



## What we do

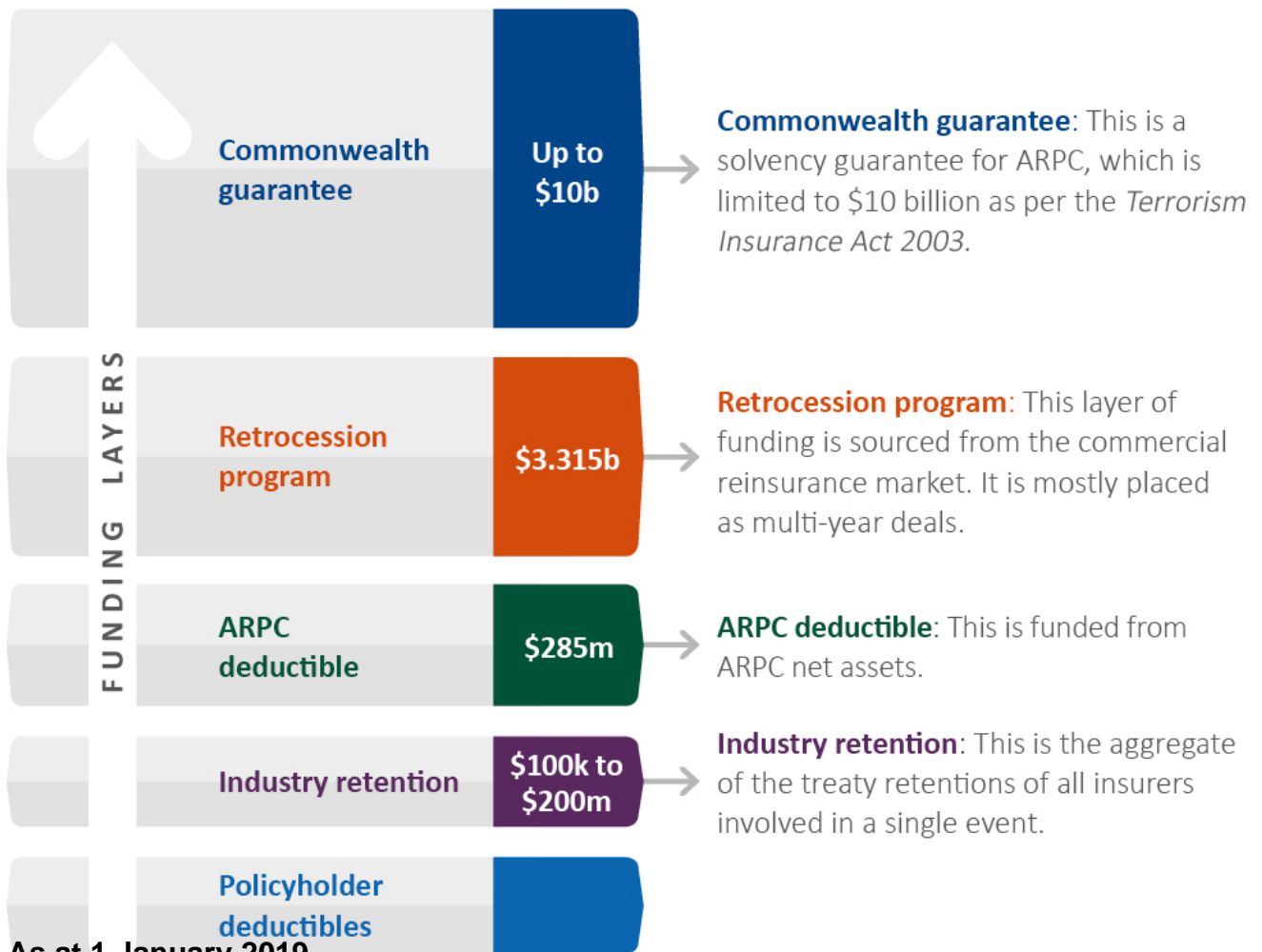
Information on ARPC and The Act, The Scheme, Reinsuring with ARPC and our Events.

## The Scheme

ARPC's reinsurance scheme was established after discussions with key industry stakeholders, including insurance and reinsurance companies, banks, representatives of property owners, industry associations, insurance brokers and actuaries. Through the scheme, insurance companies can choose to reinsure the risk of claims for eligible terrorism losses by paying premiums to ARPC. Consequently, holders of eligible insurance contracts will be covered in the event of a declared terrorist incident (DTI), with insurers required to meet these claims in accordance with the other terms and conditions of individual policies. Claims against the scheme are met once an individual insurance company's risk retention is exhausted. ARPC's pool of retained earnings will meet claims until the agreed retrocession deductible is reached. At this point claims are funded by the retrocession program, of which ARPC is a participant through co-reinsurance. Once retrocession is exhausted, claims will continue to be met by the Commonwealth guarantee. The total value of the scheme is over \$13 billion.

### **Reduction percentage**

If the responsible Minister considers that the amount paid or payable under the Commonwealth guarantee will exceed \$10 billion, the Minister must also announce a reduction percentage. This will have the effect of limiting the level of cover, by reducing the amount payable by the insurer to the policy holder.



As at 1 January 2019