



Australian Government

Australian Reinsurance Pool Corporation

UNDER THE COVER

NEWSLETTER | AUGUST 2025 | WINTER



Dr Christopher Wallace, ARPC Chief Executive

A message from our CEO

Welcome to the Winter edition of the Under the Cover newsletter.

This quarter, we welcomed the release of the ACCC's fourth insurance monitoring report, which confirmed the cyclone pool has lowered insurance premiums for policyholders facing medium to high cyclone risk. While the findings show that the scheme is achieving its core objectives, we recognise the cyclone pool is only one lever to improve affordability outcomes in these areas.

An important step in incentivising resilience across northern Australia has been the recent introduction of mitigation discounts for eligible strata properties that have undertaken cyclone risk reduction works. We urge all insurers to continue recognising and rewarding mitigation efforts – such as cyclone shutters and reinforced roofing, to further reduce their reinsurance premiums.

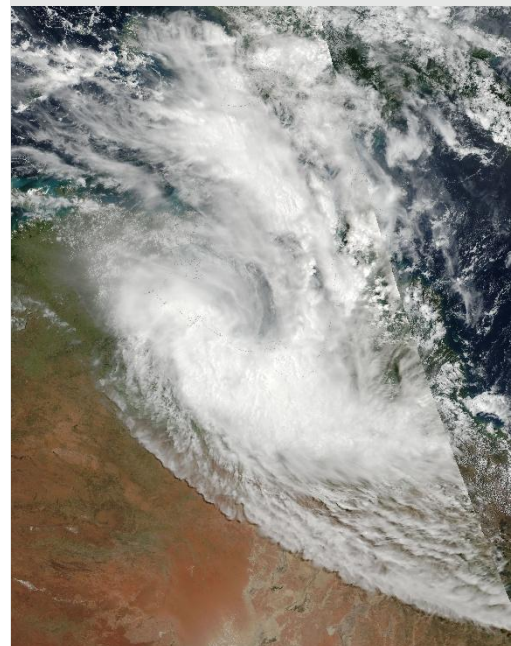
We also published a post event summary of Tropical Cyclone Alfred, which made landfall earlier this year. Our focus remains on working closely with insurers to facilitate the reinsurance process and ensure claims are managed promptly. A full summary is available on our [website](#).

Finally, we have also released the findings from our 2024/25 Insurer Customer Survey which showed high levels of satisfaction across both the terrorism and cyclone pools. I want to thank our ARPC team, whose dedication, responsiveness, and expertise continue to deliver strong outcomes for our insurers across both pools.

In the coming months, we will publish our Annual Report, Corporate Plan and Financial Outlook Report, and look forward to sharing more details in our next newsletter edition. As always, please contact us at enquiries@arpc.gov.au with any questions.

What's in this issue

- 01:** From the CEO
- 02:** ACCC's findings on premium reductions
- 03:** Strata discounts for cyclone resilience properties
- 04:** Tropical Cyclone Alfred: Post event summary
- 05:** Global Terrorism Index 2025
- 06:** Terrorism Pool update
- 07:** 2025 Cyclone Risk Insurance Seminar
- 08:** Adopting AI at ARPC



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Brisbane Waters | Photo by [Felipe Palacio](#) | [Unsplash](#)

ACCC's findings on premium reductions

The Australian Competition and Consumer Commission (ACCC) released its fourth insurance monitoring report, confirming premium savings for households and small businesses in cyclone-prone regions.

Average premiums for home and contents insurance dropped by 11 per cent in medium to high-risk areas, with coastal towns seeing reductions of up to 15 per cent. Small business insurance premiums fell by 24 per cent, while strata insurance saw a 7 per cent decrease.

ARPC CEO Dr Christopher Wallace welcomed the ACCC findings and urged insurers to further reward risk mitigation efforts.

[Read more](#)

Is home insurance affordability improving in Australia?

We released our [2025 Premium Assessment](#), confirming that the cyclone pool is significantly lowering insurance premiums and improving coverage in cyclone-prone regions in Australia.

The updated analysis shows home insurance premiums in the highest-risk areas have dropped by an average of 39 per cent, with small and medium businesses also seeing savings of around 31 per cent.

ARPC conducts this work to enhance its understanding of the impact of the cyclone pool premium rates and assesses if further adjustments are required.

Editor's note: The findings of the ACCC Insurance Monitoring Report differ from those of ARPC's Premium Assessment, reflecting the use of different methodologies and timeframe in their respective analyses.

[Read more](#)



Strata Discounts for Cyclone Resilience Investments

From 1 April 2025, strata properties that invest in cyclone resilience measures—such as roof upgrades, reinforced doors and windows, or improved guttering—may be eligible for discounts on their cyclone pool insurance premiums.

Insurers participating in the cyclone pool can receive discounts on their reinsurance premiums when the strata properties they cover have implemented recognised mitigation measures and report these to ARPC.

We encourage insurers to actively engage with their policyholders and strata managers to raise awareness of this opportunity to reduce premiums through proactive mitigation efforts.

[Read more](#)

Spotlight: Queensland's Strata Resilience Program

Queensland's Strata Resilience Program is jointly funded by the Queensland and Australian Governments and administered by the Queensland Government Department of Housing and Public Works.

This program assists strata title properties that both:

- have participated in the North Queensland Strata Title Inspection Program
- are located within 100 kilometres of the coastline from Rockhampton, north to the Torres Strait and west to the Queensland/Northern Territory border.

