Australian Government
Australian Reinsurance Pool Corporation

ARPC Corporate Plan 2026–30

Acknowledgment of Country

Australian Reinsurance Pool Corporation (ARPC) acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea, and community. We pay respects to their Elders, past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

ARPC offices are located on the land of the Gadigal people of the Eora Nation.

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Julie-Anne Schafer | Chair, ARPC

01 Chair’s foreword

I am pleased to present the Australian Reinsurance Pool Corporation (ARPC) Corporate Plan for the reporting periods from 2026–27 to 2029–30 on behalf of the Board, ARPC’s Accountable Authority, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). This is our primary planning document and has been prepared in accordance with the requirements of the PGPA Act.

ARPC is Australia’s public reinsurer for eligible policies for declared terrorism and cyclone events.

This corporate plan outlines how we will deliver on our purpose and strategic priorities, our operating environment, risks, capabilities and how we will measure our performance.

The Terrorism Reinsurance Pool (terrorism pool) commenced on 1 July 2003 and continues to operate as intended under the *Terrorism and Cyclone Insurance Act 2003* (TCI Act). In 2025–26, two terrorism incidents were declared under the TCI Act: the Bondi Beach attack on 14 December 2025 and the Perth incident on Australia Day 2026.

The Cyclone Reinsurance Pool (cyclone pool) commenced on 1 July 2022 and continues to operate as intended. Since its introduction, we have paid more than $1 billion in claims and average home insurance premiums in the highest cyclone-risk areas have fallen by 37%.

The Bondi Beach incident reminds us of the devastating impact of terrorism, and our thoughts are with the victims, their families and the broader community. While ARPC does not currently expect losses from either the Bondi Beach or Perth incidents, the declarations demonstrated the important role of the terrorism pool in providing certainty to the insurance market when terrorism events occur.

As with previous corporate plans, this plan focuses on contributing to the Australian Government’s longstanding policy of making insurance as accessible and affordable as possible. To achieve this, we will:

- continue to enhance the efficiency and effectiveness of both pools
- engage with stakeholders across government, industry and cyclone-affected communities
- invest in our people through leadership development, professional capability and a strong organisational culture
- improve access to our unique data and insights to support risk understanding, mitigation and resilience.

Our data and insights provide an important opportunity to extend the value ARPC delivers. By making better use of the information we hold, alongside relevant external data, we can deepen understanding of risk and contribute more actively to mitigation and resilience. We are investing in an enterprise data and analytics platform, supported by clear governance, to enable timely, trusted and useful insights for ARPC, government and our stakeholders.

The unique nature of ARPC’s dataset, looking across insurers via our mandated cyclone pool, is demonstrated in our recently released report on take up rates and coverage gaps for insurance in northern Australia. No other body has the ability to generate a report like this and I hope that it will be a useful tool to help build cyclone resilience in the community.

Treasury has undertaken its statutory review of the TCI Act, which considered whether the terrorism and cyclone pools should continue and whether changes are needed to support their ongoing operation. The findings and recommendations have not been released at the time of publication. ARPC will work closely with the Australian Government on the implementation of any accepted recommendations.

I look forward to continue working with my colleagues on the Board and management to help ARPC realise this Corporate Plan, and reporting on our progress in the annual performance statement in ARPC’s 2026–27 Annual Report.

