

7.3.2 INSURANCE RENEWAL FY26/27

Responsible Manager:	Amanda Sapolu, Manager Governance & General Counsel
Responsible Director:	Simone Wickes, Director Corporate Services

RECOMMENDATION

That Council notes the report.

INTRODUCTION

Council maintains a comprehensive insurance and risk transfer program to protect its assets, operations, employees, Councillors and broader financial interests against a range of insurable risks.

This report provides information on the placement of Monash City Council's portfolio of insurances for financial year 2026 to 2027.

Overall, the 2026–27 renewal represents a favourable and mostly stable outcome, in the wake of exponential increases in overall individual claim costs and the significant increase seen in Council's asset pool following a revaluation of Council's high value assets.

The increase in Council's insurance portfolio was in line with Council's insurance budget allocation for FY26/27.

COUNCIL PLAN STRATEGIC OBJECTIVES

A Council that provides governance and leadership for the benefit of our community through community engagement, advocacy, decision making and action.

BACKGROUND

The Australian insurance market has continued to stabilise following an extended period of firm market conditions seen following the COVID-19 pandemic.

This is a positive indicator given the continuing inflationary environment and increased claims costs affecting a number of insurance classes particularly in the public liability and personal injury spaces.

DISCUSSION

The 2026–27 renewal has achieved a generally stable premium position across Council's insurance portfolio while also delivering enhancements to several areas of cover.

Premiums have remained broadly consistent across Council's Environmental Impairment Liability, Commercial Crime, Cyber Liability, Councillors' and Officers' Liability, Personal Accident and Corporate Travel policies.

A significant contributor to the overall renewal outcome has been the relative absence/moderation of severe natural catastrophe losses compared with previous years.

Lower catastrophe activity has aided to balance costs associated with insurers continuing to assess Local Government risks cautiously, particularly in relation to ageing infrastructure, bushfire and flood exposure, and the broader cost pressures associated with repair, reinstatement, and service delivery obligations.

The following provides a summary of the more notable shifts seen in individual policies:

Cyber Liability

All participating Council insured limits have been increased by \$1 million. Importantly, the increased limits and additional coverage enhancements have been secured without an increase to expiring premium.

These enhancements are particularly beneficial given the continuing significance of cyber risk to local government.

Property and Assets (JMAPP)

Council's Property and Assets policy saw the biggest jump in premium this renewal period.

This was attributable to a comprehensive revaluation of high value assets(>\$400k) undertaken by Council which increased the declared asset pool by approximately \$107million; a necessary undertaking to ensure Council mitigates risks associated with underinsurance.

JMAPP also saw coverage enhancements including an increase in Council's applicable per-member/per-situation excess-of-loss limit from \$450 million to \$600 million and retention of the \$20 million metropolitan flood sublimit.

Motor Vehicle

The increasing technological complexity of modern vehicles, including electric and hybrid vehicles, advanced driver assistance systems, cameras, radar and other sensors, means that relatively minor accidents can now require specialist diagnostics, recalibration and replacement of expensive electronic components.

These factors have continued to place upward pressure on motor premiums across the local government portfolio.

City of Monash - FY2026/27 Insurance Program	
Class of Insurance	Insurer
JMAPP (Property & Assets)	JMAPP
Public Liability & Professional Indemnity	MAV
Motor Vehicle	Vero Insurance
Community Liability Pack	QBE Insurance(Australia) Ltd
Commercial Crime	MAV
Environmental Impairment Liability	Liberty Specialty Markets
Cyber Liability	Chubb Insurance Australia Ltd
Councillor & Officers Liability	XL Insurance Company SE

Personal Accident Insurance	Chubb Insurance Australia Ltd
Corporate Travel	Chubb Insurance Australia Ltd

FINANCIAL IMPLICATIONS

This year's total premium for Council's insurance portfolio rose by 12.8% to \$3,101,280.23 which falls within budget allocation.

CONSULTATION

Community consultation was not required.

SOCIAL IMPLICATIONS

There are no social implications to this report.

HUMAN RIGHTS CONSIDERATIONS

There are no human rights implications to this report.

GENDER IMPACT ASSESSMENT

A GIA was not completed because this agenda item is not a policy, program or service.

CONCLUSION

The 2026–27 insurance renewal represents a positive overall outcome for Council, balancing premium stability with meaningful improvements in coverage.

Of particular benefit are the improvements in the cover in the Cyber and JMAPP spaces.

Premium outcomes across the broader portfolio have remained generally stable despite insurer's continuing to apply cautious underwriting to local government.

The renewal provides Council with a sound level of risk transfer, improved protection in key areas and a commercially favourable outcome.

ATTACHMENT LIST

Nil