



Australian Government
Australian Reinsurance Pool Corporation

Under the Cover

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Message from the CEO



Welcome to the Summer 2009 edition of ARPC's newsletter.

In this edition we advise of the introduction of a retrocession program for the scheme, give some financial highlights from the annual report and give an update on RISE.

We also welcome the newest member of the team, Kate McInerney.

The subject of this month's *A moment with ...* segment is Renuka Senanayake. Renuka joined ARPC in August 2007 and has become a very well liked and respected member of the team.

I trust everyone enjoyed the holiday season and wish everyone a safe and prosperous 2009. I look forward to continuing to work with the Board, staff, clients and other stakeholders to build on ARPC's success to date.

I hope you find the newsletter of interest. If there is an issue which you would like to see discussed in future editions, please contact Michael Pennell at (mpennell@arpc.gov.au).

Neil E Weeks

CEO

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Retrocession for the scheme

As foreshadowed in the Autumn 2008 edition of the newsletter and disclosed in ARPC's annual report, ARPC investigated the availability of terrorism retrocession for the scheme. Guy Carpenter was appointed to assist in the investigation. We found that global capacity at a reasonable price is starting to re-emerge, particularly for a national, pooled arrangement. Consequently, ARPC decided to enter into retrocession agreements with reinsurers from the Australian, European, Lloyd's and Bermudan markets.

The Assistant Treasurer issued a media release on 11 February which can be found at <http://ministers.treasury.gov.au/DisplayDocs.aspx?doc=pressreleases/2009/006.htm&pageID=003&min=ceb&Year=&DocType=0>

In addition to encouraging the return of the commercial market, purchasing retrocession for the scheme has the benefits of:

- (a) increasing the point at which the Commonwealth guarantee is required; and
- (b) lessening the risk that a reduction percentage will be required.

The retrocession has been purchased on an excess of loss basis and incepted on 31 December 2008.

ARPC has received detailed street address aggregate exposure information from selected clients and has used this, and known blast data, to develop its loss estimation models. This information was of paramount importance in the investigation and negotiation of our retrocession terms and conditions, and we thank those clients who assisted by submitting this information.

ARPC is pleased that commercial reinsurance capacity is starting to re-emerge on a global basis and we will continue to encourage this trend through the involvement of commercial reinsurers in the Australian terrorism insurance scheme.

Annual report

ARPC's 2007-08 annual report was tabled in Parliament on 29 October 2008. Financial highlights for the year include:

- annual gross written premium of \$100.659 million,
- annual investment income of \$29.495 million;
- as at 30 June 2008, the reserve for claims stood at \$456.719 million.

The annual report is available at http://www.arpc.gov.au/content/publications/annual_reports/2007_08/html/ARPC_07_08.asp

RISe update

Aggregate returns

We thank all those clients which have submitted their annual aggregate reports for 2008-09.

We wish to remind all clients that the submission of annual aggregate reports is required by clause 10(b) of the reinsurance agreement. Any client that had trouble submitting the 2008-09 return in RISe should contact Michael Pennell at michael.pennell@arpc.gov.au for information regarding how to complete the return or Paul Brand at paul.brand@arpc.gov.au for assistance uploading the return into RISe.

Premium returns

RISe is now being fully utilised for all premium return submissions and ARPC would like to thank all its clients for their cooperation in the change from manual submissions to online electronic submissions.

Market share reports

Don't forget that market share reports on aggregate returns and premiums can be obtained from RISe.



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Submitting premium returns into the correct financial year

Please note that premium returns are to be submitted using a *financial* year rather than a calendar year. For the current 2008-09 financial year, the premium return template should show the financial year box as *2009*. The quarterly returns belonging to the 2009 financial are:

- quarter ending 30 September 2008,
- quarter ending 31 December 2008,
- quarter ending 31 March 2009; and
- quarter ending 30 June 2009.

Comings and goings

We welcome Kate McInerney. Kate began work on 3 November 2008 as the administrative assistant in ARPC's Sydney office. Kate's experience and enthusiasm will ensure that our Sydney office continues to run smoothly.

A moment with ... Renuka Senanayake



Renuka Senanayake joined ARPC in August 2007 as our management accountant. In that role Renuka provides invaluable assistance to our CFO, Trevor Ament, in the preparation of end of month accounts, management reports and budgets. Renuka also provides guidance and support to more junior officers and has quickly become a highly regarded and extremely well liked member of the Corporate Services team.

In 2000 Renuka's husband, Panduka, accepted a position with the Sri Lankan High Commission in Canberra. During that time Renuka worked with the Australian Health Insurance Association. At the end of the posting in 2002, Renuka, Panduka and their two sons returned to Sri Lanka. All the family missed Australia and their Aussie friends and, in 2003, the family migrated to Australia, again based in Canberra, and have since become proud Australian citizens.

Renuka takes pleasure in reading history books and Buddhist philosophy. She also enjoys bike riding and walking with her sons Sumedha and Meithri. As a mother of two teenage boys, Renuka is also very involved with their schools and extracurricular activities, such as Scouts and Sea Scouts.

Renuka has family in many far flung parts of the world and her plans include travelling to Sri Lanka, France and Monaco to visit these family members.

Contact update

If there are additional people in your organisation who wish to receive a copy of our newsletter (for example, CFO or accounting personnel), or your nominated ARPC contact person changes, please forward their details to Kate McInerney at kate.mcinerney@arpc.gov.au to enable us to update our newsletter database.

Thought of the day

Never interrupt your enemy when he is making a mistake

Napoleon Bonaparte