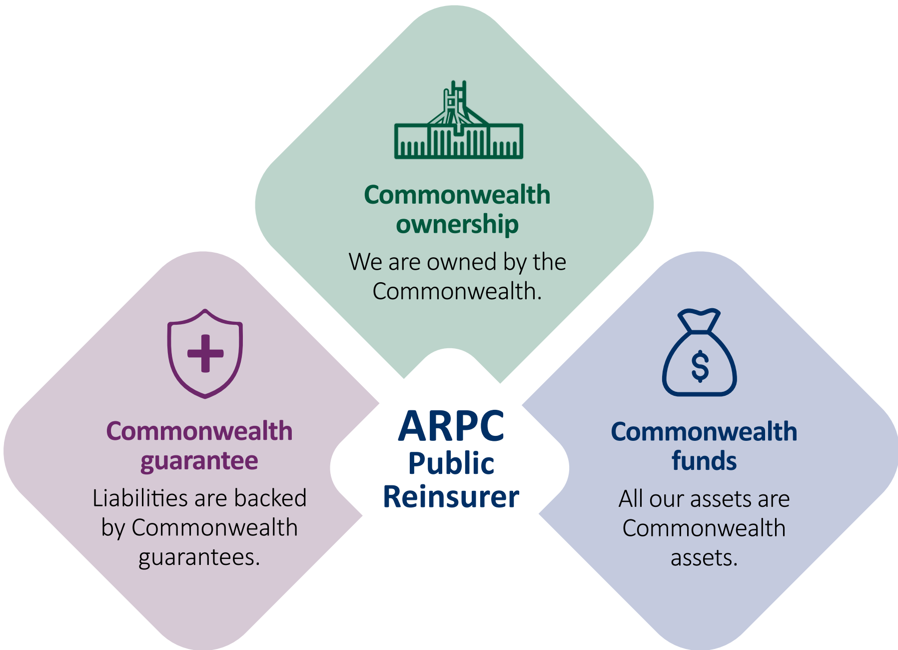
Yours sincerely

Julie-Anne Schafer
LL.B Hons, FAICD, Chair

02 Introduction

ARPC's 2026–30 Corporate Plan sets out our strategic objectives over the next 4 years and outlines our planned activities for delivering on those objectives. It also includes an overview of ARPC's operating environment, activities, risks, capabilities, and how we will measure our performance.

Figure 2.1: What it means for ARPC to be a "Public Reinsurer"



Why we exist

ARPC's purpose is to provide public reinsurance so that terrorism and cyclone insurance is more accessible, and for the cyclone pool, more affordable, for the Australian community.

Our role is to administer the terrorism and cyclone pools as set out in the legislation under the TCI Act. We do this through efficient and effective administration of 2 reinsurance pools that provide insurance coverage in defined circumstances – Declared Terrorism Incidents (DTI) and Declared Cyclone Events (DCE).

Our legislative responsibilities

ARPC is a corporate Commonwealth entity and a public financial corporation within the Treasury portfolio. We operate under the TCI Act and our statutory functions and powers under section 10 of the TCI Act are:

a. to provide reinsurance cover for eligible terrorism losses (whether by entering into contracts or by other means);
b. to operate a cyclone and related flood damage reinsurance pool by entering into contracts of reinsurance as a reinsurer;
c. any other functions prescribed by the regulations.

The Board, as ARPC's Accountable Authority, has duties under the PGPA Act to govern the entity in a way that promotes the proper use and management of public resources and the achievement of ARPC's purpose.

We will meet our legislative obligations efficiently and effectively, with care and diligence, supported by fit-for-purpose governance, risk management and assurance arrangements, disciplined financial management, and cooperation with other agencies and stakeholders where this supports shared objectives.

The Board sets ARPC's strategy, risk appetite and key financial settings, and oversees performance and risk management to support the proper, efficient and effective performance of ARPC's functions.

Our purpose sets a defined direction for the planning and execution of ARPC's strategic priorities. ARPC's purpose, role and strategic priorities are shown in Figure 2.2.

About the reinsurance pools

Terrorism pool

The terrorism pool, established in 2003, provides insurers with reinsurance for commercial property and associated business interruption losses arising from DTIs.

As at 30 June 2026, the terrorism pool protected more than 835,000 eligible insured property assets including commercial, industrial and construction risks, plus high-value mixed-use buildings.

The available funding to meet liabilities arising from a DTI comprises a $10 billion Commonwealth guarantee, a $2 billion retrocession reinsurance program placed with private sector reinsurers, and investments held by ARPC. In accordance with subsection 6(7) of the TCI Act, a reduction percentage may be applied to claims so that payments under the Commonwealth guarantee do not exceed the $10 billion limit.

Cyclone pool

The cyclone pool, established in 2022, provides insurers with reinsurance for household, strata and small business property insurance for losses arising from cyclone and cyclone-related flooding for DCEs. This includes wind, rain, rainwater, rainwater run-off, storm surge, and riverine flood damage caused during a DCE.

The cover period is for the duration of the named cyclone (as defined under the Act and advised to ARPC by the Bureau of Meteorology), plus a period of 48 hours after the end of the cyclone.

Financial assets held by ARPC are used to meet future cyclone claim liabilities and are supported by a $10 billion annually reinstated and adjustable Commonwealth guarantee.

Insurers with $10 million or more gross written premiums per annum of eligible insurance business are required to join the cyclone pool.

> We will meet our legislative obligations efficiently and effectively, with care and diligence, supported by fit-for-purpose governance, risk management and assurance arrangements, disciplined financial management, and cooperation with other agencies and stakeholders where this supports shared objectives.

Our strategic priorities and key activities

ARPC has 4 strategic priorities aligned to our purpose and role. Our focus is administering the pools, leveraging our unique data and insights, supporting risk mitigation to put downward pressure on cyclone insurance premiums, and strengthening our customer and risk-focused culture.

