurance cover, negotiated a higher level of cover (from \$100,000 to \$250,000), explored new policy types for sporting clubs and sportspersons, and introduced new benefits. Craig and the team continue to work with PBF and AIG to continuously improve the insurance processes and help provide SCI insurance cover that meets the needs of members today and into the future.

Find out more about PBF and the cover available at www.pbf.asn.au.

SCI by the numbers

During 2014-15, 378 new SCI cases were reported to the Australian Spinal Cord Injury Register – 114 of these resulted from non-traumatic causes such as diseases, while 264 were the result of traumatic causes. Of the cases resulting from traumatic causes:

- 80 per cent were males
- 21 per cent were amongst 55 to 64 year-olds
- 35 per cent occurred while engaged in sporting or recreational/leisure pursuits, with 77 per cent of cases being males
- 10 per cent occurred while working for income, with 100 per cent of these cases being males
- 8 per cent occurred while engaged in unpaid work
- 42 per cent were due to land transport crashes (motor vehicle occupants, motor cyclists, pedestrians, pedal cyclists and quad bikes), with males accounting for 86 per cent
- 40 per cent were due to falls (20 per cent high falls, 20 per cent low falls)
- 6 per cent were water-related, with 56 per cent diving into shallow water
- 3 per cent were sustained playing football, including rugby (accounting for 1 in 7)
- 2 per cent horse-related
- 2 per cent being struck by a falling object

Source: <https://scia.org.au/living-with-a-disability/resources/statistics/>

EBM FINANCE

Will the fall-out from the Banking Royal Commission make it harder for businesses to secure a loan?

Post-Royal Commission: A finance broker may be more important than ever

After seven rounds of public hearings, the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry is set to conclude at the end of 2018 with its final report expected to be tabled by 1 February 2019.

One round of hearings focussed on loans to small and medium enterprises (SMEs) and whether lenders are scrutinising income and expenses sufficiently or getting enough information about their clients' individual circumstances. The commission emphasised that it was the duty of banks to ensure loans could be repaid, rather than relying on taking security.

And the possible result? Analysts say it is likely that banks will be more conservative in lending to SMEs even though counsel assisting the commission, Michael Hodge QC, did not call for extra regulation.

Predictions are that lenders will impose greater scrutiny and this will make it harder for businesses to pass bank tests and actually get a loan. It is also thought that it will make the loan approval process slower (more paperwork as banks require more detail on how loans will be repaid and lending decisions will take longer), lenders will be reluctant to make loans to 'unusual' businesses, banks will become even more insistent on borrowers having 'hard assets' as security (many business loans are currently secured on real estate, much of which has already fallen in value), and that changing standards will mean borrowing capacity of all borrowers will be reduced.

"The fact is, many businesses, especially SMEs, are concerned about the impact the Royal Commission may have on their ability to secure a loan, in a timely and efficient way," said EBM Finance representative, Elliott Watkins.

"If the banks and other lenders are subjected to greater regulation, it is likely to have a negative impact on access to credit which could affect a business' ability to secure the finance it needs to capitalise on opportunities. It is crucial for businesses to understand how financiers assess risk and decide whether or not they will lend money, particularly when it comes to plant and equipment and asset financing."

Banks and financial institutions will calculate the financial risk that a business poses when deciding whether or not to extend finance, and also to define the terms and conditions and interest rate that will apply.

7 Cs of business risk

1. Character

One of the main factors the bank will consider is the character of the business owner – what skills and experience do they have? Do they understand their business and have a clear and realistic plan for developing it?

2. Collateral

The bank will want to know what security is being offered against the loan, this may be real estate (e.g. business premises or family home) or other assets such as plant and equipment.



3. Cash flow

Does the borrower have the capacity to repay the loan? Income versus debt obligations. What revenue does the business have coming in? Does the business have enough cash to repay the loan on time, pay wages and keep the business going – even if something unexpected happens?

4. Capital

What is the borrower's financial position? Assets versus liabilities. What type/liquidity of assets does the business hold? What type/nature of liabilities are present?

5. Context

Lenders view some industries as riskier than others based on conditions such as competition, profitability and economic climate. For example, if a business is seasonal, the bank will want to know how the owner will manage repayments in the off-season.

6. Conditions

Can the borrower meet the lender's loan terms and conditions? For example, the repayment schedule, pricing (interest rate and fees), precedent conditions (meeting a condition before the loan is granted) and subsequent conditions (during the loan).

