



Australian Government

Australian Reinsurance Pool Corporation

UNDER THE COVER

NEWSLETTER | APRIL 2026 | SUMMER



Dr Chris Wallace, ARPC Chief Executive

A message from our CEO

Welcome to the latest edition of Under the Cover.

This edition comes at a time of heightened activity across both the terrorism and cyclone pools. Earlier this year, the attempted bombing of a crowd in Perth on 26 January was declared a terrorism incident under the Terrorism and Cyclone Insurance Act 2003. While the incident did not result

in property damage or injuries, and no insured losses are expected, the declaration reflected that the event met the statutory definition of a terrorism incident. It also serves as a reminder of the importance of maintaining a ready and resilient terrorism scheme.

This followed the declaration of the Bondi Beach attack in December as a terrorism incident under the Act. That tragic event was a sobering reminder of the purpose and importance of the terrorism scheme, and our thoughts remain with the victims, their families and all those affected.

In both cases, ARPC activated coverage where required to support insurers through the reinsurance and claims process. Our priority has been to ensure clarity, certainty and timely assistance, working closely with government partners and industry stakeholders.

We have also finalised our 2026 terrorism retrocession program, securing strong support from international reinsurers. The placement reinforces the strength of the scheme and ensures ARPC remains well positioned to respond to future events.

As the cyclone season approaches its conclusion at the end of April, it is clear that 2025–26 has been an active season for the cyclone pool. Above average tropical cyclone activity across the Australian region, including the impacts of Cyclone Narelle in northern Australia, has again demonstrated the importance of the cyclone reinsurance arrangements.

ARPC continues to monitor conditions closely through the remainder of the season and, where cyclone activity gives rise to claims, we will work closely with insurers to provide claims support and guidance.

Across both pools, we remain focused on giving insurers certainty, managing risk responsibly, and supporting more affordable insurance in cyclone prone regions.

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Perth CBD incident on 26 January 2026 declared under the Terrorism and Cyclone Insurance Act

The Assistant Treasurer declared the incident involving the attempted bombing of a crowd of people, which occurred in the suburb of Perth, Western Australia, on 26 January 2026, to be a terrorism incident under the Terrorism and Cyclone Insurance Act 2003 (TCI Act).

Based on currently available information, the incident did not result in property damage or injuries, and no insured losses are expected. The declaration reflects that the incident meets the definition of a terrorism event under the TCI Act.

[Read more](#)

