Australian Government
Australian Reinsurance Pool Corporation

UNDER THE COVER

NEWSLETTER | JULY 2026

Dr Chris Wallace, ARPC Chief Executive

A message from our CEO

Welcome to the latest edition of Under the Cover.

This edition reflects a period of continued activity and milestones for ARPC. The 2025-26 cyclone season has now ended, with several declared events across different regions. While activity has been elevated, overall losses remain within expectations.

The ACCC recently released its fifth and final insurance monitoring report. Its independent assessment confirms the cyclone pool is helping to lower reinsurance costs and moderate premium increases for households and small businesses in higher-risk cyclone areas, while highlighting the ongoing importance of mitigation and resilience in addressing broader affordability challenges.

ARPC also participated in the OECD-ADBI Roundtable on Insurance and Retirement Savings in Asia in Colombo, Sri Lanka. The event provided an opportunity to share Australia's experience with the Cyclone Reinsurance Pool and contribute to regional discussions on climate risk, insurance affordability and resilience.

Encouragingly, the latest quarterly statistics demonstrate the continued growth and maturity of the cyclone pool, with expanding insurer participation and sustained support for households and small businesses in higher-risk regions.

This edition also marks an important leadership transition for ARPC. After more than two decades of outstanding service, our Chief Underwriting Officer, Mike Pennell PSM, will retire later this year. Mike has made a significant contribution to both the terrorism reinsurance scheme and the establishment of the cyclone pool.

We are pleased to have appointed Cameron Hick as Chief Underwriting Officer Designate. Cameron brings extensive global reinsurance experience and is working closely with Mike to ensure a smooth transition.

We have also welcomed a number of Board appointments and reappointments, ensuring the continued mix of expertise and experience needed to support ARPC's work.

Across all of this, our focus remains consistent - providing certainty for insurers, supporting access to affordable cover, and making sure both schemes continue to operate effectively in a changing risk environment.

What's in this issue

ARPC welcomes new Board appointments

The Hon Dr Daniel Mulino MP, Assistant Treasurer and Minister for Financial Services, has announced a round of appointments and reappointments to the ARPC Board.

Ms Julie-Anne Schafer has been reappointed as Chair until July 2030, alongside the reappointment of Board members Ms Eilis Hurley, Ms Fran Raymond and Mr Greg Nucifora. Ms Evelyn Horton and Mr Kent Griffin have been reappointed until July 2028, and Mr Guy Thorburn continues as a part-time observer.

ARPC also welcomes Mr Robert McLean as a new Board member. Mr McLean brings more than 20 years' experience in insurance and financial management, including senior leadership roles in Queensland's injury and motor accident insurance schemes.

ARPC Chair Julie-Anne Schafer said the appointments reinforce the strength and depth of expertise across the Board and will support ARPC's purpose in delivering public reinsurance for terrorism and cyclone risks.

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Appointment of Chief Underwriting Officer

Cameron Hick, ARPC Chief Underwriting Officer Designate

ARPC has announced a planned leadership transition in its underwriting function, with Cameron Hick appointed as Chief Underwriting Officer Designate ahead of the retirement of current Chief Underwriting Officer, Michael (Mike) Pennell PSM.

Mr Hick commenced in the designate role in June 2026 and will work closely with Mr Pennell to ensure an orderly transition prior to his leave on 14 September 2026 and retirement on 27 November 2026.

Mr Pennell will retire following more than two decades of service to ARPC and a distinguished career in reinsurance. He has played a pivotal role in the development and evolution of Australia's terrorism reinsurance arrangements and, more recently, in establishing the cyclone pool.

Mr Hick brings nearly 30 years' experience in the global reinsurance market across underwriting, broking, client management and portfolio strategy. Since joining ARPC in 2024 as Head of Technical Underwriting, he has led technical underwriting across both the terrorism and cyclone pools.

ARPC Chief Executive Dr Christopher Wallace said the transition reflects both the strength of ARPC's existing capability and its focus on continuity and future readiness.

Read more

ACCC Final Report Confirms Cyclone Pool Benefits

ARPC has welcomed the ACCC's fifth and final insurance monitoring report, which confirms the Cyclone Reinsurance Pool is helping reduce reinsurance costs and moderate premium increases for households and small businesses in higher cyclone-risk areas.

