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Tower successfully renews reinsurance programme for FY26

Kiwi insurer Tower (NZX/ASX: TWR) has successfully renewed its reinsurance programme for the financial year ending 30 September 2026 (FY26), securing comprehensive cover at competitive rates across its home, motor, boat, and commercial portfolios across New Zealand and Pacific markets.

Tower estimates its reinsurance premium expense will represent 10.7% of Gross Written Premium in FY26, down from 13.3% in FY25. The reduction in reinsurance premium expense will be partly offset by lower reinsurance recoveries on property risks that were previously ceded to a proportional treaty.

Tower CEO Paul Johnston says the renewed programme reflects Tower's commitment to maintaining strong financial resilience and flexibility to support sustainable growth.

"Tower's risk-based pricing strategy and ability to dynamically adjust rates has once again enabled us to secure favourable terms for FY26," Johnston says. "We've deepened partnerships with global reinsurers, with several committing to new multi-year agreements. These arrangements offer greater certainty around future reinsurance costs and catastrophe excesses, supporting our resilience."

FY26 reinsurance programme highlights:

- Catastrophe upper limit increased to \$915 million, up from \$800 million in FY25.
- Continued cover for a third catastrophe event of up to \$85 million.
- A structural change in protection for large individual property risks, from proportional to excess of loss cover¹, resulting in lower reinsurance premiums while maintaining protection for large claims.

FY26 catastrophe reinsurance excess:

- \$20m for the first two events (up from \$18.75m in FY25, due to the expiry of multi-year arrangements).
- \$20m for a third event (unchanged from FY25)

"We're pleased to have secured a comprehensive programme with stable excesses and lower pricing," says Johnston. "This supports our ability to maintain competitive pricing for customers while protecting the business from volatility."

ENDS

This announcement has been authorised by: Paul Johnston, Chief Executive Officer,
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¹ Proportional reinsurance means the insurer and reinsurer share premiums and claims in agreed proportions. Excess of loss reinsurance means Tower retains responsibility for claims up to a certain threshold, with the reinsurer covering losses above that amount.