7. Credit history

Banks will look at the business' credit history/score. The borrower's reputation, integrity and 'willingness' to repay will be taken into account, together with their loan repayment history, general savings history, stability (e.g. years in profession) and also (possibly) the owner's personal credit history.

"Now more than ever, the services of a qualified finance broker will prove invaluable. Brokers understand the lending environment, as well as the needs of business – acting as conduit between lender and borrower," said Elliott.

"Good brokers have long-standing relationships with major plant and equipment financiers coupled with an in-depth understanding of the risks in various industries and businesses. By tapping into this network and knowledge they can help secure the right loan for their clients and favourable terms and conditions. With the right broker on their side, a business can still secure the credit they need to move their business forward, even if lending conditions tighten.

"Investing in plant, equipment or assets remains a sound financial decision for many businesses – and one that will be backed by prudent lenders, with the help of a professional finance broker to manage the process."

Importantly, [EBM Finance](#) can also offer businesses commercial banking products such as equipment loans/chattel mortgage, asset purchase, finance lease, investment facility, term loan or overdraft facility, to further open up options for businesses to secure finance.

EBM Finance Pty Ltd acts as a credit representative of IFBA Pty Ltd under Australian Credit Licence 391682.

I'LL SUE!

As society become more litigious, the impact is being felt in the insurance sector with the cost of Directors' & Officers' insurance skyrocketing.

As the threat of litigation hangs overhead, the cost of Directors' & Officers' (D&O) cover escalates



From *Perry Mason* to *Matlock* and *Ally McBeal* to *Rake*, Australians love a legal drama – but it's not just on the box. The fact is, society is becoming more litigious. And it isn't only *Judge Judy*-style small claims, the number of class actions are skyrocketing. Add in heightened regulatory scrutiny, rising risks associated with data breaches to climate change, and the fallout of the Hayne Royal Commission, and it is little wonder the Directors' & Officers' (D&O) insurance market is being impacted.

Public, private and not-for-profit companies of all sizes and across all sectors face D&O litigation risks. Operating in an environment where there is greater corporate governance and regulatory surveillance in place, company D&Os are under increased scrutiny. Failure to perform their duties and carry out their obligations properly may lead to personal liability for the individual director or for the entire board of directors, regardless of whether they are acting in a part-time, honorary or non-executive capacity.

D&Os can be sued for wrongful acts, improper management of the company's finances and negligence in the performance of their duties. The broad basis for determining executive misconduct also heightens the risk of class actions. Class actions became part of Australia's litigation landscape in 1992 and the popularity is gaining momentum with suits increasing more than 10-fold over the past decade.

"The last couple of years have been watersheds for the D&O market. It has been particularly hard for publicly-listed companies to secure cover and insurers have become more rigorous in their underwriting reviews and are commonly limiting coverage based on individual risk profiles. The market has been less volatile for non-listed organisations but these have also seen premium increases, albeit nowhere near the levels being experienced by listed companies," explained Steve Sparkes, Managing Director – Corporate Broking.

"For many companies the cost of D&O cover, including 'entity' cover for shareholder class actions, has risen a minimum of 25 to 50 per cent over the past year, and in some cases by 200 to 300 per cent. Meanwhile the number of insurers offering cover has dwindled as several major players exited the market. At the same time, the number of class actions and third-party liability claims continue to grow exponentially."

While securities class actions tend to be high profile (accounting for 31 per cent of total class actions) with the directors of large listed companies the focus of these legal actions, community and non-profit board members can also suffer claims against them. There is an increasing frequency in claims across many classes (including consumer, public interest, natural perils, employment practices etc.). According to recent Federal Court data, there are currently 76 representative proceedings underway nationally.

And the legal protocols designed to facilitate class actions are contributing to the rise, with a proliferation of third-party litigation funders getting involved, which can lead to multiple actions brought by competing plaintiff firms. More than 15 litigation funders are now involved in Australia, and almost half the class actions in recent times are related to securities, financial products and investments.

The bottom line – insurers are defending more D&O claims and face alarming financial consequences. According to Allegiant IRS, the average class action incurs \$60 million in costs and settlements.

Many insurers are now so concerned about the potential size and scope of class action lawsuits that they are either limiting their offering by reducing risks or no longer writing cover at all.

“As brokers we are undertaking more complex D&O reviews with insurers in order to secure placements that offer sufficient limits, premium options and terms of cover to give our client piece of mind in the current hardening market. Whilst premiums are moving north, D&O cover remains a necessity for companies as many boards grapple with new and emerging risks and how best to deal with them, including risks related to data and IT, privacy, environmental liability, culture, disclosure and regulatory issues,” Steve advised.

