



Australian Government  
Australian Reinsurance Pool Corporation

# 2023 Terrorism Pool Insurer Customer Survey Report



**ORIMA**  
orima.com.au

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This project was conducted in accordance with the international quality standard ISO 20252, the international information security standard ISO 27001, as well as the Australian Privacy Principles contained in the Privacy Act 1988 (Cth). ORIMA Research also adheres to the Privacy (Market and Social Research) Code 2021 administered by the Australian Data and Insights Association (ADIA).

# Executive Summary

The Insurer Customer Survey is part of an annual process that seeks to understand how customers perceive ARPC and measure the effectiveness of its stakeholder engagement activities and communications. This was conducted as a short online survey from 2020-2022. In 2023 the online version was supplemented by semi-structured interviews with the largest Australian terrorism pool insurer customers. The surveys have been conducted between October and December each year. A small number of questions about the new cyclone pool were included in 2022, and a separate cyclone pool insurer customer process commenced in 2023.

Survey invitations were issued to the primary contacts at each of 228 terrorism pool insurer customer organisations. Where the same person is the contact for more than one entity, they are given an option for copying responses to their other entities (including an option to edit specific responses before submitting). Respondents advised that four invited entities were no longer operating, resulting in a base size of 224. Including interviews, online surveys and duplications, properly endorsed responses were received from a total of 75 insurer customers, representing an overall response rate of 33%. This was higher than in each previous years, where response rates have varied between 18% and 28%. Endorsed responses were received from 27 of 50 Australian insurer customers (54% response rate, compared to 14% last year and 25% in 2021) and 48 of 174 overseas insurer customers (28%, compared to 19% last year and 21% in 2021).

*The 'overall' scores reported are weighted to reflect the relative share of premium income of different insurer customer segments. The weighting is 90% Australian insurer customers, 6% Lloyds and 4% all other overseas insurer customers. To assist interpretation, a rolling 3-year average has been included in the reporting.*

**NOTES:** Response rates have been within a typical range for surveys of this nature, though extra steps were taken in 2023 to boost this with the additional interview process. While absolute sample sizes are small and results should be interpreted with consideration as to how non-respondents might vary from the views of those who chose to participate, the general patterns of results can be considered indicative of the current views of insurer customers.

The small absolute sample sizes mean that the results are 'noisier' than surveys with larger bases, and a greater proportion of the variations from survey-to-survey may be due to variations in how individual respondents feel when they complete the survey, how different respondents may use scales (including how many use the *can't say* option for questions), and/or slight differences in how people interpret the questions asked. It is important to consider this when interpreting time series results, as it is likely that some of the movements observed may reflect or be amplified by statistical noise, and may not necessarily be indicative of or fully attributable to changes in underlying experience. Over time, as multiple data points can be seen, more meaningful trends can become apparent.

It is also important to note that in many (but not all) cases, a somewhat higher proportion of overseas respondents have felt unable to give a rating, most likely due to limited experience or business with ARPC, and so lower reported positive scores are not necessarily because they felt *negatively* towards ARPC.

## Key Results

### ARPC Terrorism Pool Stakeholder Perceptions Index (T-SPI)

A perceptions index score (T-SPI) is calculated from responses to three key questions, resulting in an index score ranging from 0 (low) to 100 (high). In 2023, an overall T-SPI of 76<sub>/100</sub> was achieved. This was in line with the 75/100 in 2022, although still slightly lower than 2021 (80/100). Australian respondents held somewhat more positive perceptions, achieving a T-SPI of 77<sub>/100</sub>, compared to 71<sub>/100</sub> for overseas respondents.

	Definition	Overall	Aust.	Overseas
<b>T-SPI index score</b>				
<i>To what extent do you feel ARPC is an effective provider of terrorism risk insurance?</i> <sup>01</sup>	(0-100)	76 <sub>/100</sub>	77 <sub>/100</sub>	71 <sub>/100</sub> ▲
<i>To what extent do you believe ARPC supports your organisation's financial strength?</i> <sup>03</sup>		(75 <sub>/100</sub> )	(76 <sub>/100</sub> )	(67 <sub>/100</sub> )
<i>To what extent do you feel the ARPC is a valued partner to your organisation?</i> <sup>03</sup>				
(2022 results shown in brackets)	Sample size	Weighted	27 (8)	48 (33)

## Delivering on the ARPC vision

Respondents continue to strongly believe that ARPC is delivering on two of the three key aspects of the organisation's vision to at least a moderate extent. In particular, nearly all felt that *ARPC provides sustainable and effective reinsurance for terrorism events* (95%), while 89% feel it is an *effective provider of terrorism risk insurance*. Ratings for the *impact of ARPC on private sector terrorism reinsurance participation* were lower (51%), continuing an annual decline from above 90% in 2020. This has come almost entirely from Australian insurer customers, and the interview comments suggest that it reflects a view that while ARPC provides effective terrorism reinsurance, it does this so effectively that it leaves little room in the market for any other provider.

Vision Indicators	Definition	Overall	Aust.	Overseas
To what extent do you feel that ARPC is an <b>effective provider of terrorism risk insurance</b> ? <sup>Q1</sup>	Large + Moderate extent	89% ▼ (97%)	89% ▼ (100%)	88% (91%)
What impact do you think ARPC has on <b>private sector terrorism reinsurance participation</b> ? <sup>Q2</sup>	Substantially + Somewhat facilitates	51% ▼ (73%)	49% ▼ (75%)	79% (85%)
To what extent do you believe <b>ARPC provides sustainable and effective reinsurance for terrorism events</b> ? <sup>Q3</sup>	Large + Moderate extent	95% (98%)	96% (100%)	88% (94%)
(2022 results shown in brackets)	Sample size	Weighted	27 (8)	48 (33)

## What customers think of ARPC

Consistent with previous years, the majority of respondents see ARPC as a *trusted expert on terrorism reinsurance, easy to deal with and transparent*. In this area, similar ratings are given for both Australian and overseas respondents. Around two thirds of insurer customers rate ARPC as 'totally' easy to deal with and transparent. Somewhat fewer, around a quarter, give that highest rating for being a trusted expert. The interview comments suggest that this may be because there is a view the terrorism pool is still evolving, and to some extent untested.

Perception Indicators	Definition	Overall	Aust.	Overseas
To what extent do you feel the following describes ARPC:				
<b>Trusted expert on terrorism reinsurance</b> <sup>Q6a</sup>	Totally + large extent	92% ▲ (86%)	93% (88%)	92% (91%)
<b>Easy to deal with</b> <sup>Q6b</sup>	Totally + large extent	91% (86%)	93% (88%)	88% (91%)
<b>Transparent</b> <sup>Q6d</sup>	Totally + large extent	96% ▲ (85%)	96% ▲ (88%)	94% ▲ (88%)
(2022 results shown in brackets)	Sample size	Weighted	27 (8)	48 (33)

Respondents were asked for two key words to describe ARPC. Both Australian and overseas respondents used mostly positive words to describe ARPC, with a small number of mostly neutral words. The most common words in 2023 were *effective, essential, partnership* and *accommodating*.

As in 2022, *essential* is more prominent for Australian insurer customers, while *effective* is more prominent for overseas customers.