Figure 2.2: ARPC 2026–27 strategy

Purpose

ARPC's purpose is to provide public reinsurance to improve the accessibility and affordability of insurance for the Australian community for terrorism and cyclone risks.

Role

ARPC's role is to administer the terrorism and cyclone reinsurance pools as legislated.

Strategic priorities

Deliver efficient, effective, and sustainable reinsurance to insurers.

Doing this well means operating the reinsurance pools as legislated so they provide their intended benefit to the Australian community.

Build and share data, analytics, and insights to support understanding of terrorism and cyclone risk.

Doing this well means stakeholders across the government and the insurance industry can leverage the data and insights shared by us for the benefit of the Australian community.

Within our functions and powers, support risk mitigation initiatives to put downward pressure on cyclone premiums and support a disaster-resilient Australia.

Doing this well means collaborating with government, industry and stakeholders to support a coordinated, evidence-based approach to reducing underlying risk. This will strengthen long-term resilience outcomes and contribute to reducing claims costs over time.

Continue to build capability and a customer and risk-focused culture to drive ongoing improvements in performance.

Doing this well means operating the pools efficiently and effectively through investment in our people, processes and systems, strengthening organisational capability and supporting confident delivery.

Corporate values

Integrity | Respect | Service | Wellbeing

Key activities

Over the 4 year term of this plan, ARPC will undertake key activities to deliver on these priorities.

Key activities

Priority	Key activities
1. Deliver efficient, effective and sustainable reinsurance to insurers.	▪ Efficiently and effectively collect premiums, pay claims, and manage pool assets and the risks affecting the reinsurance pools. ▪ Work with insurers to ensure compliance with the legislation, regulations and reinsurance agreement. ▪ Assess the purchase of terrorism retrocession placed for ARPC's and the Commonwealth's risk and balance sheet management purposes. ▪ Maintain and develop our terrorism catastrophe modelling for use in response to a DTI. ▪ Continue to review and refine Cyclone Reinsurance Pool pricing catastrophe modelling to enhance our view of risk to support cyclone pool performance.
2. Build and share data, analytics, and insights to support understanding of terrorism and cyclone risk.	▪ Invest in enterprise data and analytics capability to support secure, governed and scalable insights. ▪ Develop and publish data-driven research and analytics on terrorism and cyclone risk, including non-insurance, underinsurance and the impacts of risk mitigation. ▪ Deliver actuarial and analytical outputs, including the Financial Outlook Report and pricing analysis, to support pool performance. ▪ Publish regular statistics and insights derived from ARPC datasets to improve transparency and understanding of risk. ▪ Share aggregated, de-identified data and insights with government and stakeholders to support mitigation and resilience initiatives. ▪ Build internal analytical capability and data literacy so insight generation and data governance are embedded across ARPC.
3. Within our functions and powers, support risk mitigation initiatives to put downward pressure on cyclone premiums and support a disaster-resilient Australia.	▪ Enable a better understanding of risk and insurance affordability across government through sharing de-identified and aggregated data with government agencies, to support disaster risk mitigation activities. ▪ Collaborate and support government policy development, industry and stakeholders, aiming to enhance resilience and reduce the impact of future events. ▪ Support effective and efficient delivery of risk mitigation activities through the claims process and relevant government departments, global networks and forums. ▪ Continue to engage in research and analysis to improve how mitigation is recognised in cyclone pool pricing to reduce premiums further. ▪ Promote community awareness of effective mitigation support and available discounts through our website, statistical publications, and stakeholder forums, as part of education and awareness efforts.
4. Continue to build capability and a customer and risk-focused culture to drive ongoing improvements in performance.	▪ Optimise core processes and systems to support efficient, effective and resilient operation of the reinsurance pools. ▪ Continue to build organisational capability and modern ways of working, including data and AI enablement and leadership development, to strengthen performance, collaboration and decision making. ▪ Continue to strengthen a constructive culture through clear behavioural expectations, leadership development and continuous improvement. ▪ Continue to strengthen risk capability and mature risk management to support confident delivery and informed decision making within risk appetite.

03 Our operating context

Environment

ARPC operates in a complex environment, connecting the insurance and reinsurance industries with the public sector. Our operating context is shaped by an evolving risk landscape including global and domestic terrorism threats and cyclone events, conditions in the Australian economy and developments in the insurance and reinsurance industry.