“We are working with our clients to take a strategic approach when going to the market for cover. The key is for companies to be upfront about the risks their activities pose and to discuss the ways in which they mitigate and avoid that risk so that the company can be presented in a way that compels insurers to agree to write cover and offer their best available terms.”

Speak to your EBM Account Manager about [Liability Risk](#) covers.

EBM NEWS & EVENTS

Advocating for clients and being recognised for service – our team have been busy!

The roof “peeled off like a giant sardine tin!”

This is what local mine worker Lance Mitchell found when he returned to his Kambalda home after the ‘superstorm’ that hit last November. Ultimately, the damage was so extensive that his home was a ‘write-off’.



But, there is a happy ending to the tale of devastation – Lance has received his insurance settlement thanks to the dedication of EBM’s Kalgoorlie office team.

After the mini tornado with gale force winds and torrential rain wrecked Lance’s Kambalda home, EBM, on behalf of Lance, negotiated the settlement of his insurance claim. The damage to the building was so extensive that initial plans to repair the home had to be abandoned. With repair estimates topping the insured sum of the property, the building will now be demolished and the total loss claim settled.

It has been a busy time for Natalie Wasiun, EBM Regional Manager – Goldfields and her team since what the Bureau of Meteorology termed a ‘super cell thunderstorm’ hit Kalgoorlie and Kambalda with little warning on the afternoon of Saturday 18 November 2017. They have been advocating on behalf of more than 150 clients to ensure that their claims are satisfactorily settled.

Finding and paying for emergency accommodation for clients like Lance whose homes had been made uninhabitable was a high priority for the EBM Kalgoorlie team in the immediate wake of the mega-storm.

Lance was in Perth for the weekend when the storm hit and headed back on the Monday to view the damage. He stopped at Merredin and phoned the EBM office in Kalgoorlie – who had already been to his house and photographed the damage. By the time he arrived at the EBM office, the team had cleared for Lance’s insurer to cover temporary accommodation costs.

“I was freaking out when it first happened but it has been a smooth process. EBM has been awesome,” said Lance. “I have been telling anybody who will listen how important it is to have a good local broker on your side. But it has to be EBM!”



The storm may have only lasted 15 minutes but Lance’s home was destroyed when large hailstones punctured the roof and the 12mm downpour flooded the interior, with water and dust severely damaging or destroying virtually everything inside the house – ceilings and walls, floor coverings, furniture, electrical appliances and devices, clothes and personal belongings.

Years of support honoured

EBM was honoured to receive the Don Rolston Award for its many years of service and support to the Apprentice and Traineeship Co (ATC). The Award was presented at the Annual ATC Awards night in August.

In 1992, Don Rolston initiated the first Group Apprenticeship Scheme in WA (now ATC). ATC is a not-for-profit organisation which recruits, employs and manages apprentices, trainees and labour hire for an extensive range of industries throughout the Midwest and Gascoyne regions of Western Australia.

We were also delighted that Owen Connolly – Executive Account Manager in our Geraldton office was personally recognised for his contribution to ATC over the last decade. Owen was bestowed with the prestigious Don Rolston Honorary Fellow Award.

In 2015, ATC created The Don Rolston Honorary Fellow Award in his honour, recognising Don as a role model, advocate and ambassador to support the growth and practice of engaging, inspiring and developing tomorrow's workforce. The Award is now presented to a person who is professionally outside of the group to acknowledge exceptional achievement and service and to honour contributions to ATC Midwest.



EBM Geraldton's Owen Connolly received The Don Rolston Honorary Fellow Award in August. The honour recognised Owen's contribution to ATC Midwest over the past decade. Owen was presented with the award by Don himself.

News in brief

Tax break for SMEs extended

On 13 September, the Senate passed legislation extending the \$20,000 instant asset tax write-off for SMEs. Businesses with a turnover under \$10 million can write-off the business portion of assets they buy and install, for less than \$20,000, in their tax return instead of having to depreciate the item over a number of years. The scheme has been extended to 30 June 2019. Business owners requiring finance to invest in plant, equipment and assets, should speak to [EBM Finance](#).

New banking code of practice approved

The new Banking Code of Practice has been approved by ASIC. The code introduces a range of new measures to make banking products easier to understand and more customer-focussed. It also represents a stronger commitment to ethical behaviour, responsible lending, greater financial protection and increased transparency.

