



Hazards Insurance Partnership

Terms of Reference

1. Purpose

- 1.1 The Hazards Insurance Partnership (**HIP**) is an enduring partnership between the Australian Government and the insurance industry, managed by the National Emergency Management Agency (**NEMA**). Through the HIP, the Australian Government and insurers will work together with the aim of addressing insurance affordability and availability issues as driven by natural hazard risk, to reduce risk for communities and improve Australia's resilience to natural hazards.
- 1.2 These Terms of Reference (**ToR**):
- 1.2.1 establish the objectives and operational requirements of the HIP;
 - 1.2.2 set out the responsibilities of individuals associated with the HIP;
 - 1.2.3 are not intended to create any legally binding relationship or obligation on the part of Members, their Representatives or NEMA; and
 - 1.2.4 should be read in conjunction with the HIP Probity Plan.
- 1.3 The HIP will:
- 1.3.1 enable and streamline long-term cooperation across government and industry;
 - 1.3.2 be the focal point for cooperation between the Australian Government and the insurance sector on insurance issues related to natural hazard risk; and
 - 1.3.3 be the mechanism for transparent updates from both the Australian Government and the insurance sector (within their relevant remits) on priority insurance issues relating to natural hazard risk, and any cooperative initiatives that the HIP may undertake to address these risks.
- 1.4 The objective of the HIP is to reduce risk with a view to improving insurance affordability and availability. The HIP will:
- 1.4.1 identify and seek to better understand the most pressing insurance issues driven by natural hazard risk, to enable better targeting of policy solutions;
 - 1.4.2 work to understand how insurance costs can be reduced, through risk mitigation;
 - 1.4.3 consult on relevant programs and initiatives, including risk-reduction funding guidelines and consumer-facing improvements related to natural hazard insurance;
 - 1.4.4 identify opportunities to replicate and scale successful initiatives;
 - 1.4.5 streamline government data requests of the ICA and insurance industry that are focused on natural hazard resilience and insurance affordability and availability;
 - 1.4.6 collaborate to support the development of a centralised data asset on insurance affordability and availability, which draws on a range of datasets including natural hazard data and is likely to involve providing advice on:



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- (a) prospective data sharing arrangements between industry and government; and
 - (b) ensuring the centralised data asset is fit for purpose;
- 1.4.7 coordinating with other agencies involved in insurance data collections, including the joint Australian Prudential Regulation Authority (**APRA**)/Australian Securities and Investment Commission (**ASIC**) data transformation program and the Australian Competition and Consumer Commission (**ACCC**), to minimise duplication of effort and to foster consistency of data definitions; and
- 1.4.8 ensure that any datasets brokered through the HIP are appropriately protected as needed and in compliance with relevant privacy and data protection obligations under the *Privacy Act 1988* (Cth) (**Privacy Act**).
- 1.5 For completeness, the HIP will not have any decision-making or evaluation role in relation to:
- 1.5.1 any procurement or grants process conducted by the Australian Government;
 - 1.5.2 the operation of the cyclone reinsurance pool and Australian Reinsurance Pool Corporation;
 - 1.5.3 the exercising of their respective mandates by APRA and ASIC as regulators of the general insurance sector; or
 - 1.5.4 determining specific insurance products or pricing solutions.

2. Structure of the HIP

- 2.1 The HIP is comprised of a range of Members, being entities that are responsible for nominating representatives to participate in the HIP. These Representatives include a Chair and a Deputy Chair.

Chair

- 2.2 The Chair of the HIP is the Coordinator-General, NEMA.
- 2.3 The Chair may delegate their responsibilities to the Deputy Chair or another Representative.
- 2.4 The role of the Chair is to:
- 2.4.1 conduct each meeting in accordance with the agenda and organisational requirements to enable participation, discussion, problem solving and resolution of issues;
 - 2.4.2 approve each HIP agenda;
 - 2.4.3 request papers or input from HIP Members, through the Secretariat;
 - 2.4.4 remove late papers or input requests from the agenda; and
 - 2.4.5 call out-of-session meetings – in consultation with the Deputy Chair – in urgent situations.

Deputy Chair

- 2.5 The Deputy Chair of the HIP is the Chief Executive Officer of the Insurance Council of Australia (**ICA**).