Terrorism pool

The terrorism pool is a reinsurance arrangement between ARPC and participating insurers. ARPC administers the terrorism pool to support terrorism insurance affordability and availability and provide financial protection in the event of a DTI. Recent examples include the Treasurer's declaration of the 14 December 2025 Bondi Beach attack as a terrorism incident under the TCI Act and the declaration on 20 March 2026 that the attempted bombing of a crowd in Perth on 26 January 2026 was a terrorism incident under the TCI Act. These highlight the importance of maintaining operational readiness.

Australian Threat Level

According to the Australian Security Intelligence Organisation (ASIO) Australia's national terrorism threat level is PROBABLE, indicating a greater than 50% likelihood of a domestic terrorist attack or credible attack planning within the next 12 months.

ASIO advises that weapons and tactics are typically shaped by accessibility, capability and target characteristics. In the short to medium term, attacks in Australia are expected to primarily involve lone actors or small groups using readily accessible weapons and relatively simple tactics. While methodologies continue to evolve and some individuals may aspire to more complex attacks, only a minority of attacks are likely to involve sophisticated planning or execution.

> ARPC operates in a complex environment, connecting the insurance and reinsurance industries with the public sector.

Retrocession program

Each year, we assess the placement of a terrorism retrocession (private market reinsurance) program. This protects terrorism net assets and provides additional capacity to pay terrorism claims. The retrocession program also reduces the likelihood of drawing on the $10 billion Commonwealth guarantee for the terrorism pool.

In December 2025, the retrocession cover was successfully renegotiated with a term of up to 3 years. The structure of the retrocession program was reviewed in mid-2025, and a decision was made to increase ARPC's retrocession retention to $500 million and reduce the cover to $2 billion.

In the year ended 30 June 2026, the $2 billion terrorism retrocession program, plus ARPC's invested assets, and the $10 billion Commonwealth guarantee, provided approximately $14 billion terrorism scheme capacity in the event of a DTI against eligible property assets.

Terrorism reinsurance premiums

We fund the terrorism pool by charging reinsurance premiums to insurers who elect to join the terrorism pool. The TCI Act states that ARPC has the power to do all things necessary or convenient for, or in connection with, the performance of its functions, including:

- the power to charge premiums in respect of contracts of insurance for which it is the reinsurer, and
- the power to charge fees for services that it provides in connection with the performance of its functions.

Reinsurance premium tier rates for the terrorism pool are set by the Minister and based on postcodes comprising Tiers A, B and C. The tiered model reflects relative terrorism exposure across geographic areas, using population density as a proxy for risk. Terrorism reinsurance premiums are applied to the underlying insurance premium charged by the insurer.

Terrorism claims

We will confirm any announcement by the responsible Minister (the Assistant Treasurer) of a DTI via our website and to insurers who reinsure their eligible terrorism exposure to us. When a DTI is announced, it is the responsibility of the insurer to assess, adjust and pay eligible terrorism losses in accordance with the original policy terms and conditions, while ignoring the terrorism exclusion clause in insurance policies. Insurers then submit their claims for recovery in accordance with the terms and conditions of their terrorism reinsurance contracts with us.

Cyclone pool

The cyclone pool is a reinsurance arrangement between ARPC and participating insurers and is designed to reduce the reinsurance costs associated with cyclone and cyclone-related flood damage in medium to high-risk areas. By lowering this key cost component, the pool supports improved affordability and availability of insurance for households, residential strata and small businesses in cyclone-prone regions. Participation in the pool is mandatory for eligible insurers under the Act. A list of all participating insurers in the cyclone pool is available on our website.

The pool is funded through reinsurance premiums paid by participating insurers, which have been set by ARPC to align with expected claims and operating costs. It is further supported by an annually reinstated and adjustable $10 billion Commonwealth guarantee, together with ARPC's invested assets, ensuring the pool holds sufficient capital to meet claims obligations in years of significant cyclone losses.

Cyclone premiums

Reinsurance premiums are calculated using property-level risk factors including location, building characteristics and mitigation features, ensuring pricing remains risk-based while maintaining incentives for resilience.

The pricing formula uses property-level data such as geography, building characteristics and mitigation. It has been developed in line with the principles that the cyclone pool will:

- be cost-neutral over the longer term
- lower the reinsurance cost for most policies with medium-to-high exposure to cyclone risk
- have minimal impact on policy premiums for lower cyclone-risk properties
- maintain incentives for risk reduction and offer discounts for properties that undertake mitigation.

Mackay, Queensland which was impacted by Tropical Cyclone Koji in January 2026

Cyclone claims

The Australian cyclone season typically runs from November to April, although cyclones can occur outside this period.