The report found insurers are passing through savings from the pool to policyholders, with many customers in medium to high-risk regions experiencing lower average premiums. It also noted that affordability challenges remain due to broader pressures including extreme weather, claims costs and inflation.

ARPC Chief Executive Dr Christopher Wallace acknowledged the ACCC's important role in providing transparency and independent oversight throughout the pool's implementation and said ARPC remains focused on supporting resilience, improving understanding of risk and contributing to more sustainable and affordable insurance outcomes in cyclone-prone communities.

Read more

ARPC at OECD-ADBI Climate Risk Roundtable

ARPC Chief Executive Dr Christopher Wallace recently delivered opening remarks at the OECD-ADBI Roundtable on Insurance and Retirement Savings in Asia in Colombo, Sri Lanka, as part of a session examining innovative approaches to addressing evolving climate risks.

Drawing on Australia's experience with the Cyclone Reinsurance Pool, Dr Wallace outlined how governments and private insurers can work together to improve insurance affordability and access in high-risk regions while maintaining incentives for resilience and mitigation.

He highlighted the pool's role in reducing insurance premiums and improving availability across northern Australia, while emphasising the importance of designing schemes that can absorb catastrophe risk volatility and remain sustainable over the long term.

Dr Wallace also stressed that addressing climate risk requires more than insurance alone, with resilience outcomes depending on coordinated action across government, industry and communities. He encouraged greater regional collaboration and knowledge sharing, noting that climate risk is a shared challenge across the Asia-Pacific.

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Cyclone reinsurance pool claim payments surpass $1 billion

ARPC has reached a major milestone in the operation of the cyclone reinsurance pool, with total claim payments now exceeding $1 billion since the scheme commenced.

Since its establishment, ARPC has made claim payments relating to 20 declared cyclones and supported residential, small and medium enterprise (SME) and strata policyholders across northern Australia. A significant proportion of payments relate to Tropical Cyclone Alfred, reflecting the scale and severity of that event and the widespread damage it caused.

ARPC Chief Executive Officer Dr Christopher Wallace said the milestone highlights the role of the pool in strengthening resilience in cyclone-prone regions and helping reduce the cost of insurance in higher-risk areas.

Read more

Cyclone pool continues to support affordability and access in high risk areas

ARPC has released its latest Premium Assessment, confirming the cyclone pool is continuing to improve insurance affordability and availability in Australia's highest cyclone risk regions.

The report shows that average home insurance premiums in the highest cyclone risk areas have fallen by 37 per cent since October 2022, since the pool was introduced.

Access to insurance has also strengthened, with a 27 per cent increase in policy availability in the highest risk areas since October 2022, as insurer participation in the pool has expanded.

ARPC publishes quarterly Cyclone Pool statistics as at 31 December 2025

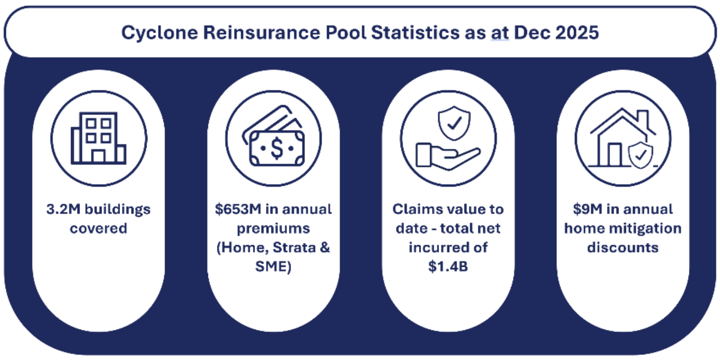
ARPC has released its latest quarterly cyclone pool statistics, showing continued growth in coverage and ongoing support for households and small businesses in cyclone-prone regions.

The cyclone pool now reinsures approximately 3.2 million properties, reflecting continued expansion as insurer participation matures.

Total annual cyclone pool premiums are approximately $653 million, with average premiums broadly stable across recent quarters at around $189 for home, $778 for strata and $237 for SME policies.

Claims activity remains significant, with more than 126,000 claims received and a total net incurred value of approximately $1.4 billion, driven in part by major cyclone events including Tropical Cyclone Alfred.

