Insurance Affordability and Availability: Advocacy Report & Action Plan

20 July 2026

QUEENSLAND TOURISM INDUSTRY COUNCIL

Contents

1. About QTIC

The Queensland Tourism Industry Council (QTIC) is the peak industry body and leading advocate for Queensland's visitor economy, committed to the growth, resilience and sustainability of the state's tourism, hospitality and events sectors. As a not-for-profit, membership-based organisation, QTIC ensures the concerns and needs of tourism businesses across metropolitan, regional and remote Queensland inform government policy development, investment decisions and regulatory settings. We provide a unified industry voice and strong representation in decision-making processes affecting the visitor economy. Through delivery of workforce and skilling programs, and advocacy for attraction, access and enabling infrastructure investment, QTIC supports industry capability, productivity and long-term competitiveness.

2. Tourism's Economic Weight

Tourism and events currently support more than 277,000 direct and indirect jobs in Queensland, roughly one in every eleven jobs in the state, and generate $45.5 billion in total visitor expenditure[1]. The sector employs locals, gives young people their first job and keeps regional communities in business.

Insurance underpins it all. It gives operators the cover to invest and trade and gives consumers the confidence to book. Where insurance becomes unaffordable or unavailable, that confidence breaks down, businesses scale back and consumers spend less. Without workable cover, banks won't lend against tourism assets, investors won't commit capital, event organisers can't confirm bookings, and accommodation supply becomes less stable. Insurance sits underneath the entire visitor economy.

Nearly half (48 per cent) of Queensland's tourism and events businesses have a turnover less than $200,000 a year and 95 per cent are small businesses[2]. A turnover base that thin leaves most operators with little room to absorb cost shocks or regulatory change.

Segments of the small business insurance market show structural dysfunction, not a temporary or cyclical downturn. That conclusion is based on industry evidence, insurer and broker input, the Insurance Council of Australia's analysis of national claims trends, industry submissions to the Australian Government's 2026 Inquiry into Small Business Insurance by the Parliamentary Joint Committee on Corporations and Financial Services, and QTIC member input.

3. Executive Summary

Insurance is no longer a manageable cost of doing business for much of Queensland's tourism and events sector. Premiums have risen by hundreds of per cent for some operators, excesses regularly exceed the cost of damages, and many insurers have withdrawn entirely from market segments such as caravan parks, live music venues and parts of marine tourism. QTIC raised the same warning in 2021, when public liability premiums had already risen by an average of 33.7 per cent over the prior two years. Five years on, it's no better.

Coverage is still technically available across almost all of Queensland's visitor economy, which makes this different to typical market failure. Exclusions have expanded, excess levels have risen and coverage has narrowed to the point where many policies no longer protect the business that holds them.

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[1] *Queensland Tourism Economic Key Facts, 24 June 2026, Tourism and Events Queensland, accessed 25/06/2026* https://teq.queensland.com/content/dam/teq/corporate/corporate-searchable-assets/industry/research/dots-and-ivs-uploads/Tourism%20Economic%20Key%20Facts%20updated%2024%20June%202026.pdf

[2] *Tourism businesses in Australia, June 2025, Tourism Research Australia, accessed 18/06/2026* *https://www.tra.gov.au/en/tourism-industry-analysis/tourism-businesses-in-australia*

The drivers are structural, largely national and across the entire insurance market: social inflation, rising legal and litigation costs, growth in psychological injury claims and global reinsurance cycles. Queensland's own catastrophe exposure adds a further layer for property and disaster-exposed regions. Both the Australian and Queensland Governments hold levers that affect how this market prices and writes risk. QTIC's role is to act as an honest broker, bringing industry, insurers and government to the same table on a problem none of them can fix alone.

This paper sets out the evidence: insurance affordability and availability across the visitor economy, drawn from industry submissions, insurer and broker input, and QTIC's own workshop and member survey data. It sets a coordinated reform agenda that government, insurers and industry can action together. Small businesses across many industries are living through these pressures. While it is acknowledged that insurance reforms are required nationally across all sectors, this paper keeps its focus on tourism and events, where the exposure is often greatest.

Part of the solution sits with industry. Operators who invest in accreditation, training and risk mitigation rarely see that investment reflected in their premium, because the data linking mitigation to lower claims doesn't exist in a form insurers can use. Building that evidence base, backing it with a government-endorsed recognition framework so insurers have a consistent basis for premium offsets, and giving operators a clear, plain English picture of how their cover compares to actual replacement cost, are all within reach. Where traditional insurance doesn't serve a segment well, group purchasing, broker-led platforms, discretionary mutual funds and parametric cover can close specific gaps without replacing the existing market.

The bigger fix sits with government. Queensland's insurance duty adds a flat percentage on top of premiums that are already high for reasons businesses can't control, and redirecting some of that revenue into disaster mitigation puts money because of risk back into reducing risk. Civil liability settings need nationally consistent rules on claim farming and claim notification periods, and clarity on dangerous recreational activity legislation. The Cyclone Reinsurance Pool needs its property cap doubled to $10 million and a wider event window so it reaches the operators it was meant to support. Regulatory obligations built for the whole market need to scale to insurer size, and government needs better visibility of premium and claims data to track whether reform is working.

None of these changes are simple and none can happen alone, which is why this paper sets out 21 recommendations across seven advocacy areas, each naming who needs to act and when. QTIC will immediately establish a Tourism and Events Insurance Reform Working Group to guide implementation and track progress.

Queensland is preparing for the 2032 Olympic and Paralympic Games on the back of a tourism and events sector that insurers are pricing as a problem. Six years sounds like a long runway, but legislative change, new market models and government program design take years to embed. Whether the sector can deliver the accommodation, events capacity and regional activation the Games will need depends on whether that work starts now, not closer to 2032.

The cost of inaction is already visible in the trends this report documents. Without reform, Queensland faces fewer regional events, less accommodation capacity in disaster-exposed regions and higher prices for visitors. Asset values fall, more businesses trade underinsured, and government carriers a heavier disaster support bill after each severe weather event. Investor confidence weakens at the point Queensland needs it most. Businesses that scale back or close also stop generating the payroll tax, insurance duty and GST. Every business that exits the sector is revenue government no longer collects, on top of the direct cost to jobs and communities.

4. The State of Play

4.1 Not Solely a Queensland Weather Issue

Queensland's catastrophe exposure adds to pricing pressure for property and business interruption cover. The deterioration of the public liability market, however, comes from structural factors that operate nationally and have nothing to do with climate: social inflation (jury awards and settlements outpacing inflation), rising legal and litigation costs, growth in psychological injury and third-party claims, and global reinsurance cycles.

International reinsurance cycles add a second national pressure that has nothing to do with Queensland's weather. Insurers are finding it harder to get reinsurance for liability risk, even though reinsurance for property risk is becoming easier to get.

These are national and systemic forces driving premium increases and insurer withdrawal across the country. Framing this as a Queensland weather problem points policy in the wrong direction. Market self-correction is unlikely without policy action, and Griffith Institute for Tourism's national research backs that up[3].

4.2 Shrinking Markets, Narrowing Options

Insurer withdrawal is documented across multiple Queensland tourism and events subsectors. Marine tourism, outdoor adventure and events operators report receiving one quote, or none at all, leaving them without competitive pricing and increasingly reliant on specialist capacity, including Lloyd's-backed markets, or, in some cases, non-admitted offshore insurers with no presence in Australia. The latter typically carry higher costs, higher excesses and narrower coverage, sometimes with operating conditions attached. A Queensland adventure tourism operator now holds cover through an offshore insurer with no track record in Australia, on terms that cap the number of tours the business can run each season, limiting how profitably it can operate regardless of demand.

In disaster-exposed regions, insurer appetite for caravan parks has narrowed sharply. One Queensland caravan park's broker can currently place cover with only one underwriter, despite the park's claims history and its investment in flood mitigation, though brokers with access to specialist facilities report different outcomes for comparable risks. Brokers are warning prospective buyers that lenders won't approve finance without insurance, a problem contributing to a growing number of assets that can't be sold.

The live music sector faces a similar position. Australian insurers appetite for public liability cover on small venues has reduced, and much of what remains sits with a small pool of offshore underwriters with limited understanding of the Australian market.[4] A small number of new schemes have entered this space since 2024, though finding them depends on using a broker who knows where to look. The Insurance Council of Australia's (ICA) own analysis identifies the same group of sectors struggling to get cover: hospitality, live music, outdoor leisure, tourism and non-profits[5].

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[3] *Griffith Institute for Tourism submission to Inquiry into Small Business Insurance, Parliamentary Joint Committee on Corporations and Financial Services, 6 March 2026, accessed 18/06/2026* *https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/SmallBusinessInsurance/Submissions*

[4] *Australian Live Music Business Council submission to Inquiry into Small Business Insurance, Parliamentary Joint Committee on Corporations and Financial Services, January 2026, accessed 18/06/2026* *https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/SmallBusinessInsurance/Submissions*

[5] *A Sustainable Public Liability Insurance Market in Australia: The Case for Civil Liability Reform, Insurance Council of Australia, October 2025, accessed 24/06/2026 https://insurancecouncil.com.au/wp-content/uploads/2025/10/Civil-Liability-Report-October-2024.pdf*

4.3 The Cost to Operators

The Association of Marine Park Tourism Operators (AMPTO) member feedback shows average public liability premium increases of approximately 32 per cent over five years for marine tourism operators, with some members receiving only one quote. Hull insurance increases for the same operators have risen by approximately 23 per cent over the same period, a separate cost driven by property and asset risk rather than liability claims.

An adventure tourism operator's premiums doubled over a five-year period, a trajectory that accelerated sharply once QBE exited the sector altogether, leaving fewer companies willing to quote for marine and adventure tourism. Caravan Park Association of Queensland (CPAQ) members have reported premium increases of more than 100 per cent in a year. Cyclone excesses that once sat at modest levels are now at $250,000, with some parks reporting cyclone excesses of $500,000.

Some of this correction reflects a market that had been pricing some tourism risks too low, without reliable exposure data or reference to the sector's own safety standards. APRA data backs this up: the liability class nationally had a 66 per cent net loss ratio between 2014 and 2025, peaking at 96 per cent in 2020[6]. Once administration, commission and other costs are added, the real margin was thinner still. That's a genuine reason for insurers to reprice the class but doesn't explain the scale of what Queensland's tourism and events operators are facing on top of it.

The scale of those cost increases has direct business consequences beyond the premium itself. CPAQ confirmed that in some cases premiums now exceed 9 per cent of annual turnover. A park whose premium doubled from $50,000 to $100,000 per year loses $50,000 in net profit annually and, capitalised at a standard 10 per cent rate, loses $500,000 in business valuation.[7]

Claims themselves are a growing part of this cost story. "Worker-to-worker" claims, where an injured worker alleges negligence against a third party such as a host employer, principal, contractor or occupier rather than their direct employer, average around $260,000 nationally, more than double the average cost of other injury claims, and some insurers now apply excesses of up to $250,000 specifically for this type of claim.[8] For tourism and events operators who rely on contractors, host venues or third-party suppliers, that's another cost on top of everything else already driving up public liability premiums.

Public liability pricing shows a different problem. Smaller venues can pay around $10,000 per year while large venues around $300,000 per year yet claim costs for common incidents such as slips and falls is often similar regardless of venue size.