Since the cyclone pool commenced on 1 July 2022, it has paid $1 billion in claims to insurers for 22 cyclones impacting the Australian community (as at 30 June 2026):

- 2024–2025 season was the most significant year for the cyclone pool. Tropical Cyclone Alfred accounted for approximately 98% of claims and losses during that season, making it the costliest period for the pool since its inception.
- 2025–26 season has had 9 DCEs (as at 30 June 2026).

Through the cyclone pool, ARPC strengthens the resilience and sustainability of Australia's insurance market. By combining risk-based pricing, cross-subsidies, strong capital support and incentives for mitigation, the pool promotes long-term affordability and availability of cover. As climate risks evolve, ARPC will continue to ensure the pool remains sustainable and responsive to the needs of cyclone-prone communities.

Capability

Through our people, technology and information security and financial capabilities, ARPC will deliver its purpose and role. These capabilities enable us to administer the pools effectively, maintain strong stewardship of public resources, support risk-based decision-making and deliver reliable services.

People

ARPC relies on the capability, judgement and contribution of its people to deliver our strategic priorities.

We will continue to develop and support our workforce capability and culture to administer the terrorism and cyclone pools effectively, maintain strong stewardship and risk management, and deliver high quality service to insurers and stakeholders.

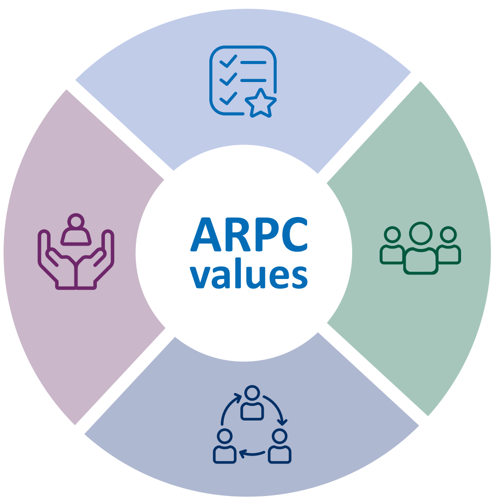
This includes investing in leadership, clear performance expectations and ways of working that promote achievement, accountability, collaboration and constructive challenge to strengthen decision making.

ARPC's values (Figure 3.1) and organisational structure (Figure 3.2) together provide the cultural and organisational foundations for clear accountabilities and workforce capability aligned to our purpose and role.

Figure 3.1: ARPC values

Service

We are responsive and anticipate the needs of stakeholders. We always strive to deliver quality outcomes.



Wellbeing

We help, support and check in with each other. We lead wellbeing practice by example and welcome people with diverse backgrounds.

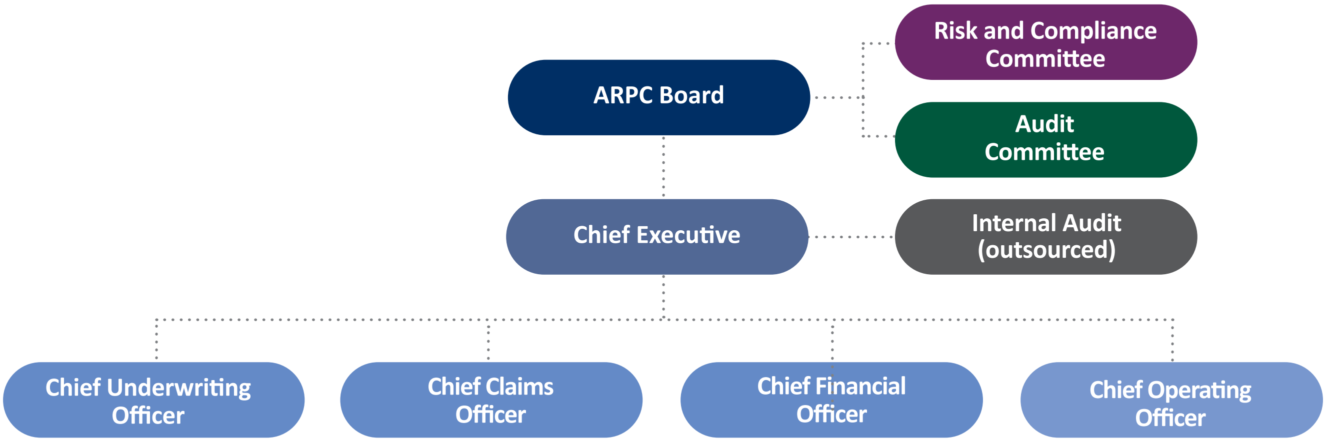
Integrity

We are honest and show integrity in all our interactions. We do what we say we will do and actively seek to fulfill our obligations. Our integrity shapes our behaviour, our purpose, and our delivery of outcomes.