## Perceptions of value

Insurer customers, both Australian-based and overseas-based, continue to feel that ARPC *is a valued partner to their organisation* (88% totally or to a large extent). For Australian insurer customers, the 2023 score of 89% is higher than the 73-76% from the past two surveys, while this measure has been trending upwards for overseas insurer customers from 75% in 2020 to 90% in 2023. However, perceptions that *ARPC supports insurer customers' financial strength* to a large or moderate extent is lower. This figure had fallen from 80% in 2020 to just 39% in 2022, before bouncing back to 59% in 2023. This pattern largely reflects the views of Australian insurer customers. The interviews suggest that at least in part, ratings for supporting financial strength are reduced by perceptions of low exposure to the risk of a terrorism event, or that the risk of an Australian terrorism event is very small compared to their overall scale. Overseas insurer customers perceptions of supporting financial strength (71%) were higher than the Australian customers, but lower than in 2022 (when it was at 85%).

Value Indicators	Definition	Overall	Aust.	Overseas
To what extent do you feel the following describes ARPC: <b>Valued partner to our organisation</b> <sup>Q6c</sup>	Totally + large extent	<b>88%</b> ▲ (73%)	<b>89%</b> ▲ (75%)	90% (85%)
To what extent do you believe <b>ARPC supports your organisation's financial strength</b> <sup>Q4</sup>	Large + Moderate extent	<b>59%</b> ▲ (39%)	<b>59%</b> ▲ (38%)	71% ▼ (85%)
(2022 results shown in brackets)	Sample size	Weighted	27 (8)	48 (33)

\*Results exclude can't say/ not sure' responses

## Engagement and communication\*

Respondents continue to rate ARPC's *face-to-face meetings* (99% good or very good), *digital B-to-B communications* (94%), *website* (91%) and *publications* (87%) very strongly. Ratings are largely in line with or slightly higher than the three-year average, though most are slightly lower than in 2022.

Value Indicators	Definition	Overall	Aust.	Overseas
How would you describe your organisation's experience of:				
<b>ARPC Website</b> <sup>Q7A</sup>	Very Good + Good	<b>91%</b> ▼ (99%)	<b>93%</b> ▼ (100%)	85% ▼ (96%)
<b>Digital B-to-B Communications</b> <sup>Q7B</sup>	Very Good + Good	<b>94%</b> ▼ (99%)	<b>96%</b> ▼ (100%)	85% ▼ (96%)
<b>Publications</b> <sup>Q7c</sup>	Very Good + Good	<b>87%</b> ▼ (98%)	<b>88%</b> ▼ (100%)	82% ▼ (90%)
<b>ARPC Face-to-Face Meetings</b> <sup>Q9</sup>	Very Good + Good	<b>99%</b> ▲ (81%)	<b>100%</b> ▲ (80%)	92% ▼ (100%)
(2021 results shown in brackets)	Sample size	Weighted	27 (8)	48 (33)

\*Results exclude can't say/ not sure' responses

When asked for suggestions on what ARPC could do differently in how it engages with its insurer customers, the majority noted that they were satisfied with the current approach. Suggestions that were made mostly related to how changes could be communicated (in both directions), and to the provision of updates and refreshers.

## Conclusions

The ARPC insurer customer stakeholder survey methodology has evolved over four annual cycles, and now consists of a core online survey supplemented by interviews with the largest Australian insurer customers and modified distribution methods for the Lloyds and Singapore Captives customers. Using these approaches in combination in 2023 resulted in the highest participation rate for the survey, with more than half of Australian insurer customers represented (54%) and 28% of overseas customers.

Across the survey, **insurer customers' perceptions of ARPC as an organisation to deal with remain very strong**. More than 90% describe ARPC as being *transparent* (96%), *a trusted expert on terrorism reinsurance* (92%), and *easy to deal with* (91%) to at least a large extent. Perceptions of ARPC's communications and engagement is also very strong, with 99% describing *face-to-face meetings* as good or very good, as did 94% for *digital B-to-B communications*, 91% for the *ARPC website*, and 87% for *ARPC publications*.

In terms of delivering on its vision, 95% feel that to a large or moderate extent that ARPC provides *sustainable and effective reinsurance for a terrorism event*, and 89% that it is *an effective provider of terrorism risk insurance*.

For all of these aspects, Australian insurer customers have similar or just slightly higher opinions than do overseas insurer customers; and opinions have not changed substantively over survey cycles.

However, there are **several specific aspects where opinions of insurer customers are lower, and more variable**. Just half of Australian insurer customers feel that ARPC substantially or somewhat facilitates private sector terrorism reinsurance participation, an opinion that has been declining from over 90% in the 2020 survey. The comments of insurer customers in the interviews suggests that while ARPC provides them with effective terrorism reinsurance, it leaves little room in the market for other providers, hence their varied views on the impact on private sector participation. ARPC facilitates them writing some cover, but limits the role of reinsurers. 71% of overseas insurer customers felt ARPC facilitates private sector participation, and this figure has not substantively changed.

In terms of 'value', insurer customers distinguish between ARPC being seen as *a valued partner* (88% feel this is true to at least a large extent) and *supporting their organisation's financial strength* (where just 59% feel this is true to a large or even a moderate extent). As with perceptions of private sector participation, overseas insurer customer opinions have been more stable (currently at 71%) while Australian insurer customer opinions have declined from 80% in 2020 to 39% in 2022, before increasing again to 59% in the current results. The interviews in 2023 showed that for at least some insurer customers, they see the risk of a terrorism event as one they have little exposure to, or they are so large that the impact of ARPC's terrorism pool is minimal. The comments made noted that ARPC does its role well – but for some of them it is not realistic to think that it significantly supports their overall financial strength.

Overall, **the results of the survey show that insurer customers, both Australian and overseas, continue to see ARPC as an effective provider of terrorism reinsurance, and an easy organisation to do deal with in delivering its services. The views of Australian insurer customers in particular of the impact and value of the terrorism pool itself have been more variable** over the four surveys, and if anything are lower in 2022 and 2023 than they were in the 2020 and 2021 surveys. Australian customers felt that if there is anything more that ARPC can do for them, it would be in the form of providing them with more aggregate learning and insight into issues and future trends that can help them feel certain they are not missing anything important in their own modelling and operations.

# Source of Data

## Purpose and Guiding Principles

In 2023 the Australian Reinsurance Pool Corporation (ARPC) provided a Terrorism Reinsurance Pool service to 228 entities. Of these, 54 were Australian, and 174 based overseas.

Since 2020 the ARPC has administered an annual Insurer Customer Survey to measure the effectiveness of its engagement activities and communications with insurer customers. To minimise the burden of the survey, and to maximise participation, feedback from stakeholders is collected via a very short online survey. All insurer customers are invited to participate. In 2023, to boost both participation and the depth of information from the biggest Australian insurer customers, the top 12 insurer customers were invited to participate in a semi-structured interview process rather than an online interview.

The survey design was guided by an intensive internal executive workshop and seeks to address the key focal points of interest to ARPC now and in the future. These are:

1. Are we delivering on our vision?
2. What do our customers think of us?
3. Does ARPC represent value for money?
4. Does ARPC engage effectively with stakeholders?

## Technical Details

The 2023 survey was conducted by video interviews and as an online survey during September-October 2023. The survey was sent to the primary ARPC contact for each insurer customer – in most cases the Reinsurance Manager, or equivalent. Contacts were initially sent a pre-approach letter (PAL) as an email from the ARPC CEO, informing them of the upcoming survey, noting it would be deliberately very short to complete, and highlighting that the invitation would come from ORIMA Research to ensure confidentiality and independence. Survey invitations and two reminders were then sent to insurer customer contacts by ORIMA. Additional notifications of the survey were sent to secondary contacts at some entities.