For events, without affordable cancellation insurance, organisers can't confidently contract artists and suppliers, secure funding or obtain permits. This hits hardest on regional events and smaller operators who don't have a financial buffer to absorb the cost.

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[6] *Quarterly General Insurance Premium Statistics, Australian Prudential Regulation Authority, December 202-June 2023 and September 2023-March 2026, accessed 4 July 2026* https://www.apra.gov.au/system/files/2025-06/Quarterly%20general%20insurance%20performance%20statistics%20December%20%28historical%20data%29%202002%20to%20June%202023.xlsx

[7] *Caravan Parks Association of Queensland submission to Inquiry into Small Business Insurance, Parliamentary Joint Committee on Corporations and Financial Services, March 2026, accessed 18/06/2026* https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/SmallBusinessInsurance/Submissions

[8] *A Sustainable Public Liability Insurance Market in Australia: The Case for Civil Liability Reform, Insurance Council of Australia, October 2025, accessed 24/06/2026* https://insurancecouncil.com.au/wp-content/uploads/2025/10/Civil-Liability-Report-October-2024.pdf

5. Australian Government Policy Levers

The Australian Government has direct responsibility for national insurance system settings, including prudential regulation, financial services regulation, market conduct and competition, and national coordination mechanisms.

5.1 Legislation and Financial Services Settings

The *Corporations Act 2001 (Cth)* sets conduct obligations for insurers and distributors, including Design and Distribution Obligations and anti-hawking rules. These obligations are applied across all product types. Smaller insurers and specialist underwriters are less able to absorb the compliance costs which reduces their willingness to operate in SME markets.

The scale of this compliance load is well documented. General insurers operate under more than 30,000 discrete regulatory obligations drawn from over 300 instruments, enforced by more than 25 regulators. The estimated annual compliance cost is $2.5 to $3.5 billion, or 4 to 6 per cent of the industry's gross written premium. Part of the problem is that the basic building blocks of regulation don't line up: "small business" itself is defined differently across at least six pieces of Commonwealth legislation and frameworks, including the *Corporations Act*, the *ASIC Act*, the *Insurance Contracts Act*, Australian Financial Complaints Authority (AFCA) rules, the *Terrorism and Cyclone Insurance Act*, and the Australian Taxation Office (ATO) and Australian Bureau of Statistics (ABS) statistical frameworks.[9] Each definition triggers different obligations, and insurers serving niche markets like tourism and events have to work to all of them rather than one consistent standard.

Regulating claims handling and settling as a financial service has pushed up insurer operating costs and made claims pathways more costly and complex. Industry feedback confirms these costs are felt more by the smaller operators most likely to serve niche tourism and events markets.

Australian Financial Services Licence (AFSL) settings determine whether pooled insurance models can operate. Group Purchasing Body (GPB) may be exempt from holding an AFSL if they meet the GPB definition and satisfy the relief conditions. Discretionary Mutual Funds (DMF) regulatory treatment and any AFSL requirements are determined under separate provisions of the *Corporations Act*. While the 2019 legislative recognition of mutuals was a meaningful step, the framework still isn't adequate to support the models most likely to benefit small to medium-sized businesses.

5.2 Capital and Reinsurance Settings

The Australian Prudential Regulation Authority's (APRA) prudential settings govern insurer appetite for higher-volatility liability classes and disaster-exposed property. Where insurers pay more in liability claims than their models anticipated, capital requirements rise and insurers increase premiums, raise excesses and narrow coverage or leave SME markets altogether. This directly influences the cost and availability of catastrophe cover for tourism operators, particularly in Queensland's disaster-exposed regions.

Reinsurance costs make this worse, though not evenly across classes. Global reinsurance costs rose to 20-year highs before property catastrophe pricing began to ease at the January 2026 renewal. Howden Re[10] and Gallagher Re[11] both reported double-digit reductions in risk-adjusted Australian property rates.

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[9] *The Cost of Regulatory Burden, Insurance Council of Australia, November 2025, accessed 24/06/2026* *https://insurancecouncil.com.au/wp-content/uploads/2025/11/20251107_ICA-Report-The-Cost-of-Regulatory-Burden_Final.pdf*

[10] *Rebalancing Market Report, January 2026, Howden Re, accessed 02.07.2026* *https://www.howdengroupholdings.com/reports/1-1-26-market-report*

[11] *First View: Options and Opportunities, January 2026, Gallagher Re, accessed 02.07.2026* *https://www.ajg.com/gallagherre/-/media/files/gallagher/gallagherre/news-and-insights/2026/january/gallagherre-first-view-options-and-opportunities.pdf*

Reinsurers are still pulling back from liability cover, even though they're writing more property cover again as that market eases. When reinsurance is more expensive or prudential rules tighten, insurers have less room to write cover in high-risk regions like northern Queensland, where tourism and events businesses already have few alternatives.

In July 2026, APRA finalised changes to the reinsurance capital framework, easing the capital treatment for alternative reinsurance instruments such as catastrophe bonds and expanding the role of insurers' own actuaries in assessing capital requirements for some arrangements[12]. The changes take effect on 1 January 2027. APRA has acknowledged that these measures are one step, and that addressing insurance affordability more broadly requires action beyond prudential regulation. The reform targets how insurers access and hold capital against catastrophe risk. It doesn't touch the postcode-level pricing or the lack of premium recognition for onsite mitigation.

The Insurance Council of Australia (ICA) recorded almost $3.5 billion in insured extreme weather losses across Australia in 2025, and more than $3.2 billion of that involved Queensland, across four of the five events declared catastrophic for the year[13]. Losses at this scale flow directly into the reinsurance costs insurers pass on to tourism operators in disaster-exposed regions.

Catastrophe modelling typically operates at the postcode-level, so properties with strong resilience measures are still priced on regional averages. An estimated 10 per cent of risk factors in insurance calculations sit directly within a business's control, with the remaining 90 per cent driven by macro-level factors including natural disaster exposure, geographic location, emergency services availability, and construction and supply chain costs. Even with full recognition, mitigation can only move a small part of the total price.

Where mitigation is recognised at all, it's typically treated as a condition of appetite, the baseline standard to get a quote, rather than something that earns a premium or excess benefit once achieved. Operators who invest in resilience beyond that baseline often see no return on it in their premium, which removes the incentive to invest in the first place. QTIC wants to see formal recognition of accredited mitigation in pricing.

5.3 Market Conduct and Transparency

Australian Securities and Investments Commission (ASIC) oversight of broker transparency, including commission disclosure and conflict of interest arrangements, directly affects whether SMEs receive advice that meets their needs. Australia has no centralised government monitoring mechanism for insurance premiums and insurers generally aren't required to give businesses a detailed breakdown of premium increases[14].

Multiple regulators ask insurers for overlapping data, often in different formats. This keeps compliance teams busy reconciling definitions and resubmitting the same figures, instead of improving how insurers explain risk and pricing to customers. Different regulators can also run reviews on the same issue at the same time, with conflicting requirements.

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[12] *Response Paper: finalising amendments to the general insurance reinsurance framework, 7 July 2026, Australian Prudential Regulation Authority, accessed 10 July 2026,* *https://www.apra.gov.au/response-paper-finalising-amendments-general-insurance-reinsurance-framework?utm_source=Master+subscriber+list&utm_campaign=01d2c9e2d1-EMAIL_CAMPAIGN_2025_02_27_0930_COPY_01&utm_medium=email&utm_term=0_-b5266df972-387454166#toc-overview*

[13] *Extreme weather cost $3.5 billion in 2025, Insurance Council of Australia, 23 January 2026, accessed 23/06/2026* *https://insurancecouncil.com.au/wp-content/uploads/2026/01/20260123-ICA-MR-Extreme-weather-cost-3.5-billion-in-2025.pdf*

[14] *Australian Senate Select Committee report on the Impact of Climate Risk on Insurance Premiums and Availability, November 2024, accessed 19/06/2026* *https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Impact_of_Climate_Risk_on_Insurance/ClimateRiskonInsurance/Report*

Tourism and events businesses frequently struggle to understand how premiums are calculated, what commissions are paid and how risk is assessed, which feeds market distrust and poor placement outcomes.

A related structural problem is the breakdown in information flow between operator, broker and underwriter. When brokers don't specialise in tourism, the risk mitigation information that operators have documented often doesn't reach the underwriter. Tourism businesses are left unable to understand what drives their premium or which investments would reduce it.

Any broker can currently place tourism, adventure and events risk, regardless of whether they understand the sector's standards or controls. A registration or accreditation scheme for tourism and events insurance specialists, covering both broker and underwriters, would give operators a way to find advice that understands their risk profile. This could sit alongside existing AFSL and ASIC licensing as a specialist endorsement, not a replacement for it.

5.4 National Coordination of Civil Liability Reform

Civil liability legislation is the responsibility of states and territories, but the Australian Government can convene and coordinate nationally consistent reform. For tourism and events businesses operating across jurisdictions, inconsistent civil liability settings increase underwriting uncertainty, legal complexity and compliance costs.

Australia has been here before. The last major review of civil liability settings followed the *2001-02 Ipp Review*, which stabilised the public liability market and improved insurer appetite to write cover, after a similar period of rising premiums and shrinking availability. Those reforms have eroded over time through expansive court decisions, a more litigious environment and rising psychological injury claims, the same pressures now driving the current downturn.

QTIC supports ICA's call for the Australian Government to lead a national review of tort law and civil liability settings, with a focus on: psychological injury claims, which SafeWork Australia data shows can cost up to four times as much to compensate as a physical injury claim; dangerous recreational activity legislation, where the ICA states that clarifying liability settings would immediately improve the availability and affordability of cover for tourism and recreation businesses specifically; and worker-to-worker claims, identified as a major pressure on public liability premiums. [15] None of this is about reducing compensation for people who are genuinely injured. The aim is a claims system that's fair, timely, evidence-based, proportionate and insurable.

The increasing cost of claims is the main driver of public liability premiums, and an expanding interpretation of nervous shock liability is adding to it. The harder these costs are to predict, the more capital insurers must hold in reserve. For example, a $70,000 settlement needs roughly 20 businesses paying $3,500 each just to cover that one claim.

'No-win-no-fee' arrangements increase claim frequency, with defence legal costs in unsuccessful cases sometimes exceeding the settlement value. AI-assisted claim identification and online legal advertising drive higher claim frequency with no corresponding increase in actual incident rates. Claims lodged years after an incident often mean businesses no longer have the key evidence required for a defence.

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[15] *A Sustainable Public Liability Insurance Market in Australia: The Case for Civil Liability Reform, Insurance Council of Australia, October 2025, accessed 24/06/2026* *https://insurancecouncil.com.au/wp-content/uploads/2025/10/Civil-Liability-Report-October-2024.pdf*

ICA analysis backs this up for hospitality and live music venues specifically, finding that by the time a delayed claim surfaces, CCTV footage has been deleted and staff have moved on, leaving the venue and its insurer with no option but a settlement close to the full claim.[16]

A Queensland marine tourism operator lived through exactly this. A liability claim was lodged two and a half years after the incident, by which time the staff who'd been present had left the country. The claimant's lawyers dropped the case after eight months once it became clear the witnesses couldn't be tracked down. The operator's excess still rose, partly because of claims made against other operators in the same sector rather than its own history. Its view, shared by others in the industry, is that insurers are settling speculative claims for amounts around $70,000 rather than litigating them only encourages more claims.

