



Under the Cover

December 2023

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Message from the CEO

Welcome to the Summer 2023 edition of our newsletter.

It's a pleasure to present the final *Under the Cover* newsletter for 2023.

I am happy to report all large insurers, that is, those with \$300 million or more gross written premium annually, are now members of the Cyclone Reinsurance Pool (cyclone pool).

Cyclone season began in November and runs through to April. We have made our first declaration in the 2023-24 cyclone season for Tropical Cyclone Jasper.

ARPC published its first 2023 Financial Outlook Report (FOR) for the cyclone pool which indicates an improvement in general insurance availability in cyclone-prone areas.

We hosted our annual *Terrorism Risk Insurance Seminar* last month which featured great speakers and insights. For the Terrorism Reinsurance Pool (terrorism pool), we have also finalised our 2023 terrorism retrocession program which we will share early in 2024.

Peter Matruglio has joined ARPC as Interim Chief Risk Officer. Details are in this issue.

As usual, you will find updates on submissions for both pools. Please contact us at enquiries@arpc.gov.au with any questions.

We wish you a safe, happy, and restful holiday season.

Dr Christopher Wallace | Chief Executive Officer

Tropical Cyclone Jasper Begins

As notified by the Bureau of Meteorology (BoM), on 10 December 2023 at 06:53 PM (AEDT), ARPC advised TC Jasper **began** as a declared cyclone event for the purposes of the *Terrorism and Cyclone Insurance Act 2003* (TCI Act).

A copy of the declaration is available [here](#).

Please refer to the date and time the cyclone began, as notified to ARPC by the BoM, in the table below. This also acts as the beginning of the claims period date and time.

Tropical Cyclone Jasper Ends

As notified by the BoM on 14 December 2023 at 12:29 PM (AEDT), ARPC advised TC Jasper **ended** as a declared cyclone event for the purposes of the TCI Act.

A copy of the declaration is available [here](#).

Please refer to the end date and time for the cyclone, as notified to ARPC by the BoM. The claims period for eligible losses ends 48 hours after the declared cyclone end date and time below.

Event Name	Cyclone Began	Cyclone End	Claims Period End	ARPC Event Code
Tropical Cyclone Jasper	10/12/2023 – 4:00 PM (AEST)	14/12/2023 – 12:00 AM (AEST)	16/12/2023 – 12:00 AM (AEST)	20231210-Jasper

This and other notifications will also be recorded in the Cyclone Declarations section of the website [here](#).

Financial Outlook Report finds home insurance easier to obtain in Northern Australia

An analysis of online insurer quotes released by ARPC suggests general insurance availability is improving for people living in cyclone-prone regions across Australia.



The analysis, contained in ARPC's inaugural Financial Outlook Report, is based on online quote data for home insurance provided by Finity Consulting.

The FOR takes stock of how the cyclone pool affected the insurance market for the financial year, ended 30 June 2023 and is available [here](#).

While the report only covers six months of some insurers being members of the pool, the FOR also covers premiums paid by those insurers to ARPC, and they are consistent with ARPC's earlier expectations.

[Read more](#)

New interim Chief Risk Officer

Peter Matruglio (pictured) was appointed as Interim ARPC CRO from 5 December 2023.



Peter Matruglio

Peter is an experienced insurance risk practitioner who is highly regarded for his risk and insurance knowledge. He has great experience working with insurers and regulators.

Peter has over 20 years' experience as a partner across EY and Deloitte. At Deloitte, he was the Insurance Sector National Leader from 2014-2019. He has held several interim executive roles, including his most recent role as Interim Chief Financial Officer (CFO) at the University of Technology Sydney.

Peter also has experience working with ARPC. He was Interim CFO from April 2022 to February 2023.

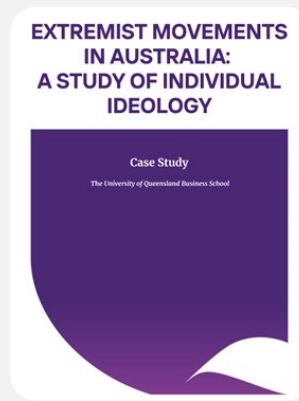
Peter is qualified as a Graduate of the Australian Institute of Company Directors, Fellow of the Institute of Chartered Accountants in Australia & New Zealand, Certified Practising Accountant, and holds a Bachelor of Arts (Accounting) from the University of Canberra.

UQ research on extremist movements in Australia

The University of Queensland (UQ) has published a new research paper on extremist movements in Australia co-funded by ARPC.

[Extremist Movements in Australia: A Study of Individual Ideology](#) is a case study which should be read as a companion to two previous reports in the series:

1. [‘Terrorism and violent protests: where do these disruptive events meet?’](#)
2. [‘Is the social legitimacy of protest in Australia in flux?’](#)



This case study examines how a certain ideological movement was reported in the Australian media over a two-year period. Together, these reports explain that despite blurred boundaries between some terrorist activities, extremist activities and other acts of civil violence, society's responses can vary according to the perceived legitimacy of the cause.

The lead author of the research paper is Professor Paula Jarzabkowski, with Dr Corinne Unger and Dr Katie Meissner.

The research paper can be viewed [here](#).