To be valid submissions for analysis, surveys need to be endorsed and submitted by the Reinsurance Manager or the person with the closest working relationship with ARPC. Surveys that are not endorsed in this way are not included in the analysis.

Several individuals were the primary contacts for two or more insurer customers. These contacts were sent a single link to a central webpage where they could complete a survey on behalf of each entity, they represented or copy their responses from a single completed survey to some or all the others, depending on whether they wished to provide different answers on behalf of different entities. Contacts also had the option to share each entity's survey link with other individuals who may be best place to respond.

Of the 228 insurer customers invited, respondents advised that 4 were no longer operating, leaving a valid base of 224 entities. Correctly endorsed responses were received from 75 contacts (including 8 conducted by video interview), representing an overall response rate of 33%.

Annual survey response rates and sample sizes			
	Overall	Aust.	Overseas
2020	63 (28%)	12 (36%)	51 (27%)
2021	51 (22%)	9 (25%)	42 (27%)
2022	41 (18%)	8 (18%)	33 (19%)
<b>2023</b>	<b>75 (33%)</b>	<b>27 (54%)</b>	<b>48 (28%)</b>

It is not clear why engagement with the 2022 survey was somewhat lower than in other years, though it is possible that the concurrent introduction of the new Cyclone Pool may have inhibited some contacts from responding. The interview process assisted in increasing the Australian and overall response rate in 2023.

To reflect the relative importance and value of premiums paid by insurer customer segments, a **weighting** is applied to the calculation of the 'overall' scores reported. The weighted overall scores reflect 90% Australian insurer customers, 6% Lloyds insurer customers and 4% all other overseas insurer customers. Australian and overseas results are reported separately throughout this report using unweighted data.

A copy of the questionnaire used can be seen in Appendix A of this report.



**Reader note:** Sample sizes in this report are small from a statistical perspective but reflect responses from between 1-in-5 and 1-in-3 of all ARPC insurer customers. Despite the lower response rate in 2022, the sample size for that year is only somewhat smaller than the previous surveys. While exact survey results should be treated with caution due to the small absolute numbers involved, patterns and general proportions can be interpreted with a reasonable level of confidence.

While a reasonable indicator of insurer customer views (due to the proportion of the total population who responded), the small absolute sample sizes mean the results are 'noisier' than ones with larger bases. This is because individual responses have a greater impact on the total results, including where individual respondents chose *can't say* for specific questions.

Readers should be careful of interpreting variations in results between years as meaning there have been material changes in experience from year to year. Where results vary in ways that are consistent with other evidence or known changes, it may be possible to infer that changes have occurred. In the absence of such corroboration, current results should be treated as indicating differences in how those insurer customers who chose to respond in late 2023 perceived ARPC at that time compared to insurer customers who chose to respond to the survey in previous years. As multiple data points can be seen over a course of several years, more meaningful trends may become apparent.

To assist readers interpret the current results, a 3-year rolling average has been added to the overall results.

Readers should consider the possibility that views of non-respondents systematically vary from insurer customers who chose to respond.

'Overall' scores are weighted to reflect 90% Australian insurer customers, 6% Lloyds and 4% other overseas.



## Research Findings (Terrorism Pool)

In the survey, respondents were directed to only consider their views in light of ARPC's terrorism pool operations. Thus, results shown should only be reflective of perceptions regarding the terrorism pool, allowing for appropriate time-series comparisons with the 2020-22 surveys.

### Terrorism Pool Stakeholder Perceptions Index (T-SPI)

An overall index score (T-SPI) was calculated from key relevant questions to provide a single measure of ARPC's performance and overall perceptions of respondents. The T-SPI was calculated from responses to three key questions from the terrorism pool insurer customer survey:

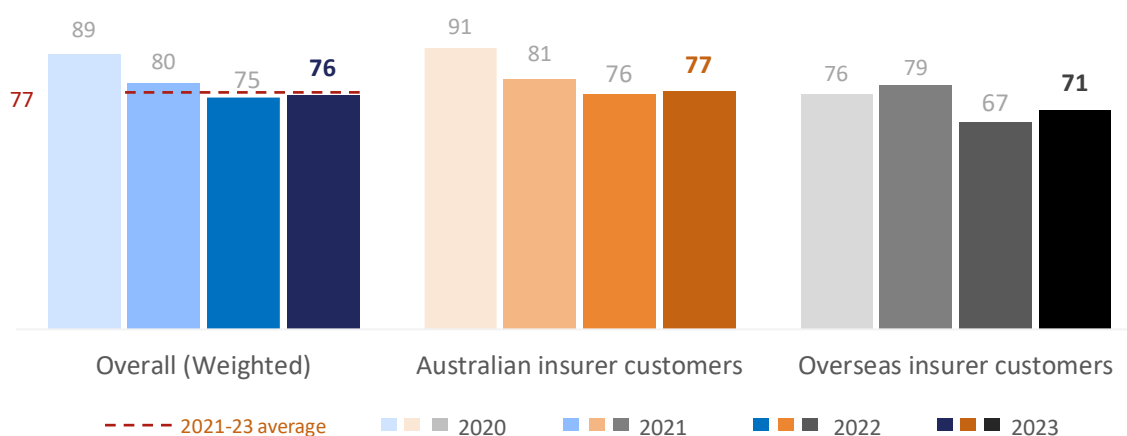
- Q1: To what extent do you feel that ARPC is an effective provider of terrorism risk insurance? (*worth 40% of the overall index*)
- Q4: Specifically in relation to the terrorism pool... To what extent do you believe ARPC supports your organisation's financial strength? (*worth 30% of overall index*)
- Q6c: In relation to the terrorism pool, to what extent do you feel that the following terms describe ARPC... A valued partner to our organisation? (*worth 30% of overall index*)

T-SPI scores range from 0 to 100 index points, with 0<sub>/100</sub> occurring if respondents give the lowest scores available for each question (i.e. 'Not at all') and 100<sub>/100</sub> occurring if they give the highest scores available for each question (i.e. 'Large extent' and 'Totally').

In 2023, a moderately high overall T-SPI of 76<sub>/100</sub> was achieved, consistent with the 75<sub>/100</sub> in 2022 and still slightly lower than the scores seen in 2020 and 2021. The 3-year weighted average is 77<sub>/100</sub>. In line with previous years, Australian customers (77<sub>/100</sub>) had a somewhat higher index score compared to overseas customers (71<sub>/100</sub>).

For Australian respondents, the decline in T-SPI scores has been driven by the lower proportion of customers feeling that ARPC supports their organisation's financial strength. Among overseas respondents, the decline in 2022 was driven by much lower proportions rating the effectiveness of ARPC in providing terrorism risk insurance and being a valued partner to a *large extent* (although *moderate* ratings increased), while the bounceback in 2023 reflects an increasing proportion who feel ARPC is a valued partner.