Legal costs add a further layer. Some jurisdictions cap what a claimant's lawyer can recover for a personal injury claim. Where caps exist, they're often outdated: NSW's cap hasn't increased since 2002 even as claims costs have risen sharply, so fewer claims qualify for it each year. QTIC supports the ICA's call for nationally consistent caps, suggesting a starting point of 20 per cent of the claim's value for personal injury claims up to $300,000.[17]

Claim farming, where a third party solicits people to make personal injury claims in exchange for a referral fee, adds further cost and uncertainty for businesses defending against claims that wouldn't otherwise have been made. The increasingly cross-jurisdictional nature of these operations means state-by-state bans aren't enough on their own. QTIC supports ICA's call for nationally consistent legislation, with the Commonwealth empowering regulators to supervise and enforce it.[18]

Queensland's *Personal Injuries Proceedings Act 2002* requires early notification, compulsory settlement conferences and cost consequences for rejected reasonable offers before a claim reaches court. Most other states and territories don't have an equivalent framework.

5.5 Cyclone Reinsurance Pool Performance

The Cyclone Reinsurance Pool (the Pool), backed by a $10 billion Australian Government guarantee, was designed to reduce premiums for eligible small business property policies in cyclone-exposed regions by lowering insurers' reinsurance costs. Despite the Pool's introduction in 2022, no new insurers have entered northern markets.

Since it began, the Pool has processed more than 9,000 claims worth $121 million and reduced premiums in high-risk areas by up to 39 per cent, but none of this reporting breaks out whether tourism and events businesses have shared in those gains.[19]

Most caravan parks receive little or no benefit as, while most qualify as small businesses, the combined value of cabins, buildings and shared infrastructure frequently exceeds eligibility thresholds. The $5 million property cap excludes small hotels and motels on building values alone, despite them meeting the Pool's intent.[20]

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[16] *See footnote 13 – Insurance Council of Australia*

[17] *See footnote 13 – Insurance Council of Australia*

[18] *See footnote 13 – Insurance Council of Australia*

[19] *Insurance Council of Australia, submission on the Review of the Terrorism and Cyclone Insurance Act 2003, 12 November 2025, accessed 24/06/2026 https://insurancecouncil.com.au/wp-content/uploads/2025/11/20251112-ICA_Submission_Review-of-the-Terrorism-and-Cyclone-Insurance-Act-2003.pdf*

[20] *See footnote 19 – Insurance Council of Australia*

The gap is significant. A modest regional hotel or motel with 20 or 30 rooms routinely carries a building value above $5 million once land improvements and shared infrastructure are included. This means the Pool excludes exactly the scale of accommodation provider it was designed to help.

Small business marine insurance sits outside the Pool altogether, leaving Queensland's marine tourism operators ineligible. Marine insurers are regulated the same way as other general insurers, authorised and supervised by APRA under the *Insurance Act 1973*. The gap sits in contract law: marine insurance policies are governed by the *Marine Insurance Act 1909* rather than the *Insurance Contracts Act 1984*, the framework the Pool's eligible policy classes are built around, so the Pool's current settings don't extend to them.

Coverage is limited to cyclone and cyclone-related flood damage within a 48-hour cyclone event window, a constraint Tropical Cyclone Jasper exposed in 2023, where flood damage extended well beyond that window and fell outside the Pool's coverage.[21]

5.6 Safety Compliance and Underwriting Recognition

Meeting Australian Standards is the baseline that insurers expect of any tourism or events business. It supports insurability, strengthens negligence defences and improves access to coverage, though standards become mandatory when incorporated into legislation, regulations, licences, permits or insurer requirements. Meeting that baseline is still genuine risk mitigation. Tourism and events businesses that invest in safety compliance are reducing the likelihood and cost of claims, and that reduction deserves recognition in underwriting and pricing, not just treated as a condition of being quoted for a premium.

ICA confirms that for some business types, including outdoor adventure, entertainment and amusement operators, and hospitality venues serving alcohol, there's limited further action available at an individual level to reduce risk.[22] Operators have a ceiling on how much they can invest, so recognition needs to be built into the system not left to chance.

Where structured recognition does exist, it works. ARPC extended its mitigation discounts to SMEs and strata properties from April 2025, with further discounts factored into the April 2026 rate-setting. The same approach, applied to verified tourism and events mitigation measures, would turn investment in resilience into a measurable premium outcome. The ICA has separately recommended government fund risk management training across sectors with higher rates of personal injury liability claims, specifically naming caravan parks and live-music venues as examples[23]. This demonstrates government and insurers already have a model to build on rather than starting from scratch.

Access to the standards themselves costs money: typically $100 to $300 for a management standard and up to $450 for technical standards. Of the sets relevant to tourism and events operators, the Caravan Park set costs $466, and the Outdoor Industry set is $721.[24] These costs may create a barrier to compliance for small businesses.

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[21] *Caravan Parks Association of Queensland submission to Inquiry into Small Business Insurance, Parliamentary Joint Committee on Corporations and Financial Services, March 2026, accessed 18/06/2026* *https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/SmallBusinessInsurance/Submissions*

[22] *A Sustainable Public Liability Insurance Market in Australia: The Case for Civil Liability Reform, Insurance Council of Australia, October 2025, accessed 24/06/2026* *https://insurancecouncil.com.au/wp-*content/uploads/2025/10/Civil-Liability-Report-October-2024.pdf

[23] *Advancing Australia's Resilience: Policy Recommendations for the Next Australian Government, Insurance Council of Australia, 2025, accessed 24/06/2026* *https://insurancecouncil.com.au/wp-content/uploads/2025/02/21226_ICA_Federal-Election-Platform-Report_2025_Final-single-pages.pdf*

[24] *Standards Australia store, accessed 18/06/2026* *https://store.standards.org.au/*

Insurers and brokers may not be familiar with sector-specific standards, such as the Australian Adventure Activity Standards, so compliance information frequently doesn't reach underwriters. Adventure tourism activities are an example where perception of inherent risk outweighs recognition of safety controls. High incident reporting frequency, which reflects a strong safety culture, may be misinterpreted by insurers as evidence of high risk rather than proactive management.

The University of the Sunshine Coast, in partnership with Edith Cowan University and the Outdoor Council of Australia, has managed a national incident dataset for outdoor activities for ten years through the U.P.L.O.A.D.S project.[25] This evidence isn't reflected in insurance pricing.

6. Queensland Government Policy Levers

The Queensland Government controls how state taxes and duties are applied, collected and distributed, along with civil liability laws. It can advocate to the Australian Government for national change and Queensland has a seat at the National Cabinet table.

6.1 Insurance Duty

The Queensland Government applies insurance duty at 9 per cent of the insurance premium, inclusive of GST, on all policies covering risks in Queensland, regardless of where the policy is purchased.

For tourism and events businesses, this duty pushes up premiums that are already high for reasons they can't control: their location in cyclone, flood or bushfire risk zones, the nature of activities offered and the regulatory requirements when operating in sensitive natural environments.

The Queensland Government collected $1.73 billion in insurance duty in 2025-26 and is estimated to rise to $1.83 billion in 2026-27 before reaching $2.15 billion by 2029-30[26]. This revenue is drawn from households and businesses, with no published breakdown by sector.

Queensland's 66,000[27] tourism and events businesses represent 12.6 per cent of the state's 524,024 businesses[28] and directly contribute $18.7 billion to Queensland's Gross State Product (GSP), or 3.7 per cent of total GSP[29]. The sector is a material contributor to the state's insurance duty base, though no published data breaks out how much of that revenue comes from tourism and events specifically.

To illustrate the scale involved, if half of Queensland's tourism and events businesses held commercial insurance averaging $15,000 a year, total premiums paid by the sector would be $495 million annually. At Queensland's 9 per cent insurance duty rate, that would generate approximately $44.55 million in duty each year. These figures are very conservative and illustrative only, though show the magnitude of duty revenue at stake.

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[25] *Outdoors Queensland submission to Inquiry into Small Business Insurance, Parliamentary Joint Committee on Corporations and Financial Services, 16 February 2026, accessed 18/06/2026* *https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/SmallBusinessInsurance/Submissions*

[26] *2026-27 Budget Paper 2, Queensland Treasury, accessed 23/06/2026* *https://budget.qld.gov.au/files/2026-27-budget-bp2-budget-strategy-outlook.pdf*

[27] *Queensland Tourism Economic Key Facts, 24 June 2026, Tourism and Events Queensland, accessed 25/06/2026* https://teq.queensland.com/content/dam/teq/corporate/corporate-searchable-assets/industry/research/dots-and-ivs-uploads/Tourism%20Economic%20Key%20Facts%20updated%2024%20June%202026.pdf

[28] *8165.0 Counts of Australian Businesses June 2021-June 2025, Businesses by Main State, Australian Bureau of Statistics, accessed 18/6/2026* *https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/latest-release#data-downloads*

[29] *Queensland Tourism Economic Key Facts, 24 June 2026, Tourism and Events Queensland, accessed 25/06/2026* *https://teq.queensland.com/content/dam/teq/corporate/corporate-searchable-assets/industry/research/dots-and-ivs-uploads/Tourism%20Economic%20Key%20Facts%20updated%2024%20June%202026.pdf*

In comparison to other jurisdictions, Victoria is phasing out duty on business insurance premiums, which have been reducing by 1 per cent each year since 2024 and the duty will be abolished from 1 July 2033[30]. The Australian Capital Territory abolished general insurance duty in 2016. New South Wales exempts small businesses with a turnover up to $2 million a year from duty on commercial vehicle, aviation, product liability, public liability and professional indemnity insurance.

6.2 Civil Liability Settings

Queensland's liability framework is shaped by the *Civil Liability Act 2003 (Qld), Civil Liability Regulation 2014 (Qld), Personal Injuries Proceedings Act 2002 (Qld)* and *Legal Profession Act 2007 (Qld),* which together govern negligence claims, personal injury litigation, liability allocation and legal costs.

The legal and litigation environment directly affects insurance pricing and insurer appetite, particularly for public liability and event-related risks. Premium costs are driven by claim frequency, claim severity, legal costs and litigation behaviour across the market, not by an individual business's safety performance or claims history.

Long claim development periods, extended litigation timelines and 'no win, no fee' arrangements increase the overall cost of liability claims. Defence costs can exceed settlement values, which influences claim management decisions, encourages out-of-court settlements and contributes to higher premiums across the market.

Risk mitigation and better claims management bring insurance costs down more directly than restricting the damages available to injured people. The Queensland Law Society takes the same view, considering Queensland's civil liability settings largely appropriate as they stand.[31]

6.3 Access to Public Land, National Parks and Protected Areas

Tourism businesses operating in Queensland National Parks and Protected Areas require a Commercial Activity Permit from Queensland Parks and Wildlife Services (QPWS). Permit conditions include a minimum $20 million public liability insurance requirement, workers compensation insurance where staff are employed and compliance with risk management procedures appropriate to the activity.

Events held in National Parks or Protected Areas are subject to the same $20 million public liability threshold, plus a risk management plan and emergency procedures as part of permit conditions. Events on other State Land may need separate approval, with insurance requirements that can vary by agency.

