

22 May 2024

Chief Data Officer

Technology and Data Division

Australian Prudential Regulation Authority
SYDNEY NSW 2001

Email: dataconsultations@apra.gov.au

**Re: Consultation Submission:
APRA's Quarterly General Insurance Performance Reporting Enhancements.**

Dear Chief,

Please find TLOG's submission for your APRA's above subject request. TLOG welcome APRA's intent to modernise its General Insurance Data Reporting from aggregated to granular statistics, We applaud APRA for its information modernisation to future assist public participation in the nations saturated insurance economy.

We believe data modernisation will hopefully solve APRA's biggest data black hole reporting defect of not providing post code visibility of the nation's property sum insured values liabilities¹ A blindness denying insurance product liability visibility to detect if Australian property is overinsured and oversold.

TLOG understand your QGIPR data modernisation is a part of the APRA Insurance Data Transformation (**IDT**) project. A project proclaimed by the APRA Chairman (see attached letter) to address the huge information gap where the nations neglected insured populace who fund the whole insurance economy, will soon become able to beneficially utilise APRA's new granular statistical datasets for property risk, value and mitigation reviews.

With IDT, in providing "drill down filterable" insurance product component with post code capability. We predict this will allow numerous insurance impact "**value studies**" such as validating and calibrating: - climate disasters, housing policies, cost of living, pricing discriminations, claims/premiums ratios to be all obtainable with post code, local, state and federal electorate resolutions, making our national insurance economy post code "value" accountable and auditable to our federal and state members of parliament, policy makers economic planners. and insurance consumers.

¹ Consumers pay a premium price to buy a risk liability sum insured value.

Concerns: No data = No idea

Find attached our TLOG-APRA's Chairman's FINSIA-2023 prudential supervision concerns letter acknowledging his overt awareness of APRA's **inability** to focus on one industry and highlighting its consequential data blindness for not seeing the **instability** threat of the perpetual general strata property and public liability insurance affordability crises that persists in Northern Australia.

TLOG's believe that APRA's now acknowledged lack of granular postcode property and product insurance statistics has caused our ACCC to precariously rely on unvalidated insurer data sets for their 2017-2019 tarnished Northern Australian Insurance Inquiry and their current 2022-2026 Cyclone Reinsurance Insurance Monitoring programs. All because no government regulator has crafted independent data sets capable of performance validating General Insurance sectors such as the national \$1.0 trillion sum insured strata apartment economy or the \$99 trillion Public Liability sum insured national market.

Another data void example exists where our ACCC reports it cannot insurance monitor some 30% of Northern Australian large strata buildings as they are ISR insured overseas, signalling collapse of the billion-dollar strata high end property Australian insurance supply capability which indicates APRA was not aware such had occurred.

The ACCC frequently documents that it accepts and tolerates gaps in insurer supplied data to its commissioned inquiries. Likewise the Deloitte's 2022 Flood Insurance Failure report discovered "Australian Insurers have data capture failures". Missing data allows no accountability

Even our embarrassed Qld treasury has Hansard acknowledged² it has no idea how much insurance **stamp duty** each post code delivers to government.

Now after 2 years in, sadly we have our ACCC³ announcing they cannot provide details on how many insured and uninsured properties per post code exist in Australia. All this missing data has immense economic and disaster mitigation planning value to local, state and federal governments.

Thus raising the "cost of living" question, is the Australian economy over insured and wasting community money on poorly perceived risks? All our regulators have a finger in the national insurance pie, yet as the ACCC tell us it is not their problem therefore no responsibility!

² Qld Parliament Question on Notice QON-No.234

³ The Federal Assistant Treasurer, 2022 issued the ACCC a \$18.4 million-dollar five year directive to monitor and report the supply of property insurance prices, costs and profits across all of Australia. Before and after the introduction of the Cylcone Reinsurance Pool.

We now believe APRA should be appointed the **nation's insurance data guardian** of this most valuable IP and consumer data set.

Good Government

We remind all that the Australian 1901 Constitution "good government" insurance prescription provided for a mutual insurance trusted **protection** product which accumulated community funds and inclusively spread the risk for all. Today's insurance has morphed into a greedy **profit harvesting** product pushed by a heavy duty sales culture advocating selective climate discriminations that abandons suspect property owners and defies and fails the economic principles and purpose of insurance.

Good Government insurance economic policy requires good input data so our Members of Parliament can IDT detect and make and measure IDT informed mal- market corrections.

Modernisation:

We applaud the APRA's FINSA modernisation directive that APRA wants all boards and senior managers to focus on non-financial measures such as governance and community outcomes. APRA is responsible to manage the nation's financial risk, yet its current general insurance reporting denies consumers access to meaningful data collections being shared. We also applaud APRA acknowledge **insurance affordability** is a risk to the national financial stability, and will require insurers, regulators and governments where proclaimed APRA prudential intends to deliver better collection and provision of data that increases public understanding and pain points.

The **IDT outcomes expectations** per your Chairman FINSA speech must include:- every cost and claims component of every insurance product sold coupled with post code resolution must be the granular visibility outcome objectives of the IDT project.

Big Data = Big Decisions

Big Data, AI and Algorithms all now exist as Insurance selling aides. The ICA⁴ has national insurance details for 12.9 million Australian properties. The international CRESTA data set risk profiles all Australian properties to post code level. The insurance suppliers have big computers and big data and their consumers do not have such..... until IDT? .

Our ATO has a data matching library of 111 million data sets used for taxation scrutiny purposes. Can our APRA play tag here to view GST taxation per product per property per post code?

⁴ ICA = Insurance Council of Australia

APRA needs to join the big data club in order to protect the national insurance economy for the benefit of the insured.

Having a federal and state minister responsible for general insurance like we have Health Ministers for Health Insurance would further strengthen and correct the current sloppy and part time regulatory oversight for the nations strata property and public liability insured consumers

Thank you for the opportunity to submit our thoughts on your QGIPR-IDT project, we trust your reporting efforts can reduce the pain of insurance and increase the value of having insurance.

Yours faithfully



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Spokesperson - Townsville Lot Owners Group

***TLOG** Strata Consumer Advocate.*

***TLOG** - Townsville Lot Owners Group. Strata Comparisons^{©™} Strata Data^{©™} A 2011 volunteer community service group who collect and analyse strata building insurance tax invoices and product policies. TLOG also analyse and report on the volumes of federal insurance inquiry purported claims to help our Northern Australian (NA) and North Queensland (NQ) Strata consumer, Regulators and Politicians improve their NA and NQ strata insurance crisis understandings, actions and affordability issues. We trust improved strata insurance understanding helps State and Federal regulators legislatively repair the damaged Queensland \$216 Billion Strata Body Corporate Community Titles Scheme economy, an economy that accommodates over one million diverse residents. **One in five homes** in Queensland is a strata home. The entire Queensland Strata economy is operated by 150,000+ committee volunteers devoid of any dedicated political empathy to audit and repair the defective 1997 legislations to deliver perpetual strata community well-being and safe home sanctuary.*

***Attachment-A:** John Lonsdale APRA Chairman – FINSIA-2023 Speech Questions -Successful prudential supervision.*