Respect

We actively seek to bring the right people together to work collaboratively and welcome new people and ideas. We respect the boundaries of our colleagues and ourselves.

Figure 3.2: ARPC organisational chart



Chief Underwriting Officer

Accountable for:
premium revenue, reinsurance contract compliance, insurer relationships, and ARPC's retrocession program.

- Underwriting Terrorism
- Underwriting Cyclone
- Premium Audit

Chief Claims Officer

Accountable for:
claims assessment, claims audit, fraud investigations, event response, and risk mitigation.

- Technical Claims
- Claims Assessment and Audit
- Event Response

Chief Financial Officer

Accountable for:
financial reporting, investments, actuarial, risk management, compliance, government reporting, board secretariat, legal and governance and internal audit

- Finance
- Actuarial
- Risk Management and Compliance
- Internal Audit
- Board Governance and Legal

Chief Operating Officer

Accountable for:
strategy, communications, technology and information security and people and capability

- Public Affairs and Communications
- Technology and Data Engineering.
- Information Security
- People and Capability
- Protective Security

ARPC maintains a workforce model that combines core internal capability with targeted use of co-sourced and outsourced service providers. This enables us to access specialist skills, respond flexibly to changes in workload and maintain capability in critical areas without unnecessary duplication.

We will attract, develop and retain people with the capabilities required to deliver our strategic priorities. This includes targeted workforce planning for critical roles, investment in leadership and technical development and continued uplift in data and analytics capability across the organisation.

We will also support the responsible use of approved AI-enabled tools where they improve productivity and decision support, with appropriate safeguards, training and oversight.

Technology and information security

ARPC will maintain resilient, secure and fit-for-purpose technology services, invest in data and analytics capability, and strengthen cyber security to support effective administration of the terrorism and cyclone pools.

We operate in a cloud-based technology environment and host both pools on our core platform, PACE, which supports premium administration and claims processing. We will continue to strengthen fit-for-purpose data and analytics capability to support reporting, insight generation and informed decision making.

We will continue to invest in modern information and communications technology to support our people to work effectively across office and remote settings and to sustain reliable digital services for external stakeholders.

Cyber security remains a critical enabling capability, and ARPC will continue to maintain controls and uplift activity aligned to Australian Government expectations and our risk profile.

We will use approved AI-enabled tools selectively, with appropriate safeguards, oversight and alignment to Australian Government AI policy settings.

Financial

Our Capital Management Policy prioritises adequate asset liquidity to fund reinsurance claims made through either pool. Target asset levels are set with reference to modelling of expected catastrophe events, and the retrocession program which supports the terrorism pool.

We publish a Financial Outlook Report on the cyclone pool annually, in accordance with legislation and regulations. It includes an overview of recent and projected financial outcomes, assesses the adequacy of premium rates and of reserves, and offers observations on capital management and broader risks affecting the pool's financial outlook. The total cyclone reinsurance premium collected by ARPC annually is set based on the expected Average Annual Loss (AAL) over the long term and operating expenses.

Detailed performance measures for the financial capabilities for each period of this corporate plan are provided in **Section 4: Our Performance**.

Table 3.3: ARPC financial capability forecast (budget)

Financial capability	Terrorism pool 2026–27	Cyclone pool 2026–27	Consolidated 2026–27
Total funding available for claims	$13,696.5m	$9,317.4m	$23,013.9m
Premium income p.a. (gross written premium)	$411.4m	$701.9m	$1,113.3m
Payments to Government p.a.	$90m	Nil	$90m
Commonwealth guarantee	$10 billion	$10 billion*	$20 billion*
Reinsurance sector funding for claims (retrocession program)	$2 billion	Nil	$2 billion
Invested assets	$2,272m	$266.3m	$2,538.3m
Operating expenses	$13.5m	$16.9m	$30.4m

* Annually reinstated and adjustable by the Minister if not sufficient to cover obligations of the cyclone pool.

Governance

ARPC is governed by its Accountable Authority (the Board), which consists of a part-time Chair and 6 to 8 part-time Members appointed by the responsible Minister. The Treasurer is the responsible Minister for governance and policy-related matters, and the Assistant Treasurer is the responsible Minister for all other matters.

The Board appoints the Chief Executive who manages our affairs subject to the Board's direction and policies.

The Board established an Audit Committee in compliance with section 45 of the PGPA Act and section 17 of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). In addition, the Board established a Risk and Compliance Committee to support the oversight of risk. Collectively, the committees assist the Board to discharge its responsibilities to provide oversight and review of financial reporting, performance reporting, systems of risk oversight and management, and systems of internal control.

