23 September 2024

Successful placement of FY25 reinsurance programme

Kiwi insurer Tower (NZX/ASX: TWR) has successfully renewed its reinsurance programme for FY25. The Company has secured comprehensive cover at competitive rates for its home, motor, boat and commercial portfolios across New Zealand and its Pacific markets.

Tower CFO Paul Johnston says Tower's reinsurance arrangements are designed to provide financial protection from large events volatility and maintain financial flexibility to support growth, while underpinning strong solvency.

"Tower's focus on risk-based pricing combined with our dynamic rating ability helped us secure favourable terms for our FY25 reinsurance. We've further strengthened relationships with global reinsurers, with several agreeing to new multi-year arrangements, which provides greater long-term certainty of reinsurance costs and catastrophe excesses."

FY25 reinsurance programme
To support growth and align with its prudent risk appetite, Tower has:
- Increased its catastrophe upper limit to $800m (from $750m)
- Expanded cover for a third catastrophe event to $85m (up from $75m in FY24)

For FY25, Tower's catastrophe reinsurance excess is:
- $18.75m for the first two events (up from $16.9m in FY24, due to expiring multi-year arrangements)
- $20m for a third event (unchanged from FY24)

Tower estimates it will pay 11.7% of total income for reinsurance cover in FY25, down from 13.9% in FY24.

"We're pleased to have secured a comprehensive reinsurance programme with stable excesses and pricing. This will help Tower maintain competitive pricing for customers," says Mr Johnston.

ENDS

This announcement has been authorised by:

Blair Turnbull
Chief Executive Officer
Tower Limited

For media enquiries, please contact:
Emily Davies
Head of Corporate Affairs and Sustainability
+64 21 815 149
Emily.davies@tower.co.nz

For investor enquiries, please contact:
James Silcock
Head of Strategy, Planning and Investor Relations
+64 22 395 9327
James.silcock@tower.co.nz