

Ai Group Report Fact Sheet

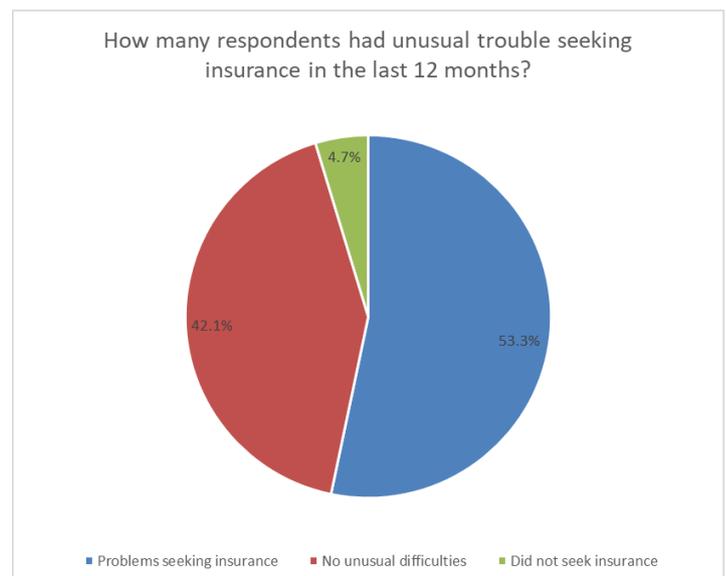
Business insurance costs: are they rising, and why?

Ai Group have heard from multiple companies of different sizes, sectors and regions that are facing some combination of steep insurance premium increases and reductions in scope of coverage, or are unable to secure insurance at all.

Given these reports, Ai Group launched a small investigation into the prevalence, causes and impacts of these problems. The first step was a short member poll in September 2020, to identify whether insurance was a significant issue for businesses, and what problems they were encountering. This was followed by research into possible causes of the reported issues.

Key findings

- More than half of businesses polled reported unusual trouble seeking insurance in the last 12 months.
- Unusually high premium growth was the most frequently reported problem faced by Australian businesses seeking insurance in the last 12 months.
- A concerning number of businesses are reporting that there is a general lack of insurance options. Because of this, some businesses reported paying an extremely high price, or not obtaining insurance at all.
- Local insurance problems are being driven by global factors.
- COVID-19 has not played a major role in current insurance difficulties, but may still cause concern into the future.



It is essential that we secure a competitive market environment where adequate and affordable insurance is within reach of all responsible businesses. Without insurance, it becomes nearly impossible to operate, and as we recover from the COVID-19 pandemic we need to seek to reduce costs and participation barriers for business. It is clear insurance is a growing concern for industry, and therefore it should be a growing concern for government too.

Ai Group have presented these findings to the Australian Treasury and will continue to shine a light on the challenges facing Australian businesses.

Read the [full report here](#).

“[The] insurance market is now to the stage where you will have no choice but to be uninsured. [There is] simply no market to get a quote in some circumstances.”

– Ai Group member