The $20 million minimum reflects a legitimate public interest in protecting claimants and government in the event of a catastrophic loss, and QTIC isn't proposing it be removed. But it's a government-set floor, not an industry or insurer standard, and for businesses already facing limited insurer appetite, high excesses or restricted coverage, it adds a further layer of pressure that can affect whether an activity is commercially viable.

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[30] *Abolition of duty on business insurance premiums, State Revenue Office Victoria, accessed 19/06/2026*
https://www.sro.vic.gov.au/businesses-and-organisations/insurance-duty/abolition-duty-business-insurance-premiums

[31] *Queensland Law Society submission* to Inquiry into Small Business Insurance, Parliamentary Joint Committee on Corporations and Financial Services, *12 March 2026, accessed 18/06/2026*
https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/SmallBusinessInsurance/Submissions

7. Sector and Product Impacts

Tourism and events businesses carry insurance across most aspects of their operations, from public liability and professional indemnity to business interruption, event cancellation and workers compensation. Without adequate cover, these businesses can't access finance, meet contract conditions or satisfy regulatory requirements. For most tourism and events businesses, insurance is what makes trading possible.

Multiple insurance classes are now under structural pressure across Queensland's visitor economy. Cover is technically available in most markets, but a certificate of currency is not the same as meaningful protection. Premiums have reached levels that are unaffordable for some operators, coverage terms have narrowed to the point where policies exclude the risks that matter most, and in some markets insurers have withdrawn entirely.

7.1 Property and Industrial Special Risk Insurance

Property insurance and Industrial Special Risk (ISR) cover are under severe stress in disaster-exposed regions. Queensland's coastal and island tourism businesses are often classified by insurers as high-risk due to their exposure to cyclone, flood and storm surge. A Queensland accommodation provider's property premium rose from $2,300 to $57,000 a year, despite making only one claim in eight years. Its total insurance cost across all policies now sits at over $75,000 per annum.

The drivers are structural: cumulative catastrophe losses have pushed global reinsurance costs higher, and insurers have responded by repricing risk, narrowing coverage, expanding exclusions or exiting high-risk markets entirely.

Eleven Queensland catchments, including Brisbane, Fitzroy, Logan-Albert and the South Coast, are on the ICA's national priority list for flood defence funding. Levees in Roma and St George return $4.90 and $5.40 in benefits for every dollar spent, well ahead of the $2.20 return on the comparable levee in Grafton, NSW[32]. Money spent reducing flood risk in these catchments lowers the risk insurers price into every property and business interruption policy written there, tourism included.

Where a property can't be adequately insured, it becomes harder to finance, harder to sell and harder to invest in. That makes this an investment and productivity issue for Queensland's tourism regions, not only a cost pressure on individual operators. The investment consequences are already visible. Projects in coastal and island destinations are being delayed, scaled back or abandoned, either because insurance costs make them unviable or because cover adequate to satisfy a lender is no longer available.

Industry Example:
In 2011, Cyclone Yasi struck the Queensland coast as a Category 5 system. One caravan park in a badly affected town lodged an insurance claim of around $106,000 to repair damage to its facilities. By 2020, the same park's named cyclone excess had risen to $100,000, leaving the original claim only slightly above where the excess now sits. With the cost of repairing comparable damage sitting so close to the excess, the operator holds a policy that may no longer deliver meaningful protection in a future event. Other caravan park operators in northern Queensland report the same trajectory: an

[32] *Advancing Australia's Resilience: Policy Recommendations for the Next Australian Government, Insurance Council of Australia, 2025, accessed 24/06/2026* *https://insurancecouncil.com.au/wp-content/uploads/2025/02/21226_ICA_Federal-Election-Platform-Report_2025_Final-single-pages.pdf*

excess increasing from $5,000 to $10,000 to $100,000 over three years, and another from $10,000 in 2014 to $50,000 in 2019 to $100,000 in 2026.[33]

7.2 Business Interruption Insurance

For tourism and events businesses, business interruption insurance shows the widest gap between policy and what happens on the ground. This insurance class was already being repriced after COVID19 exposed the scale of pandemic-related losses across the sector.

Insurers responded by tightening triggers, adding exclusions and recalibrating risk appetite for weather-sensitive and event-dependent operations. For many Queensland operators, the practical effect is cover that pays out in fewer scenarios, over shorter periods and for less than the actual revenue loss.

Policies are typically written around physical reinstatement periods, but actual recovery in a regional area depends on labour availability, supply chains, construction costs and the time needed to rebuild forward bookings. A policy covering six or twelve months of lost income may not reflect the actual rebuild timeline or booking lead times needed to return to pre-event revenue.

The indemnity calculation creates a related problem. Payouts are based on a business's trading history, usually the same period in one or more previous years, rather than its trading capacity at the time of loss. An operator who has made updates to their business since that reference period, through additional accommodation, increased capacity or new infrastructure, is compensated for based on its pre-upgrade earnings, not what it would have earned without the interruption.

Claims processes add further pressure. Settlements are taking longer, loss-adjustment costs are high and disputes over claim values are leaving operators trading without income support long after the physical damage has been resolved.

For events businesses the exposure is different. Cancellation or early closure due to an insured event can mean the total loss of revenue from a single trading period, with fixed costs, contractor commitments and infrastructure already committed. Where cover is unavailable or unaffordable, operators are making go/no-go decisions on whether to stage an event at all, without any financial protection if the event cannot proceed.

Industry Example:
In 2011, a Queensland caravan park's trade collapsed not because of flood damage to the property, but because weeks of news coverage left the public believing the town was still impassable long after the floodwaters had receded. The operator held business interruption cover for exactly this kind of trading loss, but when it raised the prospect of a claim, the insurer advised there would be no payout on the basis that the loss wasn't caused by the flood itself. The policy responded to physical damage from water, not to the reputational fallout that cost the business its season.

[33] *Caravan Parks Association of Queensland submission to Inquiry into Small Business Insurance, Parliamentary Joint Committee on Corporations and Financial Services, March 2026, accessed 18/06/2026*
https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/SmallBusinessInsurance/Submissions

7.3 Public and Product Liability Insurance

Public liability insurance is required to operate in Queensland's visitor economy. Tours, attractions, events, adventure experiences and venues require it to obtain licences, access public land and meet contractual requirements. This insurance class has seen rising premiums, tighter underwriting and reduced insurer appetite since the early 2000s. COVID19 accelerated that trend but didn't cause it, and there's no evidence of a cyclical correction underway.

The average cost of public liability insurance nationally has risen 55 to 60 per cent since 2019, well above inflation. Some live music venues have seen premiums move from $10,000 to $20,000 a year to $140,000 to $160,000 a year.[34] Small businesses across amusement, tourism, leisure, live music and hospitality have experienced two- to four-fold increases in their public liability premiums, even as the broader national market shows early signs of stabilising.[35]

Claims frequency and cost are the primary driver. Personal injury claims are taking longer to resolve, claims for psychological injury have grown sharply in frequency and quantum under wordings that have covered it for years, and changes to tort law settings since the early 200s have increased both defence costs and settlement values. Commercial incentives to settle rather than litigate create precedents that push premiums higher across the sector, regardless of individual claims history.

Regulatory settings add to the problem. Governments routinely transfer risk to small businesses through permit conditions and land access requirements, setting minimum insurance thresholds at levels that inflate premiums without proportionately reducing risk. Operators on public land, including those conducting nature-based and adventure experiences, carry a disproportionate share of the liability burden as a result.

QTIC's member surveys consistently identify operators with strong compliance records and minimal claims histories facing premium increases based on industry-wide assumptions rather than their own performance. Insurers are not adequately differentiating between operators who invest in risk management and those who don't, which means well-managed businesses are effectively subsidising the rest of the market.

Insurers are responding by tightening underwriting, adding exclusions and withdrawing from higher-risk categories. Events and venues, adventure tourism, marine operators, attractions and nature-based experiences are all affected. Higher premiums and tighter underwriting are pushing some operators toward offshore insurers not regulated or licensed in Australia, creating financial risk for the business and any injured party.

Industry Example:
A water sports operator on Magnetic Island held public liability cover for more than 30 years without making a claim. In 2021, the insurer changed its underwriting position and declined to renew cover for the activity altogether, leaving the business searching for an alternative provider with weeks to spare before its permit conditions with Townsville City Council and the Great Barrier Reef Marine Park Authority could no longer be met. Other water sports operators on the island held policies with the same insurer, raising the prospect of several businesses losing the ability to trade within the same season, for an activity rather than for any claims history.

[34] *A Sustainable Public Liability Insurance Market in Australia: The Case for Civil Liability Reform, Insurance Council of Australia, October 2025, accessed 24/06/2026 https://insurancecouncil.com.au/wp-content/uploads/2025/10/Civil-Liability-Report-October-2024.pdf*

[35] *Advancing Australia's Resilience: Policy Recommendations for the Next Australian Government, Insurance Council of Australia, 2025, accessed 24/06/2026 https://insurancecouncil.com.au/wp-content/uploads/2025/02/21226_ICA_Federal-Election-Platform-Report_2025_Final-single-pages.pdf*

7.4 Strata and Accommodation Insurance

Strata insurance is mandatory for bodies corporate in Queensland under the *Body Corporate and Community Management Act 1997*, covering buildings and public liability over common property. For apartment and resort-style tourism accommodation, this means owners and operators have no option to self-insure or exit the market regardless of cost. The same pressure runs across Queensland's accommodation stock more broadly, from strata apartments and resort complexes to hotels, motels, caravan parks and regional accommodation, wherever an owner, lender or body corporate loses confidence in the cover available.

QTIC insurance workshop participants and industry bodies report substantial premium increases in this class, in some cases large enough that strata bodies are separating insurance costs from general levies rather than absorbing them within existing levy structures.

The Cyclone Reinsurance Pool adds a further complication for tourism accommodation. The Pool only covers strata schemes where at least 50 per cent of total floor space is used mainly for residential purposes, and the ARPC's guidance focuses on a building's design rather than how it's actually used.[36] This is a problem for mixed-use buildings in Queensland's tourism accommodation stock, where long-term residential units sit alongside apartments let short-term as holiday accommodation. A building that doesn't clearly pass the residential floor space test misses out on the Pool's benefit entirely, regardless of how much of it is used for tourism.

This is directly affecting future tourism accommodation investment. Increased holding costs are reducing investor returns, accelerating a shift away from short-term letting and, in some cases, prompting the sale of tourism assets or conversion to owner-occupied housing. The net effect is a reduction in accommodation supply, particularly in cyclone and flood-exposed regions of Queensland where premium increases have been most severe.

Industry Example:
A strata titled accommodation complex on a North Queensland island, with brick buildings and tiled roofs and a building sum insured of approximately $24 million, could not obtain cover from mainstream insurers at any price. Cover was ultimately placed through the Lloyd's of London market, shared across approximately 12 insurers, at an annual premium of approximately $295,000 (a $10,000 standard excess, $100,000 for named cyclone events). The broker-estimated benchmark was around $30,000 for a comparable Brisbane or Sydney property. The case shows location and construction type outweighing individual building standards in underwriting, and a market with little confidence in writing North Queensland island risk on ordinary commercial terms.

