

Media Release

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For immediate release

NIBA Welcomes Statutory Review, Reinforcing Calls For Long-Term Solutions

The National Insurance Brokers Association (NIBA) welcomes the announcement by Assistant Treasurer and Minister for Financial Services, Dr Daniel Mulino MP, of a review of the *Terrorism and Cyclone Insurance Act 2003*.

This is the first statutory review of the Cyclone Reinsurance Pool since its 2022 commencement. Since then, climate risks and weather-related losses have continued to drive up insurance costs and reinsurance premiums, making insurance affordability and accessibility an ongoing challenge.

Research cited in the [Journal of International Economics](#), drawing on Munich Re NatCat statistics, shows major natural disasters can reduce GDP by up to 2% in the first year, with cumulative losses as high as 4%, in addition to direct damage to property and infrastructure. These figures underscore the need for long-term mitigation strategies to combat the macroeconomic cost of climate change.

While some cyclone-exposed customers have seen premium reductions, the [Australian Competition & Consumer Commission \(ACCC\)](#) reports that home and strata insurance prices remain generally high and rising nationwide. Insurance availability also remains a key issue. One aim of the Pool was to encourage insurers to enter or expand in Northern Australia, yet the ACCC found limited appetite to do so and no new market entrants since the Pool began. NIBA raised this risk in its submission back in 2022, noting the Pool's design did not incentivise insurers to operate in Northern Australian markets.

Insurance provides a vital safety net for Australian communities. NIBA supports the statutory review as an important checkpoint on the Pool's effectiveness. But the Pool is just one part of a broader solution. The presence of an effective Pool does not eliminate the need for employing other strategies to mitigate climate risks.

"A proactive approach to disaster mitigation, focused on long-term investments at both community and household levels, will reduce the impact of natural disasters, enhance resilience, and alleviate the financial pressures that increase insurance premiums," said NIBA CEO Richard Klipin.

NIBA looks forward to the statutory review and working with government on reforms that strengthen resilience and deliver better outcomes for all Australians.

T: +61 2 9964 9400
E: info@niba.com.au

Suite 4.01B, Level 4,
31 Market Street, Sydney
NSW 2000

Media Enquiries

Richard Klipin | Chief Executive Officer
National Insurance Brokers Association
rklipin@niba.com.au
0412 127 834

About NIBA

NIBA is the peak representative body for the general intermediated insurance profession. It serves as the collective voice of approximately 420 member firms and 15,000 individual brokers. Our membership encompasses a diverse range of entities, including large multinational insurance brokers, Australian broker networks, and small and medium-sized businesses located in cities and regional areas around Australia.

NIBA advocates for the interests of general insurance brokers and their clients, ensuring that the general industry operates with integrity and professionalism. Guided by our core pillars: Community, Representation, and Professionalism, NIBA's mission is to enhance the professional standing of insurance brokers through robust advocacy, education, and ethical standards. By fostering a collaborative and innovative environment, NIBA aims to elevate the quality of service provided to consumers and strengthen trust and confidence in the insurance broking profession.

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31 Market Street, Sydney
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