Bondi Beach attack declared under the Terrorism and Cyclone Insurance Act 2003

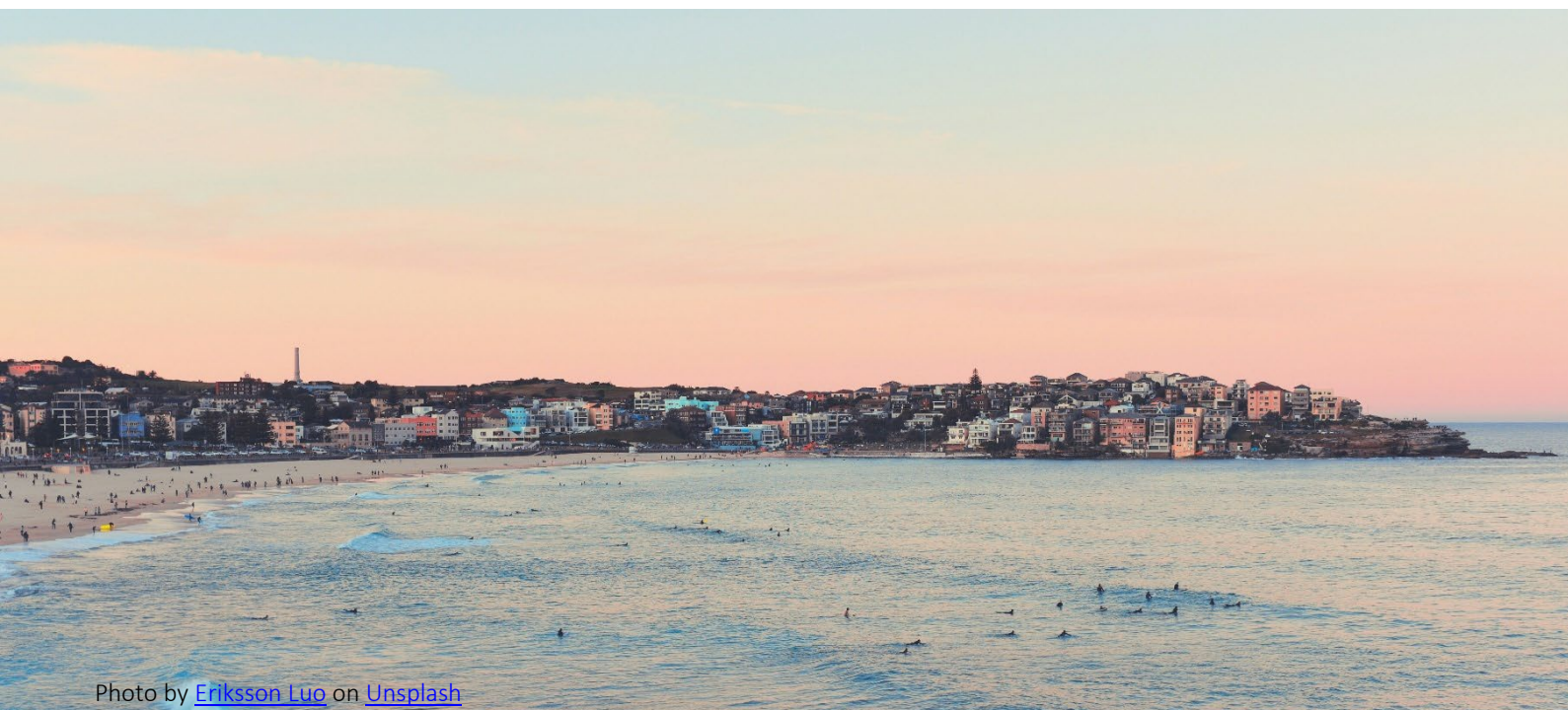
The Bondi Beach attack on 14 December 2025 has been declared a terrorist incident under the Terrorism and Cyclone Insurance Act 2003 (TCI Act).

Following the Ministerial declaration, coverage under the Terrorism Reinsurance Pool is activated for eligible commercial property, business interruption and public liability policies.

ARPC is working closely with insurers to support the efficient management of claims to ensure the reinsurance process operates as intended.

Guidance on claims submission requirements, reporting frameworks and operational processes has been published on our website. Insurers are encouraged to engage with ARPC should further clarification be required.

[Declaration](#)



Updated postcodes for terrorism insurance premiums

ARPC has updated postcode classifications used to determine terrorism insurance premium rates under the Terrorism Reinsurance Pool. **The adjustments will take effect on 1 July 2026.**

Insurers should review the revised postcode listings to assess any impact on premium calculations and reporting. ARPC remains ready to support insurers as they transition to the new postcode tiers.

[Read more](#)

ARPC finalises 2026 terrorism retrocession program

ARPC has finalised its 2026 retrocession program, securing continued support from global reinsurance markets.

The program maintains ARPC's strong capital position and continues to respond to a declared terrorist incident. The placement reflects sustained reinsurer confidence in the structure and governance of the Terrorism Reinsurance Pool.

Details of the 2026 program structure and participating markets are available on our website.

[Read more](#)



Key dates for premium submissions

Terrorism and cyclone pool premium submissions and payments for the third quarter (1 January – 31 March) of the 2025-26 financial year are due on **30 April 2026**. All premium submissions, including nil submissions, must be lodged.

If you have any questions, please contact enquiries@arpc.gov.au, or call 02 8223 6777.

Ask an expert...

If an incident is described as terrorism by another authority, does that automatically trigger coverage under the TCI Act?

No.

For the purposes of the Terrorism and Cyclone Insurance Act 2003, a Declared Terrorism Incident (DTI) only occurs when the responsible Federal Minister makes a formal declaration under the Act.

An incident described as terrorism by law enforcement, a State or Territory authority, a court, or the media does not automatically constitute a DTI under the Act.

Only once a DTI has been formally declared under the Act are terrorism exclusions removed from Eligible Insurance Contracts. Until such a declaration is made, the terrorism exclusion in the policy remains in effect.