Figure 1. T-SPI Scores



Base: Aus insurer customers n=8-27; OS insurer customers n=33-51

## Delivering on the ARPC vision

ARPC's updated 2023 vision is:

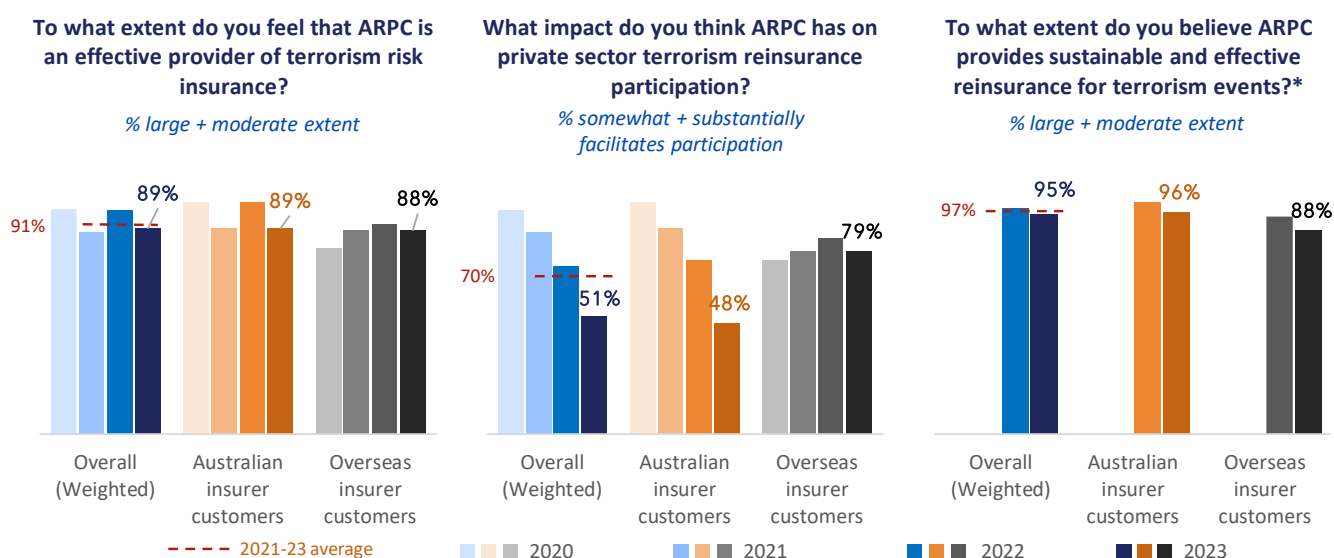
*"Protecting Australian communities with sustainable and effective reinsurance for terrorism and cyclone events."*

Terrorism pool insurer customers were asked to reflect on three specific aspects of this vision.

As in previous surveys, most respondents believed that ARPC is delivering on the three key aspects of the organisation's vision to at least a moderate extent. In particular, around 9-in-10 believe that ARPC is an effective provider of terrorism risk insurance, and that it provides sustainable and effective reinsurance for terrorism events. Both of these results have fluctuated only slightly over the survey cycles (mostly reflecting variations in the small proportion who respond 'can't say'). The views of Australian insurer customers are generally level with or slightly stronger than overseas customers on these perceptions.

The perceived impact of ARPC on private sector terrorism reinsurance participation is somewhat different. Over the last three years a somewhat lower 7-in-10 customers believe that ARPC facilitates private sector participation, and this has been falling steadily over the past four years amongst Australian insurer customers. In 2022 it was noted that more Australian insurer customers said 'can't say' to this question, and in 2023 a third of them did this.

**Figure 2. Perceptions of delivering on aspects of the ARPC vision**



\*New question introduced in 2022

Base: Aus insurer customers n=8-27; OS insurer customers n=33-51

In the interviews with larger insurers, it was apparent that there were different ways of interpreting the question about facilitating private sector participation. At one level ARPC meant that insurer customers could obtain terrorism reinsurance, but by doing so it left no market gap for other potential providers.

*"It makes it easy for us to have reinsurance and avoids some gaps – but it also limits the need or opportunities for the private sector to provide reinsurance."*

*"By pricing it at a cost no other reinsurer can match, it means we can access it – but it has eliminated any other providers."*

*"Just about every insurer participates – and therefore doesn't need to buy any more than that."*

**Table 3. Perceptions of being an effective provider of terrorism risk insurance**

To what extent do you feel that ARPC is an effective provider of terrorism risk insurance? <sup>Q1</sup>			
	Overall	Aust.	Overseas
Large extent	64%	67%	31%
Moderate extent	25%	22%	56%
<b>Large + Moderate extent</b>	<b>89%</b>	<b>89%</b>	<b>89%</b>
Small extent	<1%	-	2%
Not at all	-	-	-
<i>Can't say</i>	11%	11%	10%
Sample size	Weighted	27	48

**Table 4. Perceptions of impact on private sector terrorism reinsurance participation**

What impact do you think ARPC has on private sector terrorism reinsurance participation? <sup>Q2</sup>			
	Overall	Aust.	Overseas
Substantially facilitates	30%	29%	23%
Somewhat facilitates	22%	19%	56%
<b>Substantially + Somewhat facilitates</b>	<b>51%</b>	<b>48%</b>	<b>79%</b>
No effect	-	-	-
Somewhat limits	7%	7%	2%
Substantially limits	11%	11%	2%
<i>Can't say</i>	31%	33%	17%
Sample size	Weighted	27	48

**Table 5. Perceptions of providing sustainable and effective reinsurance for terrorism events**

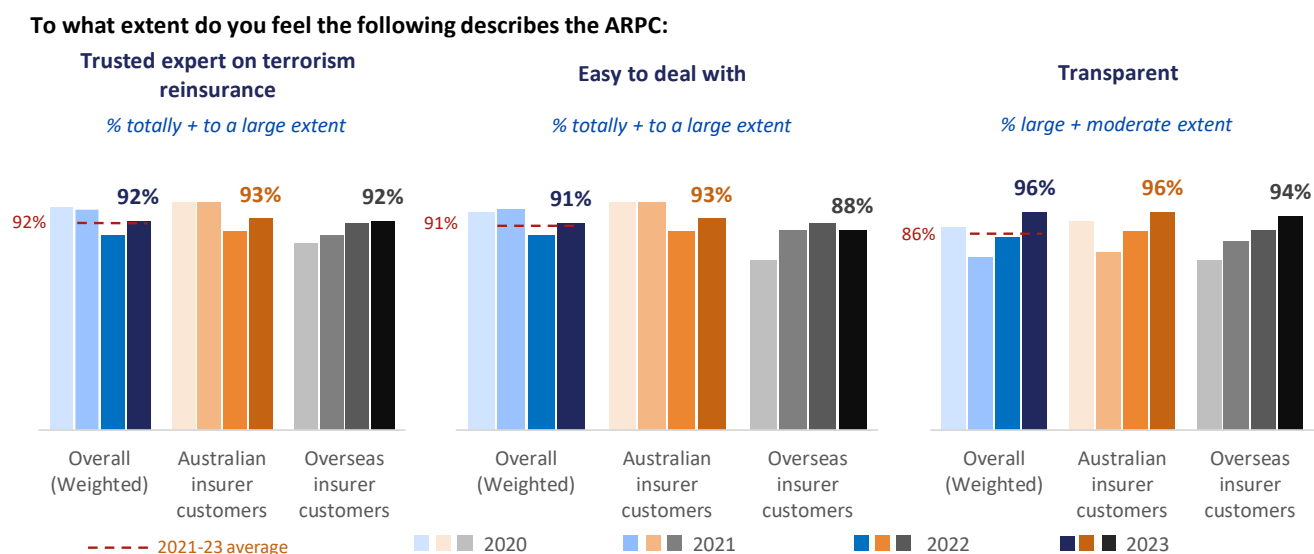
To what extent do you believe ARPC provides sustainable and effective reinsurance for terrorism events? <sup>Q3</sup>			
	Overall	Aust.	Overseas
Large extent	77%	78%	75%
Moderate extent	18%	19%	13%
<b>Large + Moderate extent</b>	<b>95%</b>	<b>96%</b>	<b>88%</b>
Small extent	3%	4%	2%
Not at all	-	-	-
<i>Can't say</i>	2%	-	10%
Sample size	Weighted	27	48

## What do customers think of ARPC?

Perceptions of ARPC in terms of expertise, transparency and being easy to deal with have been high since the survey commenced, and remain so in 2023. More than 90% of Australian and overseas insurer customers describe the organisation as *a trusted expert on terrorism reinsurance*, as *being easy to work with* and as *being transparent* either totally or to a large extent. Perceptions of transparency have increased over the past three years.