These properties may be eligible to apply for a grant for up to 75% of the cost of eligible improvements identified through the inspection program to \$15,000 per residential tenancy to a maximum grant of \$150,000 per body corporate.

The program offers grants covering up to 75 per cent of the cost of cyclone-resilience upgrades, capped at \$15,000 per residential tenancy with a maximum of \$150,000 per property.

Eligible resilience strategies include roof upgrades, window protection, replacement of old style louvres, external solid core doors, garage doors, box gutter overflows and preparation of cyclone preparedness plans.

[Read more](#)

Post event summary: Tropical Cyclone Alfred

Tropical Cyclone Alfred: Claims Snapshot from the Cyclone Pool

TOTAL CLAIMS
RECEIVED**96,292**ESTIMATED
INSURED LOSSES**1.44B**AVERAGE CLAIM
TURNAROUND***11 DAYS**PAYMENTS MADE
TO INSURERS**254M***Data as at 14 August 2025*** From the time of completed submission*

We have released our post-event summary for Tropical Cyclone Alfred, which impacted southeast Queensland and northern New South Wales between 28 February and 10 March 2025.

The event brought intense winds, heavy rainfall, and widespread damage, leading to more than 96,000 claims lodged through insurers participating in the cyclone pool.

[Read more](#)

Global Terrorism Index 2025 has launched

The 12th edition of the Global Terrorism Index (GTI), by the Institute for Economics and Peace, offers a comprehensive analysis of global terrorism trends over the past decade.

GTI provides critical insights into the evolving landscape of terrorism risk, an analysis of the top 10 countries most impacted by terrorism and in-depth contributions from experts.

The report highlights a resurgence of religiously motivated attacks in the West, an increase in ideologically ambiguous incidents, and the growing exploitation of digital platforms by terrorist groups to expand their reach.

[Read more](#)



Key dates for Terrorism Pool



Annual Aggregate Submission
31 August 2025



Annual GWP Submission
31 August 2025
for non-authorised cedants
30 September 2025
for APRA authorised cedants

Key dates for Cyclone Pool



Next premium submission
30 October 2025

Please contact ARPC at
enquiries@arpc.gov.au if you need
assistance with your submissions.

Q: Why is the Annual Aggregate Submission critical to submit by 31 August?

A: The Annual Aggregate Submission provides ARPC with a snapshot of your ceded risk exposure as at 3pm on 30 June, marking the end of the previous financial year. This data is essential for assessing the total exposure reinsured by ARPC, which informs catastrophe modelling and retrocession arrangements. Timely submission ensures compliance with Clause 25(d) of the Reinsurance Agreement and supports ARPC's ability to manage national terrorism reinsurance effectively.

Q: Why must the Annual GWP Declaration be submitted on time?

A: The Annual GWP Declaration reports gross written premium data for the previous financial year (1 July – 30 June). It includes a breakdown of eligible and ineligible Fire and ISR premiums, along with Emergency Services Levy components. This information is used to calculate your retention level. If not submitted by the deadline—31 August for Non-Authorised Cedants and 30 September for APRA Authorised Cedants—your retention defaults to AU \$12.5 million, which may not reflect your actual exposure. Timely submission ensures accurate retention calculation and compliance with Clauses 5(b), 25(a), and 25(b) of the Reinsurance Agreement.

2025 Cyclone Risk Insurance Seminar

We hosted our annual Cyclone Risk Insurance Seminar at Parliament of NSW on 21 May. Now in its second year, the hybrid seminar was an opportunity to share knowledge and build partnerships to present insights from ARPC's cyclone pool data.

The event was well attended and drew stakeholders from across multiple markets. The seminar featured experts in disaster resilience and risk mitigation, including:

- Kate Cotter: CEO, Resilient Building Council
- Professor Cheryl Desha: Science and Innovation Director, Natural Hazards Research Australia
- Pulkit Jain: Head of Actuarial, ARPC



Pictured: Kate Cotter, Resilient Building Council, Julie-Anne Schafer, ARPC Chair, Dr Christopher Wallace, ARPC CEO, Professor Cheryl Desha, Natural Hazards Research Australia

Insurer confidence in ARPC remains strong, new survey finds

We have received strong endorsement from our insurer customers, with the latest **2024/25 Insurer Customer Survey** revealing high levels of satisfaction across both the terrorism and cyclone pools.

Conducted independently by ORIMA Research, the survey captured feedback from 75 insurer customers, the highest participation rate since the survey began.

Overall, we achieved a strong stakeholder perception score of 84/100, with 99% of insurer customers rating their working relationship with ARPC as good or very good. The findings reflect ARPC's commitment to effectively engage with and respond to the insurance industry.

[Read more](#)

AI Transparency Statement

We published our AI Transparency Statement as part of our commitment to responsible and ethical use of technology. This is in line with the Digital Transformation Agency's [Policy for responsible use of AI in government](#).

This move reflects the growing recognition of the importance of transparency and accountability in how government agencies adopt and manage artificial intelligence.

Currently, ARPC's use of AI is limited to internal productivity tools used to support staff. These tools do not have access to sensitive internal systems, and its use is strictly monitored and governed.

ARPC is taking a strong risk-based approach to AI, ensuring any future adoption is secure, transparent, and aligned with legal, ethical, and operational standards.

[Read more](#)