The TCI Act requires the Minister to undertake a periodic statutory review (currently every 5 years) of ARPC and the schemes we administer. Treasury has completed the latest review, which was due as soon as practical after 1 July 2025. At the time of publication, the findings and any recommendations had not been released.

Accountabilities

The Board's duties are set out in the relevant legislation. Board and Committee charters, and Board-approved policies establish further responsibilities for key activities such as risk management, financial and non-financial delegations, and capital and liquidity management.

Our financial statements are audited annually by the Australian National Audit Office and published in our annual report.

ARPC has adopted a "Three Lines" model to clarify risk management roles:

- Line 1 (Management): Owns and manages risks, embedding risk practices into day-to-day operations.
- Line 2 (Risk and Compliance): Provides operationally independent advice on and oversight of risk.
- Line 3 (Internal Audit): Provides assurance independent of management.

Sydney, NSW

Risk management

The Risk Appetite Statement (RAS) and Risk Management Policy (RMP) support compliance with section 16 of the PGPA Act and delivery of our mandate under the TCI Act.

The RAS and RMP are embedded through a range of activities to support the role of all ARPC staff in managing risk.

Key risks

A description of ARPC's key risks and mitigations is outlined below in Table 3.2.

Table 3.2: Risk approach and mitigation actions

Risk category	Key risk	Mitigation actions
Strategic risk	Failure to deliver on strategic priorities, affecting pool affordability and accessibility, leading to reputational harm.	▪ Regular engagement with key stakeholders (including sharing of data and information) to support transparency and pool effectiveness. ▪ Monitoring external developments to ensure responsiveness to emerging strategic risks.
Financial risk	Inadequate capital and liquidity management, leading to failure to meet obligations.	▪ Board-approved Financial Resilience Framework and Investment Management Policy, including defined procedures and controls. Use of Liquidity and Cashflow Projection Models. ▪ Preparation and issuance of Financial Outlook Report (cyclone pool) on scheme performance, financial risks and mitigations, premium adequacy and projected financial outcomes.
Reinsurance risk	Mismanagement of reinsurance arrangements or exposure under the TCI Act, resulting in adverse financial or operational outcomes.	▪ Regular review of reinsurance arrangements, pricing adequacy and claims management practices, including controls to minimise claims leakage or claims fraud. ▪ Independent actuarial advice. ▪ Scenario testing and simulation exercises.
Operational risk	Failures in systems, processes, or compliance resulting in financial loss or reputational harm.	▪ Implementation of policies, procedures and controls to manage material operational risks such as cyber security, AI, data, people, material suppliers, and major disruptions.

Cooperation

The organisations listed below assist us to deliver on our purpose and role and strategic priorities. It is through these relationships and cooperation that ARPC also contributes to the delivery of the Commonwealth Government's priorities and interests.

Treasury	We are an entity within the Treasury portfolio. Treasury assists us to meet the needs of the Government.
Australian Government Actuary (AGA)	The ARPC Board appointed the AGA as our Reviewing Actuary for the cyclone pool. The AGA also performs a role as Board Observer appointed by our responsible Minister.
National Emergency Management Authority (NEMA)	We work with NEMA on initiatives and data sharing in relation to risk mitigation.
Australian Bureau of Statistics (ABS)	We work with ABS on initiatives and data sharing in relation to cyclone risk mitigation.
Bureau of Meteorology (the Bureau)	As Australia's weather agency, the Bureau will observe when a cyclone begins and ends. If it observes that a cyclone exists and is likely to affect any part of Australia, the Bureau must notify us regarding the cyclone within 24 hours. If a cyclone re-intensifies and/or ends, a similar process must be followed with the Bureau.
Defence Science and Technology Group	Our terrorism bio/chemical catastrophe model utilises inputs from the Federal Government's Defence Science and Technology Group.
Department of Home Affairs	We use the Australian National Threat Level determined by the Australian Security Intelligence Organisation (ASIO), which is part of the Department of Home Affairs, as an input for our probabilistic blast model.
Geoscience Australia	We work with Geoscience Australia to build terrorism blast and plume catastrophe models. These models assist us to estimate the cost of potential attacks and design a terrorism pool size that meets the needs of the Australian economy. The models also help educate and inform global reinsurers about the risk, so they can provide capital to support terrorism reinsurance in Australia.