Perceptions of Australian and overseas insurers have been and remain quite consistent.

Figure 6. Perceptions of ARPC



Base: Aus insurer customers n=8-27; OS insurer customers n=33-51

Looking at the detailed breakdowns of responses, it is apparent that insurers customers are much more likely to say that *being easy to deal with* and *being transparent* 'totally' describes ARPC than *a trusted expert on terrorism reinsurance* did (around 60% compared to 27%). In the interviews several insurer customers commented about their slightly lower ratings for *being a trusted expert* (and *being a valued partner*):

*"It is still evolving, and there are some aspects that are not completely stable and covered."*

*"It is still unclear at this time."*

Table 7. Perceptions of ARPC – Trusted Expert

To what extent do you feel the following describes ARPC: Trusted expert on terrorism reinsurance <sup>Q6a</sup>			
	Overall	Aust.	Overseas
Totally	27%	26%	21%
To a large extent	66%	67%	71%
<b>Totally + large extent</b>	<b>92%</b>	<b>93%</b>	<b>92%</b>
To a moderate extent	8%	7%	8%
To a small extent	-	-	-
Not at all	-	-	-
Sample size	Weighted	27	48

**Table 8. Perceptions of ARPC – Easy to deal with**

To what extent do you feel the following describes ARPC: Easy to deal with <sup>Q6b</sup>			
	Overall	Aust.	Overseas
Totally	58%	59%	67%
To a large extent	33%	33%	21%
<b>Totally + large extent</b>	<b>91%</b>	<b>93%</b>	<b>88%</b>
To a moderate extent	9%	7%	10%
To a small extent	<1%	-	2%
Not at all	-	-	-
Sample size	Weighted	27	48

**Table 9. Perceptions of ARPC – Transparent**

To what extent do you feel the following describes ARPC: Transparent <sup>Q6d</sup>			
	Overall	Aust.	Overseas
Totally	65%	67%	71%
To a large extent	31%	30%	23%
<b>Totally + large extent</b>	<b>96%</b>	<b>96%</b>	<b>94%</b>
To a moderate extent	4%	4%	4%
To a small extent	<1%	-	2%
Not at all	-	-	-
Sample size	Weighted	27	48

Respondents were asked for two key words to describe ARPC. Both Australian and overseas respondents used mostly positive words to describe ARPC, with a small number of mostly neutral words. The most common words in 2023 were *effective*, *essential*, *partnership* and *accommodating*. These words are consistent with 2022, and there were only minimal differences in the themes of words given by Australian and overseas respondents. As in 2022, *essential* is more prominent for Australian insurer customers, while *effective* is for overseas ones.

**All respondents:**  
(n=75)



**Australian respondents:**  
(n=27)

2022 Wordcloud:



**Overseas respondents:**  
(n=48)

2022 Wordcloud:



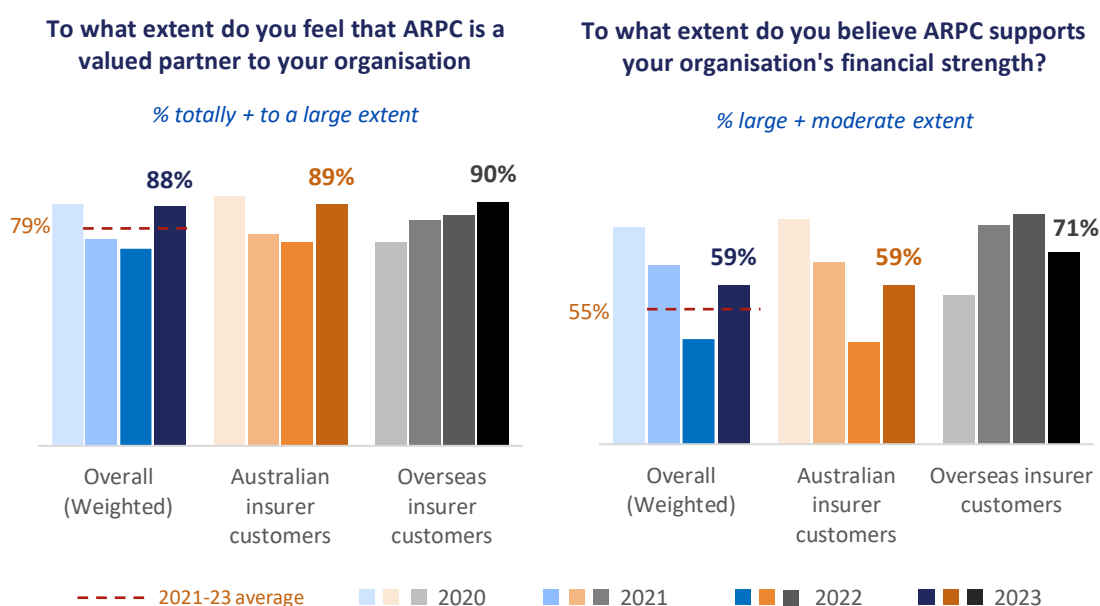
## Does ARPC represent value for money?

Perceptions of value associated with ARPC vary and have fluctuated more than other indicators over the four years the insurer customer survey has been conducted. Typically, and again in 2023, both Australian and overseas insurer customers are more likely to feel ARPC is a valued partner to their organisation than they are to feel ARPC supports their organisation's financial strength.

From 2020 to 2022 Australian insurer customers became somewhat less likely to view ARPC as a valued partner to at least a large extent, while the reverse pattern was seen for overseas insurer customers. However, in 2023 Australian customers increased back up to the equal highest level recorded, and also equal to overseas customers. Over the last three surveys, an average of 79% of all insurer customers who responded each year considered ARPC was a valued partner to at least a large extent.

By comparison, the three-year average for feeling ARPC supports the organisation's financial strength to at least a moderate extent is a somewhat lower 55%. This average was impacted by a particularly low proportion of Australian insurer customers who felt that way in 2022 (just 1-in-4). While this increased back up to 59% in 2023, it remains lower than for overseas insurer customers (71%).

Figure 10. Perceptions of the value of ARPC



Base: Aus insurer customers n=5-27; OS insurer customers n=24-51

The interviews with larger Australian insurer customers gave some insight into the different ratings given for perceptions of partnership (which is more about intent) and supporting organisational strength (which is more about the value of outcomes), at least for some (generally larger) insurers.

