

# Terrorism Insurance Act Review 2018 – Terms of Reference

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## Regular enquiries

Treasury seeks stakeholder views on the following issues that are regularly reviewed every three years:

- whether there continues to be market failure in the private sector supply of terrorism insurance, and consequently whether there is a need for the Act to continue;
- whether scheme pricing could be enhanced to recognise and reward risk mitigation;
- whether there should be threshold level of losses to eligible property before commencing the process to declare a terrorist incident for the purposes of the TI Act;
- whether the strategic settings for the scheme design remain appropriate including:
  - the appropriate level of payments to Government for fees for the Commonwealth guarantee and dividends to Government as the scheme owner;
  - the appropriate level of net assets to be retained by ARPC to pay first losses and the retrocession reinsurance deductible; and
  - whether the overall level of scheme pricing remains appropriate.
- any other matters that Treasury consider of importance to the operation of the scheme.

## Recently emerging issues

Treasury is particularly interested in stakeholder views on the following recently emerging issues:

- whether the risk of cyber terrorism causing physical property damage should be included in the scheme by removing the scheme regulations exclusion for computer crime and over-riding policy exclusions for cyber terrorism; and
- the extent of coverage available for terrorism incidents causing harm to people including armed assault.