7.5 Disaster and Catastrophe Insurance

Queensland's tourism sector carries concentrated exposure to natural disasters, which is reflected in retail insurance pricing. Rising global reinsurance costs flow straight into premiums for cyclone, flood and storm surge-exposed operators. Cyclone risk is shifting south, which was evident when Tropical Cyclone Alfred in 2025 caused more than 132,000 claims and $1.5 billion in losses as far south as Hervey Bay, the Gold Coast and Brisbane, regions not traditionally considered cyclone prone[37].

[36] *Insurance Council of Australia submission on the Review of the Terrorism and Cyclone Insurance Act 2003, 12 November 2025, accessed 24/06/2026* *https://insurancecouncil.com.au/wp-content/uploads/2025/11/20251112-ICA_Submission_Review-of-the-Terrorism-and-Cyclone-Insurance-Act-2003.pdf*

[37] *Extreme weather cost $3.5 billion in 2025, Insurance Council of Australia, 23 January 2026, accessed 23/06/2026* *https://insurancecouncil.com.au/wp-content/uploads/2026/01/20260123-ICA-MR-Extreme-weather-cost-3.5-billion-in-2025.pdf*

The scale of the problem is growing nationally, not just in Queensland. The floods that hit northern NSW and south-east Queensland in early 2022 caused close to $6 billion in insured losses, making it the costliest insured event in Australian history at the time and the second-costliest insured event in the world that year. Insurers price tourism operators in disaster-exposed regions against this national loss trend, not just against what's happening in their own region.

The Cyclone Reinsurance Pool has done little for the operators most exposed to disaster risk. Its narrow eligibility settings and short claims window leave many of them without any benefit at all. Disaster risk is priced regionally rather than by individual property, so operators have limited ability to influence their own premiums through on-site mitigation, no matter how well they manage their properties.

Industry Example:
A Queensland operator manages tourism infrastructure on an island within a national park, where mainland emergency services can't easily reach in an emergency. The business maintains its own firefighting capability, has commissioned independent fire engineering assessments (an initial cost of around $40,000, with annual reviews of about $20,000), holds large on-site water reserves, runs fire suppression systems and builds in concrete. Despite this level of investment, no single insurer would take on the full risk for the property. Cover was only secured through a consortium of insurers, each accepting a share of the total exposure.

7.6 Cyber Insurance

Tourism and events businesses hold increasing cyber risk exposure through their dependence on online booking platforms, payment systems and customer and staff data. Cyber insurance is not yet subject to the same affordability and availability pressures affecting property and liability lines, but underwriting in this class is tightening. A cyber incident can stop a business trading, damage the confidence that keeps guests booking, and create regulatory exposure on top of the direct cost of the breach. Cyber sits alongside property and liability as a core risk for the sector.

Pricing is variable, coverage terms are inconsistent across the market, and many small businesses have limited understanding of what level of cover is appropriate for their operations.

Small businesses that experienced a cyber incident reported an average cost of $56,600, against $97,200 for medium businesses and $202,700 for large ones[38]. Remote and hybrid work arrangements expose a gap for small businesses as staff working from home on personal devices and home Wi-Fi networks often aren't covered the way they would be in an office. Many tourism and events businesses now run some part of their administration, bookings or customer service this way without having reviewed whether their cyber and property cover still applies.

Insurers are responding to rising claims frequency by adding exclusions, imposing more prescriptive security requirements and, in some cases, declining risks that don't meet minimum cyber hygiene standards. The market is hardening and tourism businesses that haven't engaged with cyber risk management will find coverage harder and pricier to obtain in the future.

[38] *Executive summary, Annual Cyber Threat Report 2024-25, Australian Cyber Security Centre, accessed 24/06/2026 https://www.cyber.gov.au/about-us/view-all-content/reports-and-statistics/annual-cyber-threat-report-2024-2025*

8. Future Insurance Options

QTIC's March 2026 industry workshop, alongside member surveys, identified factors driving market stress including premium volatility, reduced insurer participation, rising reinsurance costs, regulatory complexity and a disconnect between risk mitigation investment and pricing. These pressures are affecting business operations, investment decisions and regional tourism development across Queensland.

No single factor explains the problem, and no single intervention will fix it. The sections below set out what can be done at the operator and market levels.

8.1 Improve Operator Risk Mitigation

Tourism and events businesses are investing in risk mitigation, but insurance pricing doesn't reflect it consistently and investment isn't spread evenly across the sector. AALARA has seven years of actuarial claims data, CPAQ runs an annual Bushfire Preparedness Toolkit and a 12 Weeks to Flood Ready program, the Outdoor Council of Australia's Adventure Activity Standard sits behind a decade of incident data, and ATIC's Quality Tourism Framework is delivered as formal online accreditation training.

None of this is consistently recognised in underwriting, and premiums remain largely driven by sector-wide assumptions rather than demonstrated performance. Mitigation information often doesn't reach insurers, and many brokers and underwriters don't know tourism-specific standards exist.

Some caravan park operators have given up on insurance and started self-insuring. One operator sets aside money from profit each year to cover storm and flood damage. Its reasoning is simple: insurers don't reward the work it's done to reduce risk, so paying for cover didn't make sense. Following a cyclone in northern Queensland, several operators used their own money, staff started on repairs straight away and they were trading again within days. Other operators were told by their insurers to wait while assessors worked through claims, losing income and momentum.

QTIC will advocate to ATIC to build the Quality Tourism Framework out into standardised risk metrics insurers can use directly, make it available to members on an opt-in basis, and actively encourage uptake across the membership, so insurers can use the standard when they set a price.

Without standardised, tourism-specific risk metrics, such as visitor participation numbers, safety training compliance and incident frequency, insurers default to conservative underwriting positions. Regular, two-way data sharing between insurers, brokers, reinsurers and tourism peak bodies would help close this gap, giving the industry visibility of claims trends and giving insurers earlier sight of risk mitigation work already underway.

A small number of specialist brokers serve the caravan park and marine tourism sectors, but QTIC isn't aware of any operating more broadly across land-based tourism and events. One Queensland operator's experience shows what's possible when the right information reaches the right insurer: separating marine vessels into a specialist marine policy and recreational vehicles such as quad bikes into a specialist motor policy cut the annual premium on the recreational vehicles from around $100,000 to around $5,500.

Underinsurance is a related and separate risk, often unknown until a claim is made. A southern Queensland caravan park insured its assets for $434,500 and a severe hailstorm in late 2025 caused damage to roofing, windows and landscaping. The insurer's Quantity Surveyor assessed the replacement value of the insured assets at just over $3 million. The total loss was assessed at approximately $800,000, but applying the policy's underinsurance provisions reduced the claim payment to $109,000 before the excess. Around $25,000 of the loss was genuine emergency works, while much of the remaining damage was cosmetic, including hail-dented roofing that remained structurally sound but had to be replaced under the insurer's terms, increasing the assessed repair cost. The operator's experience also points to two compounding risks: uncertainty over whether self-managed repairs will meet an insurer's required standard in any future claim, and the likelihood that rising construction costs will erode adequate cover again within a short period, even where a business insures to its most recent valuation

The recommended actions set out a pathway to shift the narrative from a high-risk sector to one that actively manages and reduces risk, backed by evidence insurers can act on.

8.1 Recommended Actions

a. Develop standardised tourism and events risk metrics, including visitor participation numbers, safety training compliance and incident frequency, that insurers can use directly in underwriting. ATIC's Quality Tourism Framework is one example of an existing standard that could be built out this way, made available to members on an opt-in basis with active encouragement of uptake. (*Industry bodies*)

b. Establish data-sharing between insurers and accredited operators, including those certified under ATIC's Quality Tourism Framework, to test whether accreditation correlates with lower claims frequency and severity. (*Industry bodies, insurers*)

c. Use on-site verification to distinguish baseline compliance from demonstrated performance, and where correlation is confirmed, advocate for insurers to formally recognise accreditation through premium offsets or excess reductions. (*Industry bodies, Australian Government (APRA), Insurers*)

d. Build operator literacy on coverage adequacy, co-insurance and underinsurance, so risk transfer decisions are made with full information. (*Industry bodies*)

8.2 Market Solutions

Traditional insurance will remain the primary mechanism for most of the visitor economy, but it is not always well suited to segments with high exposure to natural disasters, complex liability profiles and small-to-medium sized enterprises. For these segments, alternative models can complement the existing market, improve affordability and give operators more control over risk outcomes.

These models work by aggregating and restructuring risk, rather than leaving individual businesses to buy insurance in isolation with limited bargaining power and exposure to retail pricing. Aggregation gives operators collective scale, better data and more direct engagement with underwriting and reinsurance markets.

8.2.1 Group Purchasing and Aggregated Models

Group Purchasing Bodies (GPBs) bring together tourism businesses with similar risk profiles to collectively purchase insurance, building on the aggregation specialist brokers and underwriting agencies already do informally through binder arrangements. Aggregation increases premium volume and creates scale, which improves insurer engagement and pricing and standardises policy terms and data collection, reducing underwriting uncertainty.

A well-governed GPB with consistent risk metrics is a more attractive proposition to insurers than fragmented submissions or informal aggregation without standardised data. A GPB needs to add scale, not compete with the specialist facilities and binder arrangements already operating in this space as splitting volume across a new structure and existing ones is likely to weaken both.

A GPB would be well suited to defined cohorts such as accommodation providers, tour operators or event organisers, where risk profiles are reasonably consistent and aggregation doesn't need intensive resourcing to administer. It may not be right for businesses where members carry widely different asset values and debt exposure.

8.2.2 Insurance Broker Arrangements

Insurance Broker Arrangements (IBAs) curate and standardise the risk information a panel of specialist brokers presents to insurers, functioning similarly to a coordinated procurement arrangement.

Outcomes improve when brokers act as strategic risk partners rather than transactional intermediaries. Specialist brokers have been available in some sectors for the last 20 years, helping keep cover available throughout the hard market.

Broker partners such as Ausure and Neptune have saved festivals and venues thousands of dollars on quoted premiums by applying sector-specific knowledge to how risk is presented[39]. An IBA formalises this relationship across the sector rather than leaving it to individual broker-client relationships.

For tourism and events, this addresses the communication breakdown identified by industry, where mitigation evidence and accreditation outcomes often fail to reach insurers in a form they recognise. Brokers within the arrangement would need a working understanding of tourism operations, accreditation frameworks such as ATIC's Quality Tourism Framework and activity-specific risk.

8.2.3 Discretionary Mutual Funds

Discretionary Mutual Funds (DMFs) are a risk-sharing model, not a form of insurance. Members contribute to a common pool, and a board considers claims at its discretion rather than under a contractual obligation to pay. DMFs are member-owned and sit outside the *Insurance Act 1973* and the *Insurance Contracts Act 1984*, giving more flexibility in claims handling but fewer legal protections than a traditional policy. A DMF requires seed capital before member contributions can be collected, which could be sought via a government loan with a defined payment period.

DMFs have operated in Australia for decades, including in agriculture, motor trades and franchises such as McDonald's, often where insurers have withdrawn from the market or cover is very expensive. The Australian Amusement, Leisure and Recreation Association (AALARA) developed a DMF proposal for its sector. The Australian Small Business and Family Enterprise Ombudsman (ASBFEO) found a DMF was workable for that sector though noted that legislative change across states and territories would be needed before it could operate effectively[40].