*"We buy it, which is a cost, but have not made a claim, so it's hard to quantify the impact on financial strength."*

*"We are huge. ARPC helps, but we could work around it if it wasn't there. The impact on financial strength could never be more than 'moderate', though we might make different choices about what we covered."*

*"We don't think it is that big a risk, as we have limited exposure at the moment. [ARPC is] important, but a very small component of our reinsurance, and so it has minimal impact on our financial strength."*

**Table 11. Perceptions of ARPC – A valued partner to our organisation**

To what extent do you feel the following describes ARPC: Valued partner to your organisation <sup>Q6c</sup>			
	Overall	Aust.	Overseas
Totally	43%	44%	27%
To a large extent	46%	44%	63%
<b>Totally + large extent</b>	<b>88%</b>	<b>89%</b>	<b>90%</b>
To a moderate extent	8%	7%	10%
To a small extent	3%	4%	-
Not at all	-	-	-
Sample size	Weighted	27	48

**Table 12. Perceptions of ARPC supporting insurer customer's financial strength**

To what extent do you believe ARPC supports your organisation's financial strength? <sup>Q4</sup>			
	Overall	Aust.	Overseas
Large extent	29%	30%	15%
Moderate extent	30%	30%	56%
<b>Large + Moderate extent</b>	<b>59%</b>	<b>60%</b>	<b>71%</b>
Small extent	9%	7%	8%
Not at all	24%	26%	10%
<i>Can't say</i>	<i>8%</i>	<i>7%</i>	<i>10%</i>
Sample size	Weighted	27	48



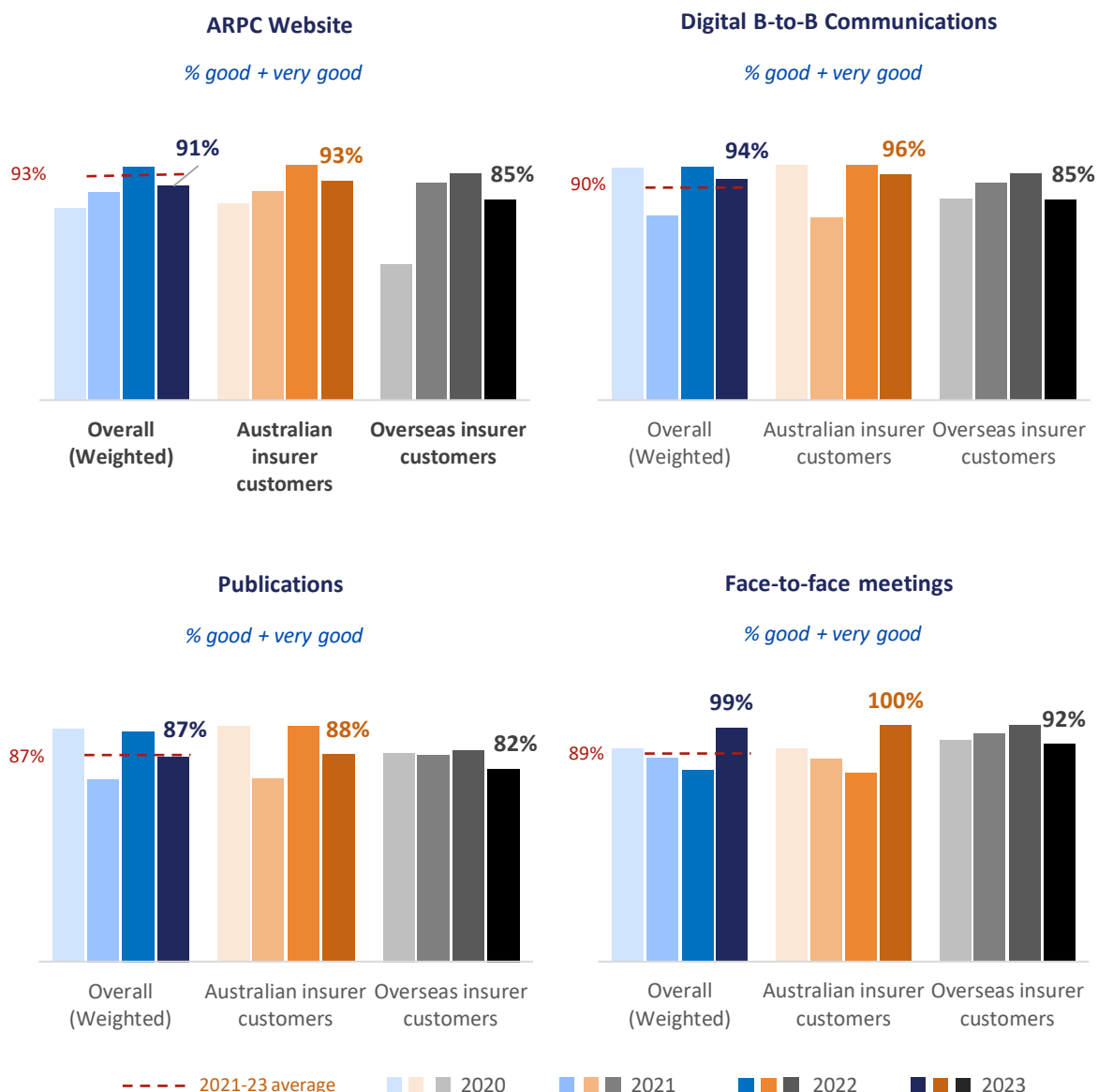
## Does ARPC engage effectively with stakeholders?

As in previous surveys, perceptions of ARPC’s engagement and communications channels are strong in 2023, with 87% to 99% of those with any experience of them giving ratings of ‘good’ or ‘very good’ to the *website*, *digital communications*, *publications* and *face-to-face meetings*. As in 2022, Australian insurer customers gave slightly higher ratings.

Over the past three years, an average of 87% to 93% has been seen across the four types of communication and engagement. The 2023 figures are approximately in-line with or a little higher than the averages, but with the exception of Australian insurer customers giving stronger ratings to face-to-face meetings, all other ratings were a little lower than seen in 2022.

Figure 13. Perceptions of ARPC communication and engagement

How would you describe your organisation's experience of:



Base: Aus insurer customers n=5-27 OS insurer customers n=26-48

**Table 14. ARPC engagement and communications – Website\***

How would you describe your organisation's experience of: ARPC Website <sup>Q7a</sup>			
	Overall	Aust.	Overseas
Very good	12%	11%	15%
Good	79%	82%	70%
<b>Very Good + Good</b>	<b>91%</b>	<b>93%</b>	<b>85%</b>
Satisfactory	8%	7%	11%
Unsatisfactory	<1%	-	2%
Very unsatisfactory	<1%	-	2%
Sample size	Weighted	27	46

\*n=2 respondents who selected 'can't say/ not sure' are excluded from these figures

**Table 15. ARPC engagement and communications – Digital B-to-B Communications\***

How would you describe your organisation's experience of: Digital B-to-B Communications <sup>Q7b</sup>			
	Overall	Aust.	Overseas
Very good	23%	23%	20%
Good	71%	73%	65%
<b>Very Good + Good</b>	<b>94%</b>	<b>96%</b>	<b>85%</b>
Satisfactory	6%	-	15%
Unsatisfactory	-	-	-
Very unsatisfactory	-	-	-
Sample size	Weighted	26	46

\*n=3 respondents who selected 'can't say/ not sure' are excluded from these figures

