



**STRATA COMMUNITY
INSURANCE**

19th, December 2023

Strata Community Insurance to enter Cyclone Reinsurance Pool

In response to insurance affordability concerns in Northern Australia, the Australian Federal Government introduced the Cyclone Pool, administered by the Australian Reinsurance Pool Corporation (ARPC).

The Government then passed in 2022 the Cyclone and Flood Damage Reinsurance Pool bill. The Pool is backed by a \$10 billion Government guarantee and covers cyclone and related flood damage.

The pool will cover claims for cyclone and related flood damage arising during a cyclone event, which lasts from the time a cyclone begins until 48 hours after the cyclone ends - this is known as the cyclone event period.

Australia's weather agency, the Bureau of Meteorology (BoM), will observe the date and time when a cyclone begins and ends, and in some cases re-intensifies. Based on the BoM notification, the ARPC must then declare the start or end of a cyclone event.

Effective 31 December 2023, Strata Community Insurance will transition our strata portfolio into the pool. These risks include residential strata including mixed-use strata schemes (where 50 per cent or more of floor space is used mainly for residential purposes); and commercial strata policies with less than \$5 million total sum insured across policies covered (property and common contents) by the pool.

We welcome the introduction of the pool as a measure to improve affordability and availability of insurance especially in the strata segment where insurance is compulsory.

Customers do not need to take any action to benefit from participation in the Pool. We do suggest they review their sums insured to ensure they are following the applicable Strata Acts and have adequate cover.



The Strength of **Experience.**