During the 2026 Parliamentary Inquiry into Small Business Insurance public hearing in Brisbane, the Committee suggested to AALARA that a government loan rather than a grant is considered for seed funding a DMF. A low or no interest loan from the Queensland or Australian Government for seed funding is therefore proposed for consideration.

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[39] *Australian Live Music Business Council submission to Inquiry into Small Business Insurance, Parliamentary Joint Committee on Corporations and Financial Services, January 2026, accessed 18/06/2026* *https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/SmallBusinessInsurance*

[40] *The Show Must Go On, Final Report 6 December 2021, Australian Small Business and Family Enterprise Ombudsman, accessed 21/6/26* *https://www.asbfeo.gov.au/sites/default/files/2022-03/DMF_Final-Report_Public.pdf*

The advantages of a DMF include industry-specific coverage, member ownership of any surplus, and a board familiar with the sector's claims history to assist in cases a traditional insurer would decline on strict policy wording. A DMF cannot issue a certificate of currency the way a traditional insurer can, and the ASBFEO's report found that bank acceptance of a DMF instead of insurance depends on the individual lenders' risk appetite.

Successful implementation requires sufficient scale, strong governance, clear risk parameters and sound actuarial modelling, along with enough industry cohesion to sustain a shared fund.

A three-tier structure is proposed for further investigation:

Discretionary Mutual Fund	Protected Cell Company	Reinsurance
•Frequent lower value losses. •Industry retains risk, builds claims data and rewards strong risk management	•Larger, complex losses. •Ring-fences accommodation, events, adventure, marine and caravan park segments.	•Catastrophic events. •Parametric triggers can provide rapid payouts following cyclones, floods or major hazards.

The base layer is the DMF itself, member-funded and governed by a board with discretion over claims. A protected cell layer could ring-fence distinct segments of the visitor economy, such as accommodation, events, adventure tourism, marine tourism and caravan parks, with separate cells sharing common governance and reinsurance access. This would keep risk pools transparent between segments with materially different exposures, while avoiding the administrative duplication of running entirely separate structures. A model built around claims history and risk performance also gives operators incentive to invest in accreditation, safety systems and mitigation, since better performance would be reflected in their own segment's outcomes rather than absorbed across the wider pool.

The third layer is reinsurance to cap losses from catastrophic events. This gives the fund access to wholesale reinsurance pricing rather than the retail rates an individual business would face and protects member capital from a single large loss. This structure changes the economics of insurance by reducing reliance on retail insurance markets and giving direct access to wholesale reinsurance capacity. It allows the industry to retain underwriting profits and build capital reserves over time.

The closest operating Australian precedent is Xenia Mutual, a property risk DMF for the hospitality sector, combining a self-insured retention with reinsurance. It covers property risk, not public liability, and shows a DMF-plus-reinsurance model is viable in a comparable sector. The Queensland Hotels Association (QHA) has examined the Xenia Mutual model and determined that QHA does not have the scale of membership required to make this model effective in Queensland.

If a feasibility study determines that Queensland's tourism industry lacks sufficient scale to make a DMF viable, QTIC and/or sector peak bodies could pursue one or more national DMFs with counterparts in other jurisdictions. This could be structured as a single cross-sector model or as separate arrangements for high-risk segments such as adventure tourism and marine operators.

8.2.4 Parametric Insurance

Parametric products pay a fixed amount when a predefined trigger occurs, such as a cyclone reaching a specified category in a specified region. No damage assessment, adjuster visit or contested claim is required, which means funds can reach an operator quickly.

One practical application is excess coverage. A caravan park carrying a $500,000 cyclone excess on its primary policy can take out a parametric product that pays out against that excess, closing a gap that would otherwise be uninsured, without changing the underlying property cover.

The Australian Government's Cyclone Reinsurance Pool's eligibility settings and defined event window leave many Queensland tourism businesses with limited practical benefit, and business interruption cover is largely unavailable or unusable on the terms currently offered.

This type of insurance works best for very large claims rather than as a substitute for property or business interruption cover. QTIC's workshop participants confirmed that parametric products should sit alongside conventional insurance, not replace it.

A question for government is regulatory recognition. Products such as parametric cover are not always recognised as insurance under current financial services settings, which limits how confidently operators, brokers and lenders can use them.

8.2.5 Application to the Visitor Economy

To be successful, these alternative models need sufficient scale to attract insurer and reinsurer interest, standardised risk metrics and data, and governance arrangements that give insurers and members confidence in how the model is run. Whether banks, councils, permit authorities and landlords will accept these models matters as much as whether they can be built. A DMF or parametric product that a lender or permit authority won't recognise doesn't solve an operator's problem, regardless of how well it's designed.

Buying insurance on price alone is common well beyond tourism and events. Households and businesses across the country often shop for the cheapest annual premium, since insurance is a significant cost with no visible return until a claim is made. For the visitor economy, working with brokers who understand tourism risk and has access to the right markets makes more difference than shopping on price. Long-standing broker arrangements in caravan parks and adventure tourism have held up across market cycles for this reason.

Each model closes a specific gap in affordability or availability and works best alongside the risk mitigation and accreditation improvements the industry is already building. For the visitor economy, a staged approach is the practical pathway.

Aggregation through GPBs and the broker arrangement can begin first, since both work within the existing insurance market rather than requiring new regulatory settings. Parametric products are already being explored by industry for segments with very large, infrequent claims, such as cyclone-exposed accommodation, and DMF pilots can follow once questions of industry scale, governance and lender acceptance are resolved. The three-tier structure, combining a DMF, a formal insurance layer and reinsurance, including parametric cover for catastrophic losses, remains a longer-term option for the highest-risk segments.

Working together changes the industry's position in this market. A GPB or broker arrangement gives operators more bargaining power than an individual business, and an evidence base linking accreditation to claims performance gives insurers a reason to price risk on merit instead of perception.

The 2032 Olympic and Paralympic Games rely on a functioning small business supply chain across tourism, events, hospitality and services. QTIC's position is that a dysfunctional insurance market puts delivery capacity, regional activation and SME participation at risk, precisely when Queensland needs all three functioning. Whether these models can be built in time depends on the policy and regulatory settings government chooses to change. Without that movement, the staged approach stays a proposal rather than a deliverable program.

8.2 Recommended Actions

a. Test the feasibility of a Group Purchasing Body pilot for a defined tourism cohort, before considering wider rollout to other segments. (*Industry bodies*)
b. Commission an independent assessment of DMF viability for visitor economy segments with predictable, lower-value claims profiles, before seeking seed funding or legislative change. (*Industry bodies*)
c. Confirm with financial institutions and relevant government permit authorities whether DMF membership would satisfy finance, insurance and permit requirements, before proposing a DMF for asset-heavy or highly leveraged segments. (*Industry bodies, Financial Services, Queensland Government*)
d. If government provides seed funding for an industry DMF, structure it as a loan with a defined repayment period rather than a grant to avoid setting a precedent for other industries. (*Queensland Government, Australian Government*)
e. Embed a subcontracted specialist insurance broker within QTIC for an initial 12-month period, as an interim measure while a panel is established. (*Industry bodies, Government funding*)
f. Establish a panel of brokers with demonstrated tourism and events insurance expertise for businesses to access directly. (*Industry bodies*)
g. Explore an industry and regulator-endorsed accreditation or registration scheme for tourism and events insurance specialists, covering both brokers and underwriters, so businesses can identify advisors who understand sector-specific risk. (*Australian Government (ASIC), Industry bodies, Insurers/Brokers/ICA*)

9. Policy and Regulatory Reforms Required

Improving insurance affordability and availability for Queensland's tourism and events businesses depends on policy and regulatory settings at both Commonwealth and state levels. Insurance duty, reinsurance costs, civil liability settings and regulatory complexity each contribute to the problem. The reforms that follow aim to improve how this market functions and prices risk, without reducing the protections available to people who are genuinely injured.

9.1 Insurance Taxes and Cost Settings

Queensland should take one of two paths on insurance duty: reduce or remove it, following Victoria's step-down model, or redirect a percentage of the revenue into resilience and mitigation programs. Both options address the underlying risk driving up premiums and reducing that risk does more to bring premiums down over time than duty relief alone.

For tourism and events businesses, insurance duty is the one tax tied directly to risk, since businesses in higher-risk areas pay more. Using part of that revenue to fund mitigation means the money collected because of risk is then spent on reducing it. Removing insurance duty altogether carries an upfront cost to consolidated revenue that redirection avoids. If full removal isn't immediately feasible, redirection is the more achievable first step. A third option is a duty rebate or offset tied to verified spend on risk mitigation, such as cyclone-rated upgrades, flood barriers or fire suppression systems. This keeps the duty base intact while giving operators who invest in reducing their own risk an immediate return on that investment.

9.1 Recommended Actions

a. Model the value of insurance duty collected from the tourism and events industry each year, with a view to reducing or removing Queensland's insurance duty on tourism and events insurance premiums. *(Queensland Government)*
b. Where immediate removal isn't feasible, redirect a defined share of insurance duty revenue collected from tourism and events businesses into mitigation support for the industry. *(Queensland Government)*
c. Investigate a duty rebate or offset for verified spend on risk mitigation, as a complement to duty reduction or redirection. (*Queensland Government*)

9.2 Civil Liability and Claims Frameworks

Civil liability settings are the biggest driver of public liability premiums for tourism and events operators and sit primarily with the states and territories. In Queensland, claim farming is prohibited and the *Personal Injuries Proceedings Act 2002* (PIPA) requires early notification, disclosure and settlement conferences before a claim reaches court. PIPA's cost offer limits are indexed to Average Weekly Earnings, which have outpaced actual damages growth over the same period. The PIPA upper offer limit rose around 21 per cent between 2020-21 and 2025-26.[41]

Other states and territories don't have the same protections, so tourism and events businesses face different liability rules depending on where they do business. Insurers factor this into how they price national portfolios. The Australian Government can bring state and territory governments together to discuss adopting a nationally consistent model based on Queensland's framework.

Dangerous recreational activity legislation is worth national attention. Clarifying these settings would immediately improve the availability and affordability of cover for tourism and recreation businesses.

Shorter claim notification periods, tested against Queensland’s existing PIPA notice requirements and general three-year limitation period, would give all businesses a realistic chance of preserving CCTV footage and staff records before they're lost. Tourism and events businesses report rising numbers of speculative claims due to ‘no win, no fee’ arrangements, and the impact of these arrangements on claim frequency and legal costs should be reviewed.

A nationally consistent cap on defence legal costs, such as the 20 per cent of claim value the ICA has proposed for claims up to $300,000, is worth testing as a starting point, alongside modelling on whether a cap pushes marginal claims toward settlement rather than defence.

New Zealand’s Accident Compensation Corporation (ACC) offers a different model worth considering: a no-fault scheme that replaces the right to sue for personal injury, funding treatment, rehabilitation and income support of up to 80 per cent through levies on earners, employers and motor vehicle owners.

Its advantage is speed: claims are resolved administratively rather than through the courts, cutting legal costs and getting people support without needing to prove fault. Its drawback is cost: ACC’s 2025 Financial Condition Report shows a NZ$785 million net deficit in 2024/25 and warns levies will keep rising without reform.