**Table 16. ARPC engagement and communications – Publications\***

How would you describe your organisation's experience of: Publications <sup>Q7c</sup>			
	Overall	Aust.	Overseas
Very good	42%	44%	20%
Good	45%	44%	62%
<b>Very Good + Good</b>	<b>87%</b>	<b>88%</b>	<b>82%</b>
Satisfactory	13%	12%	16%
Unsatisfactory	<1%	-	2%
Very unsatisfactory	-	-	-
Sample size	Weighted	25	45

\*n=5 respondents who selected 'can't say/ not sure' are excluded from these figures

**Table 17. ARPC engagement and communications – Face-to-Face meetings\***

How would you describe your organisation's experience of: Face-to-face meetings <sup>Q9</sup>			
	Overall	Aust.	Overseas
Very good	54%	55%	32%
Good	45%	45%	60%
<b>Very Good + Good</b>	<b>99%</b>	<b>100%</b>	<b>92%</b>
Satisfactory	1%	-	8%
Unsatisfactory	-	-	-
Very unsatisfactory	-	-	-
Sample size	Weighted	22	37

\*n=16 respondents who selected 'have not had any' are excluded from these figures

### *Desired changes or improvements to engagement*

Insurer customers are asked if there is anything they would like ARPC to do in terms of communication or engagement that they don't usually. Many respond with either an indication of satisfaction with the current volume and style of communication, but each year a few provide suggestions that ARPC may wish to consider.

A number of the suggestions in 2023 relate to the management and communication of changes – be they at ARPC or at the insurer customer. These included:

*"We noticed some updated postcodes when completing the Annual Aggregate report but failed to see where any of the changes were notified in either the newsletter or on your website. We would like to see some clearer updates and communications of the postcodes and tiers." [Australia, survey]*

*"Our company has now taken on 100% of the property business previously [in] which we held a small co-insurance share. Understanding claims processes in the event of a declared terror event to which we can form our processes (albeit through an external claims management provider)." [Australia, survey]*

*"A better way to update our contacts when staff change – to manage our profiles directly rather than having to email." [Australia, interview]*

*"Would be nice to have more regular communication and information about what they see on the horizon, trends and that sort of thing" [Australia, interview]*

*"Brief explanation meeting on of ARPC for our new [staff] members." [Overseas, survey]*

Other suggestions related more to clarifications and details, though some of these provide less clarity on what topics or triggers might be of particular relevance:

*"More detailed communication on the zoning of the locations of risks." [Overseas, survey]*

*"Perhaps some clarification on certain topics." [Overseas, survey]*

*"It will be helpful if ARPC will conduct an update and sending a newsletter every now and then." [Overseas, survey]*

*"Generally satisfactory. Perhaps to stay connected, ARPC can consider producing short videos to explain the scheme." [Overseas, survey]*

Several requested more face-to-face meetings:

*“Each quarterly cycle, instead of generic email exchanges it could be an opportunity to communicate in person, so that both parties can learn more from each other.” [Australia, interview]*

*“Meeting over Coffee when in Melbourne.” [Australia, survey]*

Other responses included:

*“Reach out for suggestions on improving the process as a facility for just doing roll ups would make it easier. Whilst acknowledging there has to be a cut off, appreciate that resubmissions are an unfortunate fact due to coverholder data issues.” [Overseas, survey]*

Finally, a number of insurer customers noted that, while the focus here was specifically on terrorism pool, that it is possible (or likely) that some additional communication and engagement in this context may be required as the cyclone pool commences operations – including due to the likelihood of a greater volume and frequency of claims.

*“Nothing really [for terrorism pool] - but expect that the cyclone pool, which is likely to have more claims and soon, might have some impact and carry over to the TP side of things too, which might need to be communicated.” [Australia, interview]*

## Insurer customers' engagement with risk of a terrorism event

In both 2022 and 2023 overseas insurer customers have been more likely than Australian customers to say they *consider and manage the financial risk associated with the risk of a terrorism event* 'periodically or continuously'.

**Table 18. Insurer customers' engagement with the risk of a terrorism event**

How actively does your organisation consider and manage the financial risk associated with the possibility of a terrorism event <sup>Q12</sup>			
	Overall	Aust.	Overseas
Continuously	59%	56%	88%
Periodically	18%	19%	8%
<b>Continuously + Periodically</b>	<b>77%</b>	<b>74%</b>	<b>96%</b>
Occasionally	3%	4%	2%
Rarely	20%	22%	-
Not actively managed	-	-	-
<i>Can't say</i>	<1%	-	2%
Sample size	Weighted	27	48

**Table 19. Insurer customers' engagement with the risk of a terrorism event by year**

How actively does your organisation consider and manage the financial risk associated with the possibility of a terrorism event <sup>Q12</sup>			
% Continuously + Periodically	Overall	Aust.	Overseas
<b>2023</b>	<b>77%</b>	<b>74%</b>	<b>96%</b>
<b>2022</b>	78%	75%	100%
<b>2021</b>	89%	89%	88%
Sample size	Weighted	8-27	33-48

Several interviewed insurer customers commented around how their organisation manages the risk of a terrorism event, and what (else) ARPC could do to assist them.

*"Information is the key. Share what they are seeing and hearing – the trends. Tell us what is over the horizon." [Periodically reviews or manages risk]*

*"It's hard to know until an event happens, but anything ARPC can give us about what it is really like is an opportunity." [Rarely reviews or manages risk]*

*"Maybe probable loss / maximum loss scenarios. We do them, but we assume ARPC does too. Sharing some of the scenarios they model would help stress-test our own modelling. [Periodically reviews or manages risk]*

*"Nothing really. We think we are good at that." [Continuously reviews or manages risk]*

*"Just stay front of mind." [Rarely reviews or manages risk]*

## Conclusions

The ARPC insurer customer stakeholder survey methodology has evolved over four annual cycles, and now consists of a core online survey supplemented by interviews with the largest Australian insurer customers and modified distribution methods for the Lloyds and Singapore Captives customers. Using these approaches in combination in 2023 resulted in the highest participation rate for the survey, with more than half of Australian insurer customers represented (54%) and 28% of overseas customers.

Across the survey, **insurer customers' perceptions of ARPC as an organisation to deal with remain very strong**. More than 90% describe ARPC as being *transparent* (96%), *a trusted expert on terrorism reinsurance* (92%), and *easy to deal with* (91%) to at least a large extent. Perceptions of ARPC's communications and engagement is also very strong, with 99% describing *face-to-face meetings* as good or very good, as did 94% for *digital B-to-B communications*, 91% for the *ARPC website*, and 87% for *ARPC publications*.

In terms of delivering on its vision, 95% feel that to a large or moderate extent that ARPC provides *sustainable and effective reinsurance for a terrorism event*, and 89% that it is *an effective provider of terrorism risk insurance*.

For all of these aspects, Australian insurer customers have similar or just slightly higher opinions than do overseas insurer customers; and opinions have not changed substantively over survey cycles.

However, there are **several specific aspects where opinions of insurer customers are lower, and more variable**. Just half of Australian insurer customers feel that ARPC substantially or somewhat facilitates private sector terrorism reinsurance participation, an opinion that has been declining from over 90% in the 2020 survey. The comments of insurer customers in the interviews suggests that while ARPC provides them with effective terrorism reinsurance, it leaves little room in the market for other providers, hence their varied views on the impact on private sector participation. ARPC facilitates them writing some cover, but limits the role of reinsurers. 71% of overseas insurer customers felt ARPC facilitates private sector participation, and this figure has not substantively changed.