04 Our performance

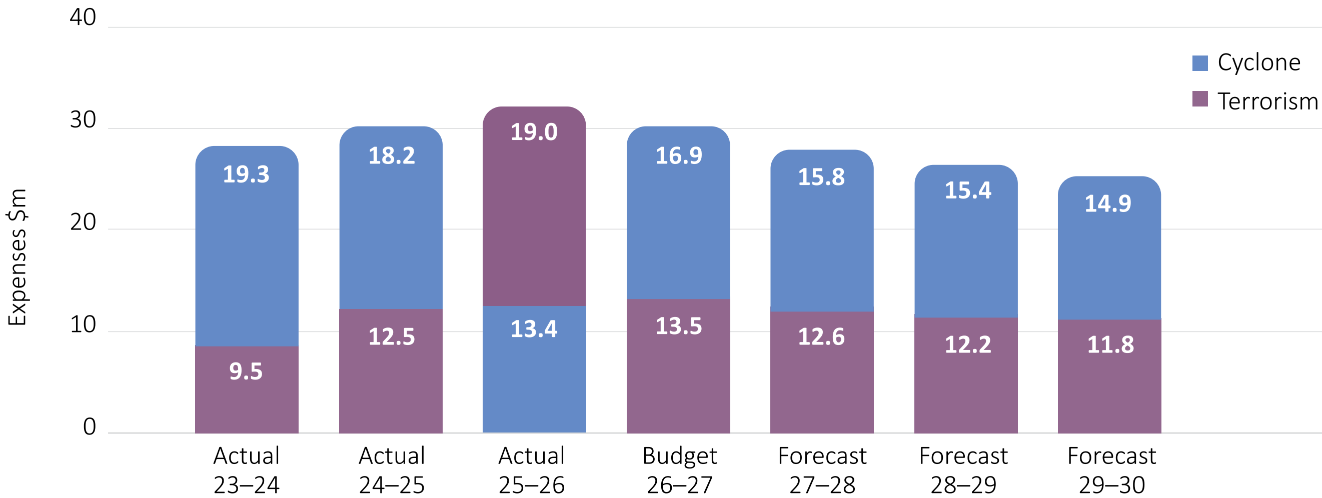
We will achieve our purpose by delivering on the strategic priorities summarised in Table 4.1. We will continue to mature our performance measures, as we collect data and refine our assessment methodologies.

Our performance measures and targets for each strategic priority in this corporate plan are outlined below. The targets are applicable to each reporting period covered by this plan.

Table 4.1: Performance measures

Performance measure	Assessment criteria	Target
Measure 1 Cyclone pool premium effectiveness and affordability	Assessing the impact of the cyclone pool through the annual Financial Outlook Report	Publication of annual Financial Outlook Report and closure of management actions within target timelines.
Measure 2 Share data and insights	Engagement with stakeholders in government and the insurance industry	Publish one or more statistical publications on the ARPC website on cyclone risk to share ARPC insights and research on affordability and accessibility of insurance, and host a terrorism and a cyclone industry seminar.
Measure 3 Financial resilience	Adequate liquidity of assets	Meet all financial obligations per reinsurance contracts over the period from ARPC assets or Commonwealth guarantee.
Measure 4 Operational efficiency	Operating expenses within budget	Manage operating expenses within board-approved budget of $30.4m for 2026–27. See Figure 4.1.
Measure 5 Insurer customer satisfaction	Annual survey of insurer customers to inform future engagement	**Terrorism:** Terrorism Stakeholder Perception Index score greater than 70%. Insights from survey considered and appropriate program of activities identified and implemented within targeted timelines. **Cyclone:** Cyclone Stakeholder Perception Index score greater than 70%. Insights from survey considered and appropriate program of activities identified and implemented within targeted timelines.

Table 4.1: General operating expenses – Measure 4 further detail



05 Appendix

Reinsurance glossary

Capacity	The ability of an insurer, reinsurer, syndicate, or market to absorb risk.
Ceding	Passing a portion or all of the risk associated with an insurance policy to another insurer.
Gross Written Premium (GWP)	GWP is the total revenue from a contract expected to be received by an (re) insurer before deductions for reinsurance or ceding commissions.
Reinsurance	Reinsurance is insurance that is purchased by an insurance company from one or many reinsurance companies (the reinsurer) directly or through a broker, as a means of risk management.
Retention	The amount retained by a reinsured after placing reinsurance.
Retrocession	Retrocession is the reinsuring of a risk by a reinsurer. Reinsurance companies cede risks under retrocession agreements to other reinsurers, for reasons similar to those that cause primary insurers to purchase reinsurance.

Australian Government
Australian Reinsurance Pool Corporation

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