Should claims be submitted to ARPC if the loss is below the insurer's retention?

Yes.

Insurers are required to notify ARPC of eligible claims arising from a Declared Terrorism Incident (DTI), even if the loss amount is within their retention.

The retention under the Reinsurance Agreement operates on a financial year aggregate basis, not per incident. This means that all eligible losses incurred during the financial year erode the insurer's retention.

Accordingly, claims submitted in respect of one DTI will reduce the remaining retention available for the remainder of that financial year. If another DTI were to occur in the same financial year, the insurer's remaining retention would be reduced by the eligible losses already incurred.

Timely notification ensures accurate tracking of the aggregate retention and is in line with the administration conditions of the reinsurance arrangements.



Photo by [Steve Davison](#) on [Unsplash](#)

2025-26 Cyclone Season Update

The official Australian tropical cyclone season for 2025–26 commenced on 1 November 2025 and will conclude on 30 April 2026.

Nine tropical cyclones have been declared during the cyclone season so far. The BoM has described the season as having an unusually active start, with six named systems forming or entering the Western region by early January 2026 — one of the most active early-season periods since 1973–74.

Cyclone activity continued beyond mid-season, with Tropical Cyclone Narelle impacting parts of northern Australia in March. Based on advice from the BoM, Narelle resulted in two separate Declared Cyclone Events under the Terrorism and Cyclone Insurance Act 2003, following the system’s re-intensification - the first time the scheme has treated a single named cyclone as two declared events.

As the season approaches its conclusion at the end of April, ARPC continues to monitor conditions and remains operationally ready to respond to cyclone activity that meets the legislative requirements of a Declared Cyclone Event. Where insured losses arise, ARPC will work closely with insurers to support claims management and timely outcomes for affected policyholders.

Recent Declarations

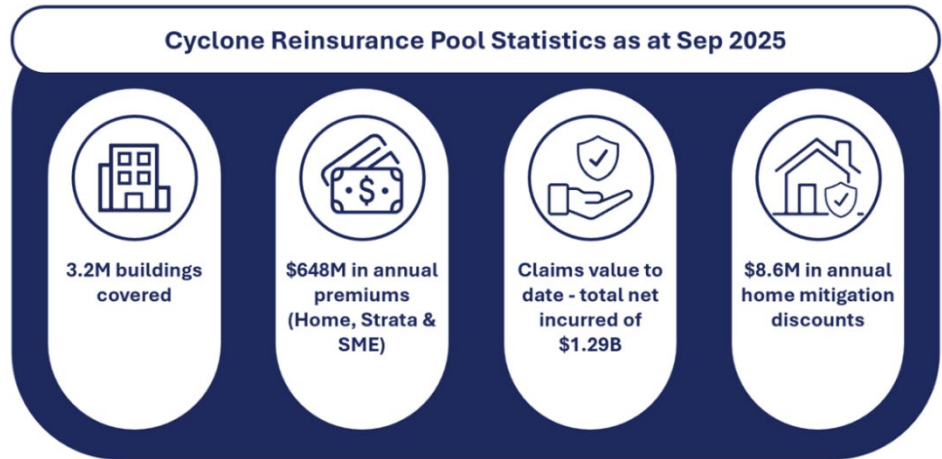


Cyclone pool statistical report

ARPC has released its quarterly statistics for the cyclone pool providing updated data on premiums, exposures, coverage and claims as at 30 September 2025. The cyclone pool now reinsures approximately 3.2 million buildings, with total annual premium reaching \$648 million across Home, Strata and SME policies.

Average annual premiums were \$187 for Home, \$761 for Strata and \$238 for SME risks. Consistent with earlier quarters, the highest Home building premiums remain concentrated in cyclone-prone regions including Mackay, Proserpine and Offshore Islands, Cairns, Kununurra–Broome and the Pilbara, reflecting elevated hazard levels and higher wind risk bands.

As at 31 October 2025, the cyclone pool has received 119,505 claims, with \$605 million paid to date and \$1.29 billion in net incurred losses. Tropical Cyclone Alfred accounts for the majority of claims activity, with Cyclones Jasper, Kirrily, Sean and Zelia also contributing to loss experience during the period.



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