An Australian Government Initiative

Regional Development Australia
TROPICAL NORTH

RDATN Submission to ACCC Insurance Monitoring Report

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Introduction

RDA Tropical North (RDATN) conducted the **2026 Tropical North Insurance Experience Survey** to gather current experiences of insurance affordability, availability and cover across residential, business and strata property owners. The survey followed the 2025 round and recorded 83 entries. It supports RDATN's regional advocacy and discussions about the practical outcomes of insurance arrangements for households and businesses.

Responses were recorded in Cairns (39), Mareeba (16), Cassowary Coast (14), Tablelands (9), Douglas (3), Croydon (1) and Weipa (1), within RDATN's broader 21-local-government-area remit.

Participation was voluntary and self-selecting. The figures describe those who answered each question, rather than all regional property owners or businesses. Question-specific counts are used throughout; respondents could participate in more than one stream.

Summary of Results by ACCC Question Areas

Residential Stream

70 entries answered the household-insurance status question; most subsequent questions received 57–64 answers.

Insurance Affordability

- **96.9%** reported a **premium increase**; two reported no change and none reported a decrease. Of 59 answering the increase-size question, 27 (**45.8%**) selected the "**15%+**" category.
- **89.7%** described insurance as **becoming unaffordable**. Of 57 answering the household-impact question, 39 (68.4%) reported cost stress, 29 (50.9%) reduced spending elsewhere and 15 (26.3%) limited or delayed property expenditure.

Underinsurance and Non-Insurance

- 65 of 70 (92.9%) held household insurance and **five did not**. Among the five answering why they lacked cover, two selected unaffordable premiums and one reported being unable to find an insurer.
- **33.3%** reported choosing to **underinsure**. In a separate coverage question, 31 of 57 (**54.4%**) held only **bare-minimum cover**, 14 (24.6%) considered their excess very unaffordable and 12 (21.1%) were happy with both cover and excess.

Insurance Availability

- **59.6%** perceived fewer insurers and **fewer than four choices**
- **None selected more insurers.**
- **73.7%** reported **shopping around annually**.

Risk Mitigation

- **73.7% reported taking protective action without noticing a premium change**, while 5.3% noticed a positive change.

Business Stream

14 entries answered the business-insurance status question; 13 answered premium-change questions and 12 answered most impact questions.

Insurance Affordability

- 12 of 13 reported premium increases and one reported a decrease. Of 12 answering the increase-size question, five selected “16%+”, two selected “11–15%” and five selected “5–10%”.
- All 12 answering the affordability question described **insurance** as **becoming unaffordable**. 7 of 12 reported **feeling stressed about insurance costs**.
- 8 of 12 reported sacrifices affecting operations, staffing or productivity. Six reported affected expansion or investment plans, and six delayed purchasing property, equipment or other assets. Four had considered closing, selling or relocating the business.

Underinsurance and Non-Insurance

- 12 of 14 held business insurance and **two did not**. Of the two without cover, **one reported being unable to find an insurer willing to provide cover** and one said the business did not require insurance.
- 8 of 12 had reduced the level or type of insurance held and six had chosen to underinsure.
- 3 of 12 held only bare-minimum cover (public liability), four could not obtain all the types of cover required and five considered their excess very unaffordable. None selected satisfaction with both cover and excess.

Insurance Availability

- 10 of 12 perceived fewer insurers and fewer than four choices; two were unsure or relied on a broker. **None selected more insurers** or about the same number.
- 8 of 12 reported shopping around annually. Three were willing to switch but could not find another insurer offering suitable cover; one said there were insufficient options.

Risk Mitigation

- 5 of 12 reported **protective action without a premium change** and one reported positive premium changes. Four said insurance costs left little for maintenance or upgrades.

Strata Stream

Seven entries answered the strata/contents insurance status question; six answered the premium-change and affordability questions, and five answered the impact, mitigation and insurer-choice questions.

Insurance Affordability

- Four of six reported an **increase in the insurance component of Body Corporate fees**, one reported a decrease and one no change.
- Three of six described insurance as **becoming unaffordable**. Of five answering the impact question, four reported cost stress, three reduced essential or discretionary spending and three reported **buildings becoming run down through lack of maintenance**.

Insurance Availability & Risk Mitigation

- Four of five perceived fewer insurers and fewer than four choices. Four of five reported that their Body Corporate shopped around annually.
- Four of five reported a proactive Body Corporate taking steps to prevent damage.

Survey Extracts

Household budgets: “I rely on pay increases to cover these costs.”

Payment arrangements: “Have changed from annual premium payments to monthly”

Location decisions: “I'm considering moving to a more affordable region”

Insurance and property purchases: “My partner and I are currently in the processing of downsizing our property from 1 acre and when we see a property to purchase we automatically look at the insurance cost of that home to see if we can afford to purchase.”

Reduced business cover: “We are now not covered as well but for a similar premium to last year. Only one company would even consider insuring us for cyclone. It’s near impossible and the premiums are phenomenal.”

Rebuilding costs: “Its is difficult to estimate what the cost of rebuilding as prices escalates when there is a major weather event such as cyclones and floods”

Strata administration: “Managing other owners expectations on the cost of BC fees is becoming an unpaid full time job”

Conclusion

The 2026 RDATN findings show persistent **affordability pressure** among participating households and businesses. Respondents reported reduced cover, financial stress, lower spending elsewhere and delayed property or business investment. Strata answers were more mixed on premium direction but also included cost stress and maintenance pressures within a very small group.

Insurer choice and recognition of protective measures remain practical issues for respondents. Most residential and business answers indicated actively shopping around, while many reported limited choice. Protective action often did not produce a noticeable premium change in respondents' experience.

The findings support RDATN's advocacy for:

- continued independent monitoring of regional affordability, access to suitable cover and insurance outcomes;
- clearer information about premium drivers, greater transparency and recognition of eligible mitigation measures; and
- further examination of barriers to insurer participation and the effects of insurance pressures on household and business decisions.