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Regional Development Australia TROPICAL NORTH

Media release

Insurance affordability continues to impact the Far North

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Persistent affordability pressure has emerged from the 2026 Tropical North Insurance Experience Survey gathering current experiences of insurance affordability and availability across residential, business and strata properties.

The second annual insurance survey by Regional Development Australia Tropical North received 83 entries from Cairns, Mareeba, the Cassowary Coast, Atherton Tablelands, Douglas Shire and Weipa.

Regional Development Australia (RDA) Tropical North Board Chair Hurriyet Babacan said participation was well down on the 224 responses received in 2025 when the results showed the Cyclone Reinsurance Pool had failed to reign in rising insurance costs and premiums.

“Of the 70 responses to household insurance in 2026, just one reported a decrease in their premium, two had no change and the remainder faced an increase with 89.7% of respondents describing insurance as becoming unaffordable despite 73.7% shopping around annually,” Professor Babacan said.

“One-third chose to underinsure with 59.6% having fewer insurance options with less than four choices. Risk mitigation had little effect on premiums with 73.7% taking preventative action and not receiving a premium change, while 5.3% noticed a positive change.

“The impact on businesses was most concerning this year with risk mitigation and business growth strongly affected. Business insurance increased for 12 of the 13 respondents by at least 5% with five saying the price hike was more than 16% and seven saying they were stressed about insurance costs.

“Staffing and productivity sacrifices were made by eight respondents to pay for insurance, six had expansion and investment plans affected, while six had considered closing, selling or relocating their business.

“One reported being unable to find an insurer willing to provide cover, eight held only the bare minimum cover of public liability, four could not obtain all the types of cover required and five considered their excess very unaffordable.”

One of the business owners said their reduced business cover meant they were not covered as well in 2026 despite paying a similar premium to the previous year. “Only one company would even consider insuring us for

a cyclone. It's near impossible and the premiums are phenomenal," they said.

Professor Babacan said seven responded to questions about strata properties with three describing insurance as becoming unaffordable, four reporting cost stress, three reducing essential or discretionary spending and three reporting buildings becoming run down through lack of maintenance.

"The findings support RDA Tropical North's advocacy for continued independent monitoring of regional affordability, access to suitable cover and insurance outcomes," she said.

"Clearer information is needed about premium drivers and cost breakdowns so that the consumer can understand whether the insurance pool is creating cost savings and if administration costs are eating into these savings.

"Further examination of the barrier to insurer participation and the effects of insurance pressures on household and business decisions is also needed.

"Ultimately a lack of choice and affordability of insurance premiums is placing critical constraints on the northern economy and is resulting in sub-optimal decisions being made by households and organisations to manage risk.

"Our survey results have been added to those of our Northern Regional Development Australia Alliance partners for a joint submission to the Joint Standing Committee on Northern Australia's inquiry into the implementation and effectiveness of the Cyclone Reinsurance Pool.

"RDA Tropical North will continue to work collaboratively with regional stakeholders to gather intelligence, monitor emerging challenges and build the evidence base for ongoing advocacy.

"Our continued efforts with agencies including the Australian Competition and Consumer Commission and the Australian Reinsurance Pool Corporation aim to ensure regional experiences inform ongoing monitoring and the statutory review of the Cyclone Reinsurance Pool, with a focus on achieving stronger commercial outcomes for our region and northern Australia."

Read the report: https://www.rdatropicalnorth.org.au/our-projects/tropical-north-insurance-experience/

Regional Development Australia Tropical North Inc is an independent organisation driven by community leaders to broker regional development solutions that will create jobs and grow the Far North Queensland economy.

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