

**FREQUENTLY
ASKED QUESTIONS**

ARPC CYCLONE REINSURANCE POOL

<p>What is the Australian Reinsurance Pool Corporation?</p>	<p>The Australian Reinsurance Pool Corporation (ARPC) is responsible for administering the Pool. It is mandatory for general insurers with eligible policies to participate.</p>						
<p>Why has the Cyclone Reinsurance Pool been introduced?</p>	<p>The Pool is intended to improve accessibility and affordability of insurance for households and small businesses in cyclone-prone areas across Australia.</p> <p>The Pool operates Australia-wide but targets support to cyclone-prone areas, which are primarily located in northern Australia.</p>						
<p>What strata properties are covered by the Pool?</p>	<p>Whether a residential strata scheme or commercial strata scheme is covered by the Pool depends upon the property usage.</p> <p>If the property usage is greater than or equal to 50% residential (by floor space), then the policy is covered by the Pool.</p> <p>If not, if the commercial portion of the combined building sum insured is less than or equal to \$5M, then the policy is covered by the Pool.</p> <p>A practical example of how the qualification criteria works in the event of a mixed use scheme where the residential usage is less than 50% is illustrated below.</p> <p>Example:</p> <table data-bbox="582 1205 1348 1305"> <tr> <td>Combined sum insured (CSI):</td> <td>\$6M</td> </tr> <tr> <td>Commercial floorspace:</td> <td>60%</td> </tr> <tr> <td>Commercial portion of CSI:</td> <td>\$3.6M</td> </tr> </table> <p>Outcome: Entire strata scheme (CSI \$6M) qualifies for the Pool.</p>	Combined sum insured (CSI):	\$6M	Commercial floorspace:	60%	Commercial portion of CSI:	\$3.6M
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Commercial floorspace:	60%						
Commercial portion of CSI:	\$3.6M						
<p>What does the Pool cover?</p>	<p>The Pool covers named cyclones and any cyclone related flood damage, including wind, rain, rainwater, rainwater run-off, storm surge (if the existing policy provides this cover) and riverine flood caused by a cyclone.</p> <p>Note that for both CHU and FLEX strata policies, storm surge (and/or action by the sea, high tides) are policy exclusions under the building section.</p> <p>Claims are admissible from the time the cyclone begins until 48 hours after the cyclone ends.</p>						
<p>What will the Pool mean for my insurance premium?</p>	<p>Currently, insurers will price their risks against all weather-related perils, such as bushfire, windstorm, cyclone, earthquake and flood.</p> <p>To implement the Pool, the APRC will provide a set of pricing relativities for insurers to use for cyclone and cyclone related flood.</p> <p>Insurers still need to ensure adequate pricing for all other natural perils and any premium tendered is dependent on a number of additional factors including claims history, reinsurance costs and more.</p>						
<p>Will CHU and Flex's underwriting guidelines change now as to where they can write strata business?</p>	<p>At this stage CHU and Flex's underwriting guidelines remain unchanged.</p> <p>We will monitor the impact of the Pool and review our underwriting guidelines accordingly in future.</p>						



<p>I don't know how to make a claim in the event of a cyclone?</p>	<p>If your policy is eligible for the Pool, your cover with CHU or Flex remains as per the policy wording in place.</p> <p>In the event of a cyclone that leads to a claim, insureds can lodge their claim through CHU or Flex as they would with any other admissible claim.</p> <p>CHU and Flex then seeks recovery directly from the ARPC reinsurance Pool.</p>
<p>My renewal doesn't show how admission into the Pool has impacted my premium?</p>	<p>It is not a requirement on insurers to show the impact of the Pool.</p> <p>This is likely due to factors referenced in the previous section "What will the Pool mean for my insurance premium?". There are many factors that influence the overall premium tendered for any particular property risk.</p>
<p>How do customers make a complaint?</p>	<p>By Phone: 1300 193 174</p> <p>By Email: complaints@chu.com.au</p> <p>By Post: PO Box 500, North Sydney, NSW 2059 or Level 33, 101 Miller Street, North Sydney NSW 2060</p> <p>For full information on our complaints process please visit the links below.</p> <p>CHU https://www.chu.com.au/resource/complaints-and-disputes/</p> <p>Flex Insurance https://www.flexinsurance.com.au/resource/complaints-and-disputes/</p>

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