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[41] *Personal Injuries Proceedings Indexation Notice 2025 and Personal Injuries Proceedings Regulation 2014, Queensland Legislation, accessed 02.07.2026 https://classic.austlii.edu.au/au/legis/qld/consol_reg/pipin2025458/s5.html and* https://www.legislation.qld.gov.au/view/whole/html/inforce/2020-07-01/sl-2014-0132

Removing the threat of being sued also weakens a business's incentive to manage risk, unless something else replaces it such as charging employers more when their safety record is worse.[42] A no-fault scheme limited to low-value personal injury claims, applying elements of the ACC model at a scale large enough to pool the risk, is worth investigating at the Commonwealth level.

9.2 Recommended Actions

a. Review the annual indexation of the cost offer limits under PIPA with a view to restoring the mechanism's original intent. *(Queensland Government)*

b. Convene state and territory governments to discuss adopting a nationally consistent claim farming prohibition and pre-proceedings framework modelled on Queensland's PIPA. *(Australian Government)*

c. Shorten mandatory claim notification periods for personal injury claims involving tourism and events businesses, to preserve evidence before it's lost. *(Queensland Government)*

d. Review the impact of "no win, no fee" arrangements on claim frequency and legal costs for personal injury claims. *(Queensland Government)*

e. Investigate the feasibility of a no-fault compensation scheme for low-value personal injury claims, considering elements of New Zealand's model. *(Australian Government)*

f. Explore a nationally consistent, privacy-protected framework for incident and claims reporting in higher-risk sectors, including tourism and events, so future civil liability reform is tested against real data on claim frequency, severity and cost. (*Australian Government*)

9.3 Reinsurance and Disaster Risk Settings

Reinsurance costs in disaster-exposed regions are a major driver of premium increases. The Cyclone Reinsurance Pool is delivering some benefit nationally, but not where it matters most for Queensland's tourism and events businesses: a property cap that excludes small hotels and motels on building value alone, a narrow event window that left real flood damage uncovered after Tropical Cyclone Jasper, and the exclusion of small business marine insurance, governed by the *Marine Insurance Act 1909* rather than the *Insurance Contracts Act* framework the Pool is built around, leaves the state's marine tourism operators outside the scheme altogether.

Targeted reinsurance support could encourage insurer participation in high-risk regions, but lowering the risk itself works better long-term. Current Queensland Reconstruction Authority mitigation funding is usually directed at local governments and non-profit enterprises, not businesses in disaster-prone regions. Investing in mitigation infrastructure and land-use planning is still the best long-term way to bring premiums down, since it reduces the risk insurers price.

A proposed national Flood Defence Fund, worth $30.15 billion over ten years and shared between the Commonwealth and the states most exposed to flood risk, would be one vehicle for this kind of investment if it proceeds, provided Queensland's priority catchments are properly weighted.[43]

Three approaches are worth testing against each other to close that gap, since the same redirected insurance duty revenue can't stretch across all three:

- Queensland Natural Disaster Mitigation Program for Tourism and Events that provides low-interest loans to fund property-level resilience work, cyclone-rated construction upgrades, flood barriers, fire suppression and water storage infrastructure, reducing risk before a disaster happens.

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[42] *2025 Financial Conditions Report, Accident Compensation Corporation NZ, accessed 02.07.2026* *https://www.acc.co.nz/assets/corporate-documents/ACC8828-Financial-Condition-Report-2025.pdf*

[43] *Advancing Australia's Resilience: Policy Recommendations for the Next Australian Government, Insurance Council of Australia, 2025, accessed 24/06/2026* *https://insurancecouncil.com.au/wp-content/uploads/2025/02/21226_ICA_Federal-Election-Platform-Report_2025_Final-single-pages.pdf*

- Queensland Tourism and Events Insurance Excess Fund to provide grants towards a business's excess on a natural disaster claim, responding after a loss rather than before one, with grants capped at a percentage of the premium excess.
- Queensland Tourism and Events Natural Disaster Loan Fund, administered through QRIDA like the COVID19 Jobs Support Loan Scheme, to provide low interest loans for disaster-related property and asset costs not covered by insurance.

Each option does something different. Mitigation reduces the risk but takes years to show up in premiums. The Excess Fund and Loan Fund respond faster but only after a loss has already occurred, and don't change the underlying risk. The cost and reach of each option need to be modelled to determine the most effective, long-term value to industry.

9.3 Recommended Actions

a. Expand Cyclone Reinsurance Pool coverage beyond cyclone-only triggers, address the 48-hour event window, and review the property cap against current exclusion data with a doubling to $10 million treated as a minimum adjustment given how many small hotels and motels already sit above the existing threshold on building value alone. Index the revised cap annually for building cost growth, and assess how small business marine insurance, governed by the *Marine Insurance Act 1909* rather than the framework the Pool's eligible classes are built on, could be brought within an equivalent scheme. *(Australian Government)*
b. Require reporting on premium outcomes specific to Queensland's tourism and events sector, building on the ACCC's existing national monitoring. *(Australian Government)*
c. Investigate targeted reinsurance support or incentives to encourage insurer participation in high-risk tourism and events regions. *(Australian Government)*
d. Model the cost and reach of a Queensland Natural Disaster Mitigation Program for Tourism and Events, a Tourism and Events Insurance Excess Fund, and a Tourism and Events Natural Disaster Loan Fund and progress the option that delivers the most value from redirected insurance duty revenue. *(Queensland Government)*
e. Continue investment in mitigation infrastructure and land-use planning reform in disaster-exposed regions. *(Queensland Government)*

9.4 Regulatory Complexity and Efficiency

The Design and Distribution Obligations and anti-hawking rules under the *Corporations Act 2001 (Cth)* apply the same way to every insurer. Disclosure and claims handling rules also overlap between regulators, adding cost without helping policyholders. Tourism and events businesses often need specialist or niche insurers because of unusual risk profiles like adventure activities or large events. These niche insurers are usually small businesses and the cost of following the rules is the same no matter the insurer's size.

By shifting toward outcomes-based regulation, with rules scaled to match a product's size and risk, specialist insurers could compete without carrying costs built for the wider market. Scaling down generic obligations only works if it's matched by clearer expectations around sector expertise. Specialist insurers and brokers need a strong understanding of tourism risk.

A single-touch approach to regulatory reporting where possible, with ASIC and APRA coordinating rather than collecting separately, would reduce that burden. Lower compliance costs won't guarantee better product design, but they remove a real barrier pushing specialist insurers towards standard policies rather than ones built for tourism and events risk.

Most of these rules aren't revisited once they're in place, so unintended consequences creep in over time. A formal review cycle, built into the legislative process for major insurance regulation and run every three to five years, would reduce such impacts.

9.4 Recommended Actions

a. Scale Design and Distribution Obligations and anti-hawking rules to match product risk and insurer size instead of applying them the same way to specialist and niche insurers serving tourism and events businesses. *(Australian Government, ASIC)*
b. Introduce a single-touch approach to regulatory reporting, with ASIC and APRA coordinating data collection rather than requiring separate reporting. *(Australian Government)*
c. Commit to a review cycle for major insurance regulation every 3 to 5 years. *(Australian Government)*
d. Reduce overlapping disclosure and claims handling obligations between regulators where they add cost without improving outcomes for policyholders. *(Australian Government, ASIC)*

9.5 Data, Transparency and Market Function

Australia has no centralised mechanism for monitoring insurance premiums and the breakdown in information flow between a business, broker and underwriter means evidence of risk mitigation often doesn't reach the people pricing the risk. Established safety datasets, such as the U.P.L.O.A.D.S outdoor activity incident data, aren't reflected in underwriting decisions.

Hazard mapping data already exists: Queensland's Globe and QSpatial carry flood and coastal hazard layers, local governments hold parcel-level flood detail, and Geoscience Australia's Australian Exposure Information Platform screens hazard exposure nationally. A consolidated view of this data would help tourism and events businesses weigh disaster risk into site selection and lease decisions, rather than relying on advice from a broker or insurer when receiving a quotation.

Government can require insurers to report de-identified claims and pricing data centrally and recognise industry data as evidence insurers should be using rather than starting from scratch. This sits alongside the risk metrics tourism peak bodies plan to develop and will help get that data to underwriters.

Any data-sharing framework needs privacy safeguards built in, though a framework is a higher priority in the first instance. It is also recognised that increased availability of data can result in increased or narrower premiums as insurers use the data to reprice risk, requiring a strong industry narrative to accompany data sets.

9.5 Recommended Actions

a. Require insurers to report de-identified claims and pricing data to a central body, so government and industry can track how premiums and claims are moving. *(Australian Government, ASIC)*
b. Formally recognise established industry safety data, such as the U.P.L.O.A.D.S incident data, as evidence insurers should incorporate into underwriting. *(Australian Government, Insurers)*
c. Develop a data-sharing framework between industry, insurers and government that protects privacy and gets risk mitigation evidence to the underwriters and support better consolidation of and access to existing government hazard mapping tools. *(Australian Government, Queensland Government)*

9.6 Enabling Alternative Insurance Models

Australian Financial Services Licence (AFSL) settings under the *Corporations Act 2001 (Cth)* determine whether pooled models like Group Purchasing Bodies (GPBs) and Discretionary Mutual Funds (DMFs) can operate efficiently. The 2019 recognition of DMFs in the Act isn't sufficient to make these models workable at scale. Parametric products face a similar problem, as while they are already available in the market, they're not always recognised as insurance under current financial services settings, which limits how confidently operators, brokers and lenders can use them.

Legislation, permit conditions and licensing requirements in some states and territories require a specific class of insurance, which can exclude a DMF even where the underlying risk protection is the same. State and territory governments would need to review this wording for a DMF to satisfy these requirements, and the Australian Government is well placed to coordinate that review across jurisdictions.

Government already backs the Cyclone Reinsurance Pool with a Commonwealth guarantee. A similar, smaller-scale guarantee or co-investment mechanism could help establish parametric products for catastrophic disaster risk in tourism regions, giving insurers and reinsurers the confidence to bring these products to market faster.

9.6 Recommended Actions

a. Clarify how parametric insurance products are treated under current financial services settings, so that businesses, brokers and lenders can rely on them with the same confidence as conventional insurance. *(Australian Government, ASIC)*
b. Strengthen AFSL settings under the *Corporations Act 2001 (Cth)* so GPB and DMF models can operate efficiently and review state and territory legislation, permit conditions and licensing requirements that specify insurance by name, so a DMF can satisfy these requirements where the underlying risk protection is equivalent. *(Australian Government)*
c. Investigate a Commonwealth guarantee or co-investment mechanism to help establish parametric insurance products for catastrophic disaster risk in tourism regions, similar in principle to the existing Cyclone Reinsurance Pool guarantee. *(Australian Government)*

9.7 Recognition of Risk Mitigation and Accreditation

Standardised risk metrics will only change pricing if insurers use them in underwriting. Recognition of accreditation and performance, through premium offsets or excess reductions, needs a government-endorsed framework behind it.

Insurers already have a working example of how to do this. ARPC's mitigation discount model for cyclone risk shows recognition can be built into pricing where risk is assessed at the property level. Liability risk is priced differently: mitigation tends to set the threshold for getting cover at all, rather than earning a discount, so a framework for this class needs to be purpose-built rather than copied directly from the property model. Government should also fund the risk management training the ICA wants for caravan parks and live-music venues.

