QON No. 5

Legislative Assembly for the **Australian Capital Territory**
Standing Committee on Public Accounts and Administration

Inquiry into Annual and Financial Reports 2023–2024

Answer to question on notice

Asked by: Mr Andrew Braddock MLA

Addressed to: Minister for Finance

Reference: ACT Insurance Authority/ Finance/CMTEDD

Hearing: 17/02/2025
In relation to: Public Liability Insurance Premiums
Question received: 18/02/2025
Answer Due: 26/02/2025

The ACTIA annual report states on page 15 that:

There were premium decreases in relation to Property/ISR (Industrial Special Risk), with a 5.25 per cent decrease, and a decrease of 3.95 per cent for the combined Public Liability and Professional Indemnity reinsurance policy.

Given the volume of public concerns about the rising costs of public liability insurance, what were the determinative factors which allowed ACTIA to secure a decrease in these categories of insurance premiums?

Ms Rachel Stephen-Smith MLA: The answer to the Member's question is as follows:

The Territory purchases reinsurance as opposed to retail or personal insurance products from the global reinsurance market. The Territory's reinsurance arrangements take into consideration the risk or cost the Territory assumes through its self-insurance arrangements.

The premium decrease achieved for the Property/Industrial Special Risks reinsurance policy in the 2024-25 policy period was a result of increased reinsurer capacity and competition. This was driven by a variety of factors that included an improved claims experience for the previous year, the effect of changes the Territory made to the excess/deductible structure of the reinsurance policy, and more favourable global reinsurance market conditions.

The Territory secured a modest premium reduction for the Public Liability and Professional Indemnity reinsurance policy in 2024-25 because of strong competition in the market.

Approved for circulation to the Standing Committee on Public Accounts and Administration

Signature:　　　　　　　　　　　　　　　　　Date: 1/3/25

By the Minister for Finance, Rachel Stephen-Smith MLA