



## **Re: Joint Standing Committee on Trade and Investment Growth**

Sydney, Australia.

13 August 2021.

Picnic Labs was established in recognition that insurance is becoming unavailable or unaffordable for some Australian businesses and homeowners for reasons other than risk. This failure of the traditional insurance market has received significant attention from governments and regulators in Australia.

Picnic recognised there was an opportunity to address some of these issues by returning to where the concept of insurance originally began -where like-minded communities and organisations joined together to self-insure.

As a specialist Mutual service provider, Picnic Labs is approached by a diverse range of organisations, industries and sectors interested in self-insurance alternatives.

Picnic Labs was approached on behalf of SMEs and 'mum & dad businesses' that work on the periphery of mining and heavy asset industries, such as electricians and equipment-for-hire providers. These small businesses reported facing a challenge in obtaining insurance, even if less than 10 per cent of their business was derived from servicing existing mining operators.

Picnic Labs considered their situation and options. It was determined there is no self insurance alternative available for these businesses.

Picnic Labs was also invited to share its observations with the Joint Standing Committee on Trade and Investment Growth which is examining how changes in prudential standards and practices across financial institutions is affecting Australia's export industries.

Picnic Labs shared insights were provided from an actuarial perspective only. We have not been engaged by the mining sector to create a mining mutual or self-insurance solution.

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