Operators often aren't aware that their sum insured is below replacement cost until they make a claim and receive a proportional payout. Requiring insurers to give businesses a clear, plain English summary of what's covered, what isn't and how the sum insured compares to replacement cost, at point of sale and renewal, would enable operators to make a more informed decision about their level of cover, rather than discovering the shortfall after a loss.

Because operators only control around 10 per cent of risk factors behind their premium, recognition in pricing needs to reward what operators can influence: accreditation, training, incident management. Recognition on its own won't bring premiums down if total claims and legal costs keep rising. It matters because it keeps well-managed operators insurable and rewards what they can control. Treating the whole sector as uniformly high-risk regardless of individual performance misses that distinction.

9.7 Recommended Actions

a. Develop a government-endorsed framework for recognising tourism-specific risk mitigation and accreditation in underwriting, so insurers have a consistent basis for premium offsets or excess reductions once industry-built risk metrics are available. *(Australian Government)*

b. Require insurers and distributors (including brokers) to provide a clear, plain English summary of coverage, exclusions and how the sum insured compares to replacement cost at point of sale and renewal. *(Australian Government, ASIC)*

10. Recommended Actions

The reform package works in layers, covering actions for industry and businesses as well as the Australian and Queensland Governments. Some measures reduce cost pressure immediately, others change how risk is managed, priced and shared over the longer term. None of these measure works in isolation and a package this broad needs a mechanism to coordinate progress across industry and government.

QTIC will establish a Tourism and Events Industry Insurance Reform Working Group within the first six months, bringing together Queensland and Australian Government representatives with industry and insurance bodies. Its job is to coordinate implementation of the recommendations in this paper, flag where progress has stalled, and identify what still needs further work.

Actions that matter most in the first six months: establishing a specialist insurance broker within QTIC, developing the tourism-specific risk metrics insurers can use, and modelling the value of insurance duty collected from the tourism and events industry each year. Attachment 1 sets out the timing for every recommendation, but government and industry should treat these as the starting point.

Attachment 1 brings together every recommendation in this paper, the order for implementation and who needs to act.

11. Stakeholder Consultation

QTIC held a workshop with tourism industry stakeholders in March 2026, supported by an industry survey reaching businesses across Queensland's visitor economy. Both streams of consultation shaped the evidence and recommendations set out in this paper.

The workshop tested industry experience against insurer, broker and government perspectives, and worked through priority issues now reflected in the recommendations above. The cross-sector representation gave a balanced view of both demand-side and supply-side market dynamics. Participants included:

- Tourism operators - accommodation, tours, marine, events
- Tourism industry bodies and associations
- Regional Tourism Organisations
- Insurance industry - Insurance Council of Australia
- Brokers and underwriting agencies
- Legal experts
- Researchers - Griffith University and Austrade
- Queensland and Australian Government

Responses to the industry survey were received from the accommodation, hotels, hospitality, marine tourism, tour operators and adventure tourism segments of the market, along with local government, First Nations organisations, and insurance specialists.

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Attachment 1: Recommended Actions

Section 10 · Recommended Actions Legend: ● Lead ○ Supporting ▓ Active period $ Funding Required

Advocacy Area	Ref.	Action	QTIC	Industry Bodies	Insurers, Brokers, ICA	Qld Gov	Aust Gov	Short 0–6 mths	Medium 6–12 mths	Long 12+ mths	Ongoing
1. **Implementation & Governance**	10	Establish a Tourism and Events Industry Insurance Reform Working Group, led by QTIC and including government and industry representatives, to track implementation of the recommendations in this paper.	●	○	○	○	○	▓			▓
2. **Risk Mitigation Recognition**	8.1a	Develop standardised tourism and events risk metrics, including visitor participation numbers, safety training compliance and incident frequency, that insurers can use directly in underwriting	○	●	○		○	▓	▓		
3. **Alternative Risk Transfer Models**	8.2e 8.2f	Embed a subcontracted specialist insurance broker within QTIC for an initial 12-month period, transitioning to a permanent panel of brokers with demonstrated tourism and events expertise. $	●		○	○	○	▓	▓	▓	
4. **Underinsurance & Consumer Protection**	8.1d	Build operator literacy on coverage adequacy, co-insurance and underinsurance, so risk transfer decisions are made with full information. $	●	○	○			▓			▓

Section 10 · Recommended Actions Legend: ● Lead ○ Supporting ▓ Active period $ Funding Required

Advocacy Area	Ref.	Action	QTIC	Industry Bodies	Insurers, Brokers, ICA	Qld Gov	Aust Gov	Short 0–6 mths	Medium 6–12 mths	Long 12+ mths	Ongoing
5. **Disaster Risk & Resilience Funding**	9.1a 9.1b 9.1c 9.3d	Model the value of insurance duty collected from the tourism and events industry each year, with a view to reducing or removing Queensland's insurance duty on tourism and events insurance premiums. Where immediate removal isn't feasible, redirect a defined share of that revenue into a new Queensland Natural Disaster Mitigation Program for Tourism and Events, a Tourism and Events Insurance Excess Fund or a Tourism and Events Disaster Loan Fund through QRIDA, and progress whichever delivers the most value. As a further option, investigate a duty rebate or offset for verified spend on risk mitigation. $	○	○	○	●		▓	▓	▓	
6. **Disaster Risk & Resilience Funding**	9.3a 9.3b 9.3c	Expand Cyclone Reinsurance Pool coverage beyond cyclone-only triggers, address the 48-hour event window and review the property value cap against current exclusion data, and index it annually for building cost growth, assess how small business marine insurance could be brought within an equivalent scheme, require public reporting on premium reductions delivered to policyholders, and investigate targeted reinsurance support to encourage insurer participation in high-risk tourism and events regions. $	○	○	○		●	▓	▓	▓	
7. **Alternative Risk Transfer Models**	8.2a	Test the feasibility of a Group Purchasing Body pilot for a defined tourism cohort, before considering wider rollout to other segments.	●	○	○				▓		

Section 10 · Recommended Actions Legend: ● Lead ○ Supporting ▓ Active period $ Funding Required

Advocacy Area	Ref.	Action	QTIC	Industry Bodies	Insurers, Brokers, ICA	Qld Gov	Aust Gov	Short 0–6 mths	Medium 6–12 mths	Long 12+ mths	Ongoing
8. **Alternative Risk Transfer Models**	8.2b 8.2c	Commission an independent assessment of DMF viability for visitor economy segments with predictable, lower-value claims profiles, before seeking seed funding or legislative change at the Commonwealth or state level and confirm with financial institutions whether DMF membership would satisfy finance, insurance and permit requirements for asset-heavy or highly leveraged segments. Finance sector to be engaged. $	●	○	○	○	○		▓		
9. **Alternative Risk Transfer Models**	8.2d	If government provides seed funding for an industry DMF, structure it as a loan with a defined repayment period rather than a grant. $	○	○		●	●			▓	
10. **Risk Mitigation Recognition**	8.1b 8.1c	Establish data-sharing between insurers and accredited operators to test whether accreditation correlates with lower claims frequency and severity, using on-site verification to distinguish baseline compliance from demonstrated performance. Where correlation is confirmed, advocate for insurers to formally recognise accreditation through premium offsets or excess reductions.	●	○	○		○		▓	▓	
11. **Regulatory & Market Efficiency**	9.5b	Formally recognise established industry safety data, such as the U.P.L.O.A.D.S incident data, as evidence insurers should incorporate into underwriting.		○	○		●		▓		

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Advocacy Area	Ref.	Action	QTIC	Industry Bodies	Insurers, Brokers, ICA	Qld Gov	Aust Gov	Short 0–6 mths	Medium 6–12 mths	Long 12+ mths	Ongoing
12. **Regulatory & Market Efficiency**	9.5a 9.5c	Require insurers to report de-identified claims and pricing data to a central body, develop a data-sharing framework between industry, insurers and government that protects privacy and gets risk mitigation evidence to underwriters, and support better consolidation of and access to Queensland and Australian Government hazard mapping tools. (ASIC)	○	○	○	○	●		▒	▒	
13. **Underinsurance & Consumer Protection**	9.7b	Require insurers and distributors (including brokers) to provide a clear, plain English summary of coverage, exclusions and how the sum insured compares to replacement cost, at point of sale and renewal. (ASIC)			○		●		▒	▒	
14. **Liability & Claims Reform**	9.2a 9.2c 9.2d	Review the annual indexation of the cost offer limits under PIPA, with a view to restoring the mechanism's original intent. Shorten mandatory claim notification periods for personal injury claims involving tourism and events businesses, to preserve evidence before it's lost, and review the impact of "no win, no fee" arrangements on claim frequency and legal costs.			○	●			▒	▒	

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Advocacy Area	Ref.	Action	QTIC	Industry Bodies	Insurers, Brokers, ICA	Qld Gov	Aust Gov	Short 0–6 mths	Medium 6–12 mths	Long 12+ mths	Ongoing
15. **Liability & Claims Reform**	9.2b 9.2e 9.2f	Convene state and territory governments to adopt a nationally consistent claim farming prohibition and pre-proceedings framework modelled on Queensland's PIPA and investigate the feasibility of a no-fault compensation scheme for low-value personal injury claims, considering elements of New Zealand's model, and explore a nationally consistent privacy-protected framework for incident and claims reporting in higher-risk sectors including tourism and events.			○	○	●			▓	▓
16. **Risk Mitigation Recognition**	9.7a	Develop a government-endorsed framework for recognising tourism-specific risk mitigation and accreditation in underwriting, so insurers have a consistent basis for premium offsets or excess reductions once industry-built risk metrics are available.	○	○	○		●			▓	▓
17. **Disaster Risk & Resilience Funding**	9.3e	Continue investment in mitigation infrastructure and land-use planning reform in disaster-exposed regions. $				●					▓
18. **Alternative Risk Transfer Models**	9.6a 9.6c	Clarify how parametric insurance products are treated under current financial services settings and investigate a Commonwealth guarantee or co-investment mechanism to help establish them for catastrophic disaster risk in tourism regions (ASIC).					●			▓	

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Advocacy Area	Ref.	Action	QTIC	Industry Bodies	Insurers, Brokers, ICA	Qld Gov	Aust Gov	Short 0–6 mths	Medium 6–12 mths	Long 12+ mths	Ongoing
19. **Alternative Risk Transfer Models**	9.6b	Strengthen AFSL settings under the *Corporations Act 2001 (Cth)* so GPB and DMF models can operate efficiently, and coordinate a review of state and territory legislation, permit conditions and licensing requirements that specify insurance by name.					●			▒	
20. **Regulatory & Market Efficiency**	9.4a 8.2g	Scale Design and Distribution Obligations and anti-hawking rules to match product risk and insurer size, instead of applying them the same way to specialist and niche insurers serving tourism and events businesses and explore an industry and regulator-endorsed accreditation or registration scheme for tourism and events insurance specialists. (ASIC)		○	○		●			▒	
21. **Regulatory & Market Efficiency**	9.4b 9.4c 9.4d	Introduce a single-touch approach to regulatory reporting, with ASIC and APRA coordinating data collection rather than requiring separate reporting, commit to a review cycle for major insurance regulation every 3 to 5 years, and reduce overlapping disclosure and claims handling obligations between regulators where they add cost without improving outcomes for policyholders. (ASIC, APRA)			○		●			▒	