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ARPC finalises 2023 terrorism retrocession program

Australia's Terrorism Reinsurance Pool, administered by Australian Reinsurance Pool Corporation, continued to purchase its retrocession* program for the 2023 calendar year at the same terms and conditions as the 2022 program.

The approximately \$3.5 billion retrocession program, plus ARPC's net assets and the \$10 billion Commonwealth guarantee, provides over \$14 billion in pool capacity in response to a declared terrorism incident affecting commercial and other eligible property assets.

"ARPC was able to lock in cost effective reinsurance rates through a multi-year agreement negotiated in 2022. This provides value for money cover at a time when catastrophe reinsurance rates are rising on global markets," says Dr Christopher Wallace, ARPC CEO.

"ARPC's retrocession program includes Australian and international reinsurer participants which together provide terrorism cover for Australian-based property assets," says Dr Wallace.

ARPC's net assets which fund the program deductible of \$225 million, plus the approximately \$3.5 billion retrocession program, comprise the first levels of funding for claims in response to a declared terrorism incident.

Michael Pennell PSM, ARPC Chief Underwriting Officer, met with more than 50 reinsurers in person or online in key global markets to arrange the 2023 program.

"ARPC's terrorism pool boosts private market participation, supports national resilience and reduces potential losses arising from a catastrophic terrorism incident," says Dr Wallace.

For media inquiries, please contact ARPC CEO Dr Christopher Wallace on (02) 8223-6777 or enquiries@arpc.gov.au

About retrocession

*Retrocession is where a reinsurer like ARPC purchases its own reinsurance. This means that very large risks are spread across several reinsurers.

More information on the terrorism pool

<https://arpc.gov.au/resources/terrorism-fact-sheet/>

More information on ARPC

<https://arpc.gov.au/reinsurance-pools/>