

New Zealand's insurance industry snapshot

Insurance plays a vital role in the wellbeing of New Zealanders and businesses by ensuring protection against unexpected events and uncertainty. By safeguarding people from the financial impact when things go wrong, insurance acts as a safety net by effectively managing and reducing risks.

A strong and sustainable insurance sector helps families, businesses and communities get back on their feet. Insurance offers people a sense of security against the uncertainty of future events and provides peace of mind to plan ahead without constant worry.



Total claims

\$4b



General insurance companies

23

Employees

8,400_{FTE}



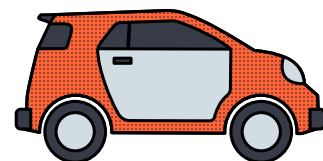
Industry profit

\$301m



Home and contents claims

\$1.3b



Motor related claims

\$1.7b

Why are insurance premiums going up?

New Zealand is experiencing higher premiums due to the rising cost of extreme weather events, the growing value of our assets, inflation in the building construction and vehicle repair sectors and the rising cost to insurers of doing business.



Worsening extreme weather

Natural disasters have caused more than **\$31.2 billion** in insurance claims since 2010, split between earthquakes (**80%**) and extreme weather events (**20%**). This does not include the damage to infrastructure such as roads, rail and electricity and telecommunications networks.

Excluding earthquakes, extreme weather has caused over **\$6 billion** in claims since 2010, with over **60%** of that because of the Auckland Anniversary Weekend flooding and Cyclone Gabrielle events in early 2023.

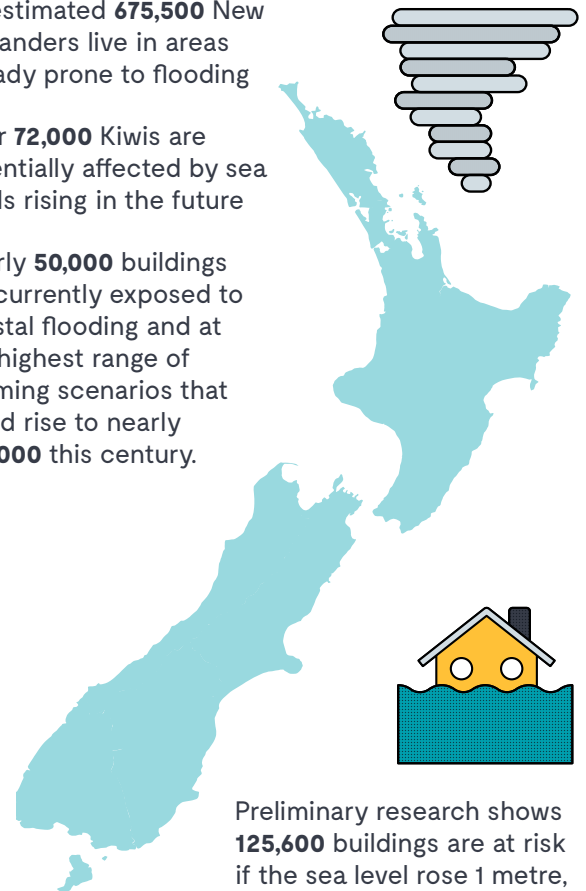


More people in harm's way

An estimated **675,500** New Zealanders live in areas already prone to flooding

Over **72,000** Kiwis are potentially affected by sea levels rising in the future

Nearly **50,000** buildings are currently exposed to coastal flooding and at the highest range of warming scenarios that could rise to nearly **120,000** this century.



Preliminary research shows **125,600** buildings are at risk if the sea level rose 1 metre, at a replacement cost of **\$38 billion**.

Rising cost of doing business

The cost of repairing or rebuilding a home is **20%** higher than it was before the Covid pandemic.

New Zealand's worsening extreme weather has contributed to a **30%** increase in global reinsurance premiums, which is the insurance that insurance companies buy to share some of New Zealand's risk offshore.

We are not alone

These pressures are being felt across the globe. Global annual insured losses from natural catastrophes totalled more than **US\$100 billion** for 6 out of the last 7 years.

In 2023, the US property and casualty insurance sector lost **US\$21.2 billion** despite a 10% growth in premiums.



We're taking action

Our focus is supporting New Zealand's collective effort to improve resilience at the national level and reduce risk to ensure insurance is affordable and accessible.