Pension age to remain 67

On 5 September, Prime Minister Scott Morrison announced that the Government would be ratifying a decision to reverse the retirement age to 70 and instead it would remain 67. In 2014, the decision was made (but not legislated) to begin lifting the pension age from 2025, increasing by six months every two years, with the age rising to 70 years in 2035. The pension age is still increasing from 65, with those turning 66 in the first six months of 2019 to wait until July for the pension. As of July 2021, the pension age will become 66 and six months. Contact an [EBM Financial Planner](#) to talk about retirement planning and investment options.

Taxpayers incorrectly claiming insurance premium deductions

Since 1 July, the ATO has corrected 112,000 tax returns, totalling more than \$53 million. The tax office notes that over-claiming for insurance premiums is emerging as a new area where taxpayers need assistance. "Just to be clear, premiums for Income Protection insurance are tax deductible [but only those policies purchased outside of superannuation], but premiums for other insurances like Life, Permanent Disability and Trauma are not," said ATO commissioner Kath Anderson. Insurance premiums for [EBM's MaxLife Income Protect](#) product or income protection policies purchased through EBM Financial Planning are generally tax deductible.

Trade credit rise rises

NCI's latest Trade Credit Risk Index has reported an 18 per cent increase in the number of Trade Credit insurance claims in the last quarter, with the building and hardware sectors being responsible for the lion's share of claims, followed by the steel industry, the electrical industry and manufacturing. Speak to your broker about [Credit Insurance](#) to protect your business.

Australian natural disaster cost revealed

The Insurance Council of Australia has announced that the insured losses due to natural catastrophes and weather events in Australia have reached \$261 million so far this year. With the bushfire and cyclone seasons commencing, [home](#), [investment property](#) and [business](#) owners should check that they have adequate insurance.

QBE sells Travel insurance arm; TAL buys Suncorp Life insurance

QBE has confirmed it is selling its Australian Travel insurance arm to major health and medical insurer nib. The deal is said to be worth around \$25 million and expected to be finalised in the first quarter of 2019. TAL Dai-ichi Life Australia's (TAL) deal to acquire Suncorp's Life insurance business has been finalised and is expected to be completed by the end of 2018 (subject to regulatory approvals in Australia and Japan and other conditions).

Australians continue to leave valuables in cars

A national survey by Allianz has revealed that 69 per cent of Australians continue to 'hide' valuables in their car, either in the boot, under a seat, or beneath a blanket, while a further 29 per cent regularly leave their car unlocked. Allianz advised that the average cost of 'theft from vehicle' claims among its customers is about \$2,400. Policyholders should check that their Home & Contents insurance covers theft of valuables from vehicles. EBM can also arrange competitive Motor Vehicle insurance.

Gold Coast premiums unaffected by new flood maps

The Insurance Council of Australia has advised that the new Gold Coast City Council flood maps, which factor in a 0.8m rise in sea levels by 2100, will not lead to higher premiums or impact the availability of Household insurance, noting that "the coastal risks of storm surge, coastal erosion, and gradual sea level rise are excluded by most general insurance policies in Australia". The ICA has also backed the Queensland Government's \$20 million Household Resilience Program which is designed to assist owners of pre-1984 homes in coastal parts of Queensland to improve the safety and resilience of their properties.

ASIC compliance powers enhanced

The Commonwealth Government has announced a funding injection of \$70.1 million into ASIC in a plan to strengthen the regulator's powers. Part of the funding (\$8 million) will be put towards embedding ASIC staff in the 'big 4' banks and AMP to monitor governance and compliance. Some \$9.4 million will be used to improve supervision of the superannuation sector, while \$26.2 million will help the regulator take action against wrong-doers and another \$6.8 million will be used to build a taskforce to review corporate governance and pursue failings in listed companies.

Bankruptcies rise

According to a report from million Data Registries, there was a 4 per cent increase in personal bankruptcies across the nation in FY18 – with 32,350 Australians declaring themselves bankrupt. Queensland recorded the highest number of bankruptcies (9,415), while Western Australia recorded the biggest increase – up 11.7 per cent year-on-year – to 4,130.

Fraudsters jailed

Two brothers and their friend have been sentenced to prison for a \$1.3 million insurance scam. The trio made a string of fake claims for wines, diamonds, a BMW and a bouncy castle they claimed had been stolen in two separate home burglaries.

Crackdown on direct insurance

In order to protect consumers, ASIC is placing restrictions on the sale of some types of Life and Funeral insurance, and also looking at a ban on sales 'cold calling'. The watchdog reviewed 11 direct Life insurance sellers and found a number used "aggressive selling" and pressure tactics that resulted in poor consumer outcomes. It also found consumers were cancelling their policies "in very high numbers".