In terms of 'value', insurer customers distinguish between ARPC being seen as *a valued partner* (88% feel this is true to at least a large extent) and *supporting their organisation's financial strength* (where just 59% feel this is true to a large or even a moderate extent). As with perceptions of private sector participation, overseas insurer customer opinions have been more stable (currently at 71%) while Australian insurer customer opinions have declined from 80% in 2020 to 39% in 2022, before increasing again to 59% in the current results. The interviews in 2023 showed that for at least some insurer customers, they see the risk of a terrorism event as one they have little exposure to, or they are so large that the impact of ARPC's terrorism pool is minimal. The comments made noted that ARPC does its role well – but for some of them it is not realistic to think that it significantly supports their overall financial strength.

Overall, **the results of the survey show that insurer customers, both Australian and overseas, continue to see ARPC as an effective provider of terrorism reinsurance, and an easy organisation to do deal with in delivering its services. The views of Australian insurer customers in particular of the impact and value of the terrorism pool itself have been more variable** over the four surveys, and if anything are lower in 2022 and 2023 than they were in the 2020 and 2021 surveys. Australian customers felt that if there is anything more that ARPC can do for them, it would be in the form of providing them with more aggregate learning and insight into issues and future trends that can help them feel certain they are not missing anything important in their own modelling and operations.

# Appendices

## Appendix A: Questionnaire

The Australian Reinsurance Pool Corporation (ARPC) is seeking feedback on your perceptions of its performance and contribution. Feedback will be used to shape ARPC's working relationships, and results are published on the ARPC website.

### Completing the survey

This survey has been deliberately designed to be very short. The main Terrorism Pool survey contains 17 questions that are asked each year, and should take around 5-7 minutes (though you may wish to take longer to canvas opinions before finalising your responses).

You can save your responses to the survey and come back any time to update or complete it.

### Who should complete the survey?

One survey is completed for each organisation listed in the table below. Multiple people can go into the survey and provide or update answers. The final survey responses should be reviewed and submitted by the Reinsurance Manager (or the person who has the main working relationship with ARPC). Only responses confirmed and submitted on the last page can be used for reporting.

An independent Australian market research firm, ORIMA Research, has been engaged to conduct the research. This is to ensure objectivity in the collection and analysis of responses.

See additional privacy information below the Survey Management Table.

### Privacy Information

The information you provide will be treated as private and confidential. No individual responses will be able to be identified from the research results, and ORIMA will only report aggregate results to ARPC. Your answers will only be used for the purposes of the research.

Your email contact details were provided to ORIMA by ARPC and will only be used for the purposes of carrying out this survey.

Participation in this research is voluntary. You can choose not to answer any question. You can decide to stop at any time.

At any time during or after the survey, you can ask that the information you provided not be used by ORIMA Research.

## Terrorism Pool

In answering the questions on this page, please only think about your experience and perceptions of ARPC’s Terrorism Pool operations.

ARPC’s purpose is:

*Protecting Australian communities with sustainable and effective reinsurance for terrorism and cyclone events*

We would first like to ask you three questions about how well we are delivering on this purpose:

1. To what extent do you feel that ARPC is an effective provider of terrorism risk insurance?

Large extent	Moderate extent	Small extent	Not at all	Can’t say / not sure
1	2	3	4	9

2. What impact do you think ARPC has on private sector terrorism reinsurance participation?

Substantially facilitates participation	Somewhat facilitates participation	Has no effect	Somewhat limits participation	Substantially limits participation	Can’t say / not sure
1	2	3	4	5	9

3. To what extent do you believe ARPC provides sustainable and effective reinsurance for terrorism events?

Large extent	Moderate extent	Small extent	Not at all	Can’t say / not sure
1	2	3	4	9

Thinking more broadly about ARPC now, and specifically in relation to the Terrorism Pool:

4. To what extent do you believe ARPC supports your organisation’s financial strength?

Large extent	Moderate extent	Small extent	Not at all	Can’t say / not sure
1	2	3	4	9

5. What two key words would you use to describe ARPC?




6. In relation to the Terrorism Pool, to what extent do you feel that the following terms describe ARPC?

	Totally	To a large extent	To a moderate extent	To a small extent	Not at all
Trusted expert on terrorism reinsurance	1	2	3	4	5
Easy to deal with	1	2	3	4	5
A valued partner to our organisation	1	2	3	4	5
Transparent	1	2	3	4	5

Thinking about the way ARPC has engaged and communicated with you and your organisation in relation to the Terrorism Pool in the last 12 months:

7. How would you describe your organisation’s experience of:

	Very good	Good	Satisfactory	Unsatisfactory	Very unsatisfactory	Can’t say / not sure
The ARPC website	1	2	3	4	5	9
ARPC’s digital business-to-business communications with you	1	2	3	4	5	9
ARPC’s publications (Annual Report, Corporate Plan, media releases)	1	2	3	4	5	9

8. How valuable has your organisation found ARPC’s Annual *Terrorism Risk Insurance Seminar*

Very valuable	Somewhat valuable	Not very valuable	Not at all valuable	Can’t say / not sure
1	2	3	4	9

9. How would you describe your organisation’s experience of ARPC’s face-to-face meetings with you in relation to the Terrorism Pool:

Very good	Good	Satisfactory	Unsatisfactory	Very unsatisfactory	Have not had a face-to-face meeting
1	2	3	4	5	9

10. How useful has your organisation found the ARPC insurer customer review process in relation to the Terrorism Pool?

Very useful	Somewhat useful	Not very useful	Not at all useful	Can’t say / not sure
1	2	3	4	9

11. How would you like ARPC to engage with your organisation in relation to the Terrorism Pool in the next 12 months that we don’t usually?

--

Finally, thinking about your own organisation:

12. How actively does your organisation consider and manage the financial risk associated with the possibility of a terrorism event?

Continuously managing this risk	Periodically reviews and manages this risk	Occasionally reviews and manages this risk	Rarely actively reviews or manages the risk	Does not actively manage or review the risk	Can't say / not sure
1	2	3	4	5	9

## Declaration

You are answering about **EntityName**.

IF SURVEY IS NOT FULLY COMPLETE SHOW:

Whilst none of the questions are compulsory, we'd appreciate you completing as many questions as possible before submission. Currently the following questions do not have an answer:

[LIST SECTIONS AND % COMPLETE]

**Go back to questions**  
*Allows you to return and update or complete your answers*

IF SURVEY IS FULLY COMPLETE SHOW:

The survey has been fully completed. Thank you.

**D1. As the Reinsurance Manager of my organisation within Australia (or other person who has the closest working relationship with ARPC), I endorse the answers provided in this survey.**

First Name: \_\_\_\_\_

Position:

Reinsurance Manger	Other (Specify) _____
1	2

**Please note that the software prevents access to your completed questionnaire once it is submitted. If you wish to keep a copy of your responses, please print or save a copy prior to submission.**

**Save a PDF**  
*Allows you to save a summary of your answers*

**Print a copy**  
*Will enable you to print a hard copy of your answers*

Once your answers are complete and you have saved or printed a copy, please use the button below to **submit** your responses for reporting.

**Submit Answers**  
*This is the final step to complete the survey*