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2.6 The Deputy Chair may delegate their responsibilities, in consultation with the Chair, to another Representative of the ICA as required.

2.7 The role of the Deputy Chair is to:

2.7.1 provide support to the Chair as required;

2.7.2 take on the role of Chair when delegated to do so;

2.7.3 request papers or input from HIP Members, through the Secretariat; and

2.7.4 call out-of-session meetings – in agreement with the Chair – in urgent situations.

Members

2.8 The current Members of the HIP are as follows:

Organisation
Allianz
Australian Climate Service
Hollard Insurance
Insurance Australia Group
Insurance Council of Australia (Deputy Chair)
Munich Re
National Emergency Management Agency (Chair)
QBE
RACQ
Suncorp
Swiss Re
The Treasury

2.9 Membership of the HIP may be expanded or reduced through an amendment to the ToR in accordance with clause 6.1, and with the prior written approval of the Chair.

2.10 The table at clause 2.8 above will be updated when a Member is added or removed.

Representatives

2.11 Where a Representative is unable to attend a HIP meeting on behalf of a Member, they should nominate a proxy of appropriate seniority who is authorised to act on their behalf.

2.12 Members must ensure that any Representative (including a proxy) that attends a HIP meeting has been provided with a copy of these ToR and the HIP Probity Plan.



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- 2.13 Members must notify the Secretariat about which Representative will attend a HIP meeting, ideally at least 3 business days before the scheduled meeting, unless there are extenuating circumstances.

Working Groups

- 2.14 The HIP may, from time to time, stand up working groups (e.g. a Data Sharing Working Group) with responsibility for managing specific issues.
- 2.15 Additional terms of reference and governance documents may be developed for a working group, if required, which specify membership and remit of the group.

3. Obligations of Members and their Representatives

- 3.1 Members must ensure that their Representatives will:
- 3.1.1 act professionally and courteously in relation to the HIP;
 - 3.1.2 behave honestly and with integrity in connection with the HIP;
 - 3.1.3 comply with all applicable Australian laws when acting in connection with the HIP (for example, the Privacy Act and the *Competition and Consumer Act 2010* (Cth)) – including, but not limited to:
 - (a) taking all reasonable steps to protect Personal Information (as defined under the Privacy Act) from misuse, interference and loss, and from unauthorised access, modification or disclosure; and
 - (b) ensuring that their participation in the HIP is conducted in compliance with competition laws;
 - 3.1.4 comply with the HIP Probity Plan and submit a completed Probity Acknowledgement (in the form provided at Schedule 1 to the HIP Probity Plan) before they participate in the HIP;
 - 3.1.5 notify the Secretariat if there is any breach, or suspected breach, of confidentiality; and
 - 3.1.6 notify the Chair of any conflicts of interest that may impact upon their ability to impartially participate in the HIP (declarations will be sought at the start of each meeting in relation to the content of that meeting).

4. Secretariat

- 4.1 NEMA will provide a Secretariat for the HIP which may be contacted via: **HIP@nema.gov.au**.
- 4.2 An agenda and papers will be distributed by the Secretariat at least five business days before a meeting. Members are entitled to request that additional items be added to the agenda. A final decision on agenda items is to be made by the Chair.
- 4.3 Meeting outcomes and actions will be recorded in writing and circulated to all Members within five business days after each meeting.
- 4.4 Timelines will be adhered to where possible, with the exception of urgent and extraordinary meetings.



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5. Meeting Schedule and Protocols

- 5.1 HIP meetings will be held quarterly.
- 5.2 The quorum necessary for a meeting of the HIP is a simple majority of Members.
- 5.3 HIP meetings may be held in person and/or virtually. Members may be asked to provide out-of-session advice or feedback.
- 5.4 The Secretariat will notify Members of upcoming HIP meetings at least twenty business days before a meeting. This notification will specify the date, time and place for the meeting.

Observers and contributors

- 5.5 The Chair and the Deputy Chair may invite others to observe, or contribute to, HIP meetings, in consultation with Members.
- 5.6 For the avoidance of doubt, an observer or contributor does not have input into decisions or outcomes of the HIP.

6. Amendments to the Terms of Reference

- 6.1 These ToR may be amended by the Chair in consultation with Members.
- 6.2 If these ToR are amended, the Secretariat will issue the revised ToR to all Members within five business days of the amendment.