Read more



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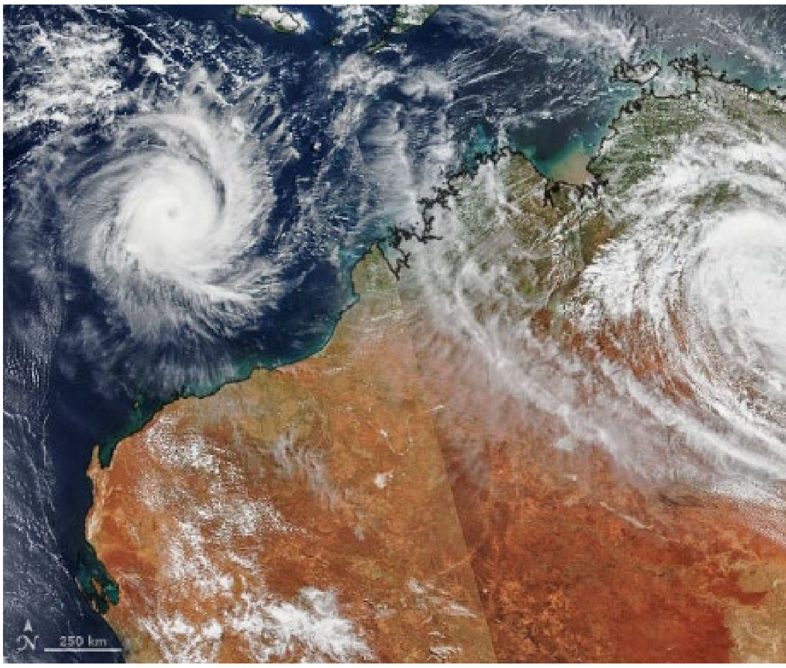
ARPC Update: 2025–26 Declared Events and Loss Estimates



ARPC has released an update on insured losses from declared tropical cyclone events for the 2025–26 season, providing an early view of loss development across the cyclone pool.

For the season, total ultimate losses are currently estimated at approximately $267 million, based on a central estimate of $195 million and a $72 million risk margin. These figures remain unaudited and will continue to evolve as claims mature.

A total of nine declared cyclone events contributed to losses during the season. While overall activity was elevated, no single event drove material losses at a portfolio level, reflecting limited impact on major population centres.

ARPC Chief Executive Dr Christopher Wallace said the season highlighted both the performance of the cyclone pool and the evolving complexity of cyclone risk.

ARPC Chief Executive Dr Christopher Wallace said the season demonstrated the resilience of the cyclone pool, noting that losses remain within expectations and the pool continues to operate as intended—providing certainty of cover, supporting insurer balance sheets and reducing reliance on global reinsurance markets

Recent Declarations

Update to the Negligible Cyclone Risk Postcodes List

A new Notifiable Instrument has been published identifying postcodes where the risk of eligible cyclone loses is considered negligible under the *Terrorism and Cyclone Insurance Act 2003*.

From **1 July 2026**, insurers can exclude gross written premium (GWP) from these postcodes when assessing whether their eligible premium income falls below the $10 million threshold for participation in the cyclone pool.

The instrument provides clarity on which areas may be excluded from this calculation, supporting consistent application of the exemption framework.

Read more

Key dates for premium submissions

Please note the following upcoming deadlines for terrorism and cyclone pool premium submissions for the 2025–26 financial year:

Quarterly Premium Submissions

Premium submissions and payments for Q4 **(1 April – 30 June 2026)** are due by:

- **30 July 2026**

All insurers must lodge a submission, including nil returns where applicable.

Annual and GWP Reporting

- **Annual Aggregate Submission**
  Due **31 August 2026**
- **Gross Written Premium (GWP) Declaration**
  - **Non-authorised insurers:** due **31 August 2026**
  - **APRA-authorised insurers:** due **30 September 2026**

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

Ask an expert

Q: For high-value residential buildings, is the $50 million threshold based on the total policy sum insured or the building value?

A: No. Under the Terrorism and Cyclone Insurance Regulations 2003, the $50 million threshold applies only to the building value, not the total policy sum insured.

Key dates

2026 Cyclone Risk Insurance Seminar
17 November 2026

Save the date for ARPC's 2026 seminar, where industry and government leaders will share perspectives on cyclone risk, insurance market developments and building long-term resilience.