

Additional background note for Senate Estimates, 16th February 2023

1. Tropical Cyclone Gabrielle (and other declared cyclones since 1st July, 2022)

- TC Gabrielle was deemed to have commenced as an event by the Bureau of Meteorology at **11am AEST on Thursday 9th February 2023**, and concluded at **3am AEST on Sunday, 12th February 2023**, a period of 64 hours or 2 days, 18 hours.
- Three claims to date have been reported to ARPC by an insurer which has exposure on Norfolk Island.
- ARPC exposure on Norfolk Island is 117 total policies and total sum insured of \$80 million.
- ARPC catastrophe model estimate for potential damage is less than \$271,000 based on the modelled loss estimate.
- **TC Darian** was deemed to have commenced as an event by the Bureau of Meteorology at **5pm AEST on Sunday 18th December 2022**, and concluded at **10pm AEST on Sunday, 30th December 2022**, a period of 12 days and 5 hours.
- **TC Ellie** was deemed to have commenced as an event by the Bureau of Meteorology at **7pm AEST on Thursday, 22nd December 2022**, and concluded at **10am AEST on Friday, 23rd December 2022**, a period of 15 hours.

2. Update on insurers currently with the cyclone pool

Allianz

- Home Insurance including Allianz, Westpac, and TIO brands
- Reinsurance agreement – Allianz Australia Insurance
- On risk from 1 January 2023

Sure Underwriting Agency

- Home Insurance and Strata Insurance
- Reinsurance agreement – Liberty Speciality Markets, and Pacific International
- On risk from 1 January 2023

3. Discussions with other insurers

Communications with large insurers in progress, namely IAG, Suncorp, QBE, RACQ, Hollard, Youi, Auto and General, RAC(WA). These insurers have been provided:

- The information needed for contract schedule;
- An updated reinsurance contract; and
- A proposal to organise recurring meetings with ARPC;

4. ARPC cyclone reinsurance exposure from 1 January 2023

- Total number of consumer policies covered 844,931;
- Total sum insured covered \$436 million;
- ARPC market share of low, medium and high risk CRESTA zones is 19% of sum insured, approximately; and
- ARPC total cyclone reinsurance premium for transferred risks is \$48 million.

Estimated Insurer Market Share

Home Only

CRESTA	ARPC (est.)
1 Gold Coast	22%
2 Brisbane	19%
3 Sunshine Coast	24%
4 Wide Bay	23%
5 Rockhampton	21%
6 Marlborough	21%
7 Mackay	25%
8 Proserpine and Offshore Islands	45%
9 Townsville	27%
10 Ingham	18%
11 Cairns	32%
12 Cape York	73%
13 Fair Cape	1%
14 Gulf	10%
16 North NT	49%
17 Darwin	56%
19 Kununurra-Broome	3%
20 Pilbara	3%
21 Geraldton Central Coast	12%
22 Perth	12%
23 Albany-Bunbury	11%
Total (CRESTA subset)	19%

- Overall ARPC's market share is estimated across these CRESTAs to be 19%

Note: CRESTA Zones (Catastrophe Risk Evaluation and Standardising Target Accumulations) are part of an international geographic zoning system which helps brokers and reinsurers manage natural hazard risk.