Terrorism Risk Insurance Seminar

ARPC held its annual *Terrorism Risk Insurance Seminar* at the Parliament of NSW on 2 November 2023.

The seminar featured experts in terrorism risk, who discussed current threats and what they might mean for society and the insurance industry.



From left, speakers comprised:

- **Professor Greg Barton**, Chair in Global Islamic Politics, Alfred Deakin Institute for Citizenship and Globalisation
- **Lydia Khalil**, Research fellow on Transnational Challenges, Lowy Institute
- **Dr Omar Ilaya**, Senior Researcher, DSTG, Department of Defence, Australia
- **Mike Pennell** PSM, Chief Underwriting Officer, ARPC
- **Professor Paula Jarzabkowski**, Professor of Strategic Management, University of QLD
- **Dr Chris Wallace**, Chief Executive, ARPC

It was an engaging and, at times, sobering event which provided attendees with insights on religiously motivated terrorism, individual ideology, cyber terrorism, and chemical and biological attacks.

Update for cyclone pool customers

All large insurers have now joined the cyclone pool. This fulfils ARPC's obligations to onboard all large insurers by **31 December 2023**. Several small insurers have also already joined the pool ahead of the **31 December 2024** deadline for this cohort.

The names of insurers that have joined the pool so far can be found on ARPC's website under [cyclone insurance pool customer listing](#).

It is estimated that 95 per cent of Australian eligible home insurance policies are now covered by the cyclone pool.

ARPC has written to all APRA-registered general insurers to remind them of their obligations under the TCI Act. The process to join the pool requires several steps including signing the Cyclone Reinsurance Agreement, becoming familiar with the online reporting system, and reporting specific information to ARPC.

ARPC encourages all insurers to notify us now if they intend to join the pool in 2024 and engage early to ensure that we successfully onboard your organisation.

Please contact ARPC at enquiries@arpc.gov.au to discuss the next steps.

Important message to our insurer customers

The ARPC team is available to respond to any questions or issues that insurer customers may have during the holiday period. Please contact enquiries@arpc.gov.au in the first instance and we will respond to you as soon as possible.

Have a wonderful Christmas and New Year.



Q: Is it compulsory for insurance companies to join the cyclone pool?

A: Yes. Participation is mandatory for Australian general insurers with eligible cyclone pool insurance contracts as per the TCI Act. Insurers operating in Australia must join the cyclone pool and may incur financial penalties if they do not.

Large Australian general insurers must enter into a Cyclone Reinsurance Agreement with ARPC before the end of the 2023 calendar year.

Small Australian general insurers, defined as those with less than \$300 million gross written premium (GWP) for household insurance for the most recent financial year, must enter into a Cyclone Reinsurance Agreement before the end of the 2024 calendar year.

Insurers with less than \$10 million cyclone pool eligible GWP for the most recent financial year can elect whether to join the cyclone pool.

Update for terrorism pool customers

Premium submissions due by **31 January 2024**

Terrorism pool premium submissions are due by 31 January 2024 for the second quarter (1 October – 31 December) of the 2023-24 financial year.

All terrorism pool premium submissions, including nil submissions, must be lodged by that date.



Q: As a terrorism pool insurer customer (cedant) how can I update my client profile details?

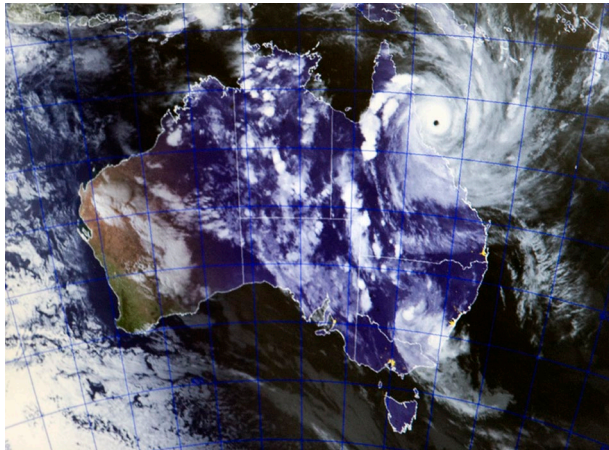
A: Terrorism pool insurer customers can manage their profile on RISE.

They can notify ARPC of changes in the 'Manage Profile' section of RISE. When staff leave, or change roles within your organisation, please ensure their RISE system access is disabled or amended accordingly.

Please contact ARPC's underwriting team at enquiries@arpc.gov.au if you have any questions about system access.

Upcoming 2024 ARPC events

ARPC's inaugural *Cyclone Risk Insurance Seminar*



Source: Getty Images - Cyclone Yasi 2011

ARPC will host its inaugural Cyclone Risk Insurance Seminar on **22 May 2024** at NSW Parliament House, Sydney.

The event will feature expert speakers in cyclone risk insurance from government agencies and academia.

Watch this space for updates.

Subscribe now to receive ARPC updates

ARPC's website subscription centre is now live.

The subscription centre is designed to automatically notify subscribers when an update is posted on the ARPC website under the following categories:

- News Updates (which includes almost all our announcements)
- Newsletters and
- Current vacancies

A light grey horizontal bar now runs across the ARPC website on every page towards the bottom. If you haven't done so, refresh your website and subscribe.

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