



Latest News

Terrorism Insurance Scheme amendments approved

Changes to Australia's Terrorism Insurance Scheme, as recommended by the 2015 Triennial Review by Treasury, have now been approved and are effective as at 1 July 2017. The changes extend the Scheme's coverage and will ensure it remains fit for purpose.

The changes will:

- broaden the definition of eligible property to include buildings with a floor space of at least 20% used for commercial purposes or which have a building sum insured of at least \$50 million, whether used for commercial or other purposes (effective on contracts of insurance issued or renewed from July 1); and
- amend the Terrorism Insurance Act 2003 to extend the definition of a terrorism exclusion or exception in an eligible insurance contract to include acts described as "chemical", "biological", "polluting", "contaminating", "pathogenic", "poisoning", or words of similar effect.

ARPC Chief Underwriting Officer, Michael Pennell PSM, said the clarifications will benefit insurers and policyholders by filling the mixed use/high value building gap and removing uncertainty in the event of a Declared Terrorist Incident involving biological or chemical material.

"ARPC would like to thank insurers that attended our 2016 market consultation events and provided valuable feedback with regard to the recommendations," said Mr Pennell.

"These changes will modernise Scheme coverage, underpin its financial strength, and ensure ARPC is better equipped to protect Australia from the economic losses caused by terrorism catastrophe."



The Terrorism Insurance Amendment Regulations 2017 and previous regulations amendments can be viewed here: <http://arpc.gov.au/what-we-do/the-act/>.