Memorandum of Understanding

Interim Partnership to Deliver TasInsure

RACT

Tasmanian Government

Memorandum of Understanding

Date	10 August 2026
Parties:	The Crown in Right of Tasmania, represented by the Department of Premier and Cabinet (the "**State**") And The Royal Automobile Club of Tasmania Limited ABN 62 009 475 861 ("**RACT**") (together, the "**Parties**", and each a "**Party**")
Purpose:	The purpose of this Memorandum of Understanding (**MOU**) is to facilitate the establishment of a collaborative framework for the delivery of TasInsure, a new government-owned, statutory not-for-profit entity which aims to make insurance more affordable and easier to access for Tasmanians. Through the Initial TasInsure Partnership, the parties will bring together the State's policy capabilities and RACT's insurance expertise, knowledge and networks to support the design and implementation of practical initiatives to deliver improved insurance affordability and accessibility for Tasmanians. (the "**Purpose**")

1. Duration and Termination

1.1 This MOU takes effect on the date of execution by the Parties and remains in effect until the earlier of:

a) the date that is three (3) months from that date; or

b) the Initial TasInsure Partnership comes into effect as defined in clause 4.

1.2 The MOU may be extended by the mutual agreement of the Parties in writing.

1.3 The MOU may be terminated by the mutual agreement of the Parties in writing, or by one Party by providing one (1) weeks' written notice to the other Party.

1.4 On the expiration or termination of this MOU the Interim TasInsure Partnership will come to an end, and neither Party will have any continuing obligations to the other in respect to this MOU except as otherwise provided in this MOU.

2. Context for this MOU

2.1 The State has announced the establishment of TasInsure, a government-owned, statutory not-for-profit entity to partner with insurers, brokers, reinsurers, and other parts of the insurance system to address gaps in insurance availability and affordability for Tasmanians.

2.2 The TasInsure model has been informed by the State-commissioned TasInsure Assessment prepared by John Trowbridge OAM[1] and is outlined by the TasInsure Implementation Pathway announced by the Premier of Tasmania on 14 May 2026[2].

2.3 TasInsure will leverage the insurance industry structure to help drive sensible, sustained and risk-aligned outcomes aimed at improving insurance outcomes for Tasmanians.

2.4 TasInsure will engage with insurers, brokers, reinsurers and other parts of the insurance ecosystem to address gaps in availability and affordability, and support improved market outcomes over time. Where necessary, the State will participate in arrangements designed to fill these gaps.

2.5 TasInsure will also work with the insurance industry to ensure that the cost of insurance reflects the local risk profiles, to promote alignment between risk mitigation, affordability and accessibility.

2.6 The Parties note that:

a) RACT is Tasmania's only locally owned general insurer, with over 103 years of operating history, more than 225,000 members, and deep expertise in Tasmanian insurance markets, risk assessment and community engagement;

b) RACT operates as a profit-for-purpose mutual organisation, with surpluses reinvested for the benefit of its members and the broader Tasmanian community; and

c) it is their shared belief that a partnership between RACT and the State will deliver better and more accelerated insurance outcomes for Tasmanians at better value for money and lower risk to the State.

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[1] *TasInsure Assessment*, Prepared at the request of the Department of Treasury and Finance (Tasmania), 28 February 2026.

[2] *TasInsure Implementation Pathway*, Tasmanian Government, 14 May 2026.

3. Interim TasInsure Partnership

3.1 To progress the establishment of TasInsure on an accelerated timetable, the State and RACT have agreed to enter into this MOU to appoint RACT as the interim TasInsure partner (“**Interim TasInsure Partnership**”).

3.2 Consistent with clause 4 below, it is intended by the State that this Interim TasInsure Partnership will transition to the Initial TasInsure Partnership in accordance with clause 4 at the earliest opportunity, not later than three (3) months after the date of execution of this MOU.

3.3 The State will follow due process to ensure that that the intended appointment of RACT as the Initial TasInsure Partner is consistent with its procurement-related obligations.

3.4 In the spirit of establishing TasInsure on an accelerated timetable, for the benefit of Tasmanian households, small businesses, and community organisations, from the execution of this MOU, the Parties each agree to begin work at their own cost and risk on the Early Priorities outlined in Schedule 1 to inform the initial shaping of TasInsure.

4. Transition from Interim TasInsure Partnership to Initial TasInsure Partnership

4.1 The State intends to appoint RACT as the initial TasInsure partner for an initial term of five (5) years from the commencement date of a formal TasInsure partnership (the "**Initial TasInsure Partnership**"), as contemplated by clause 3.2, through the execution of a formal agreement or agreements necessary to give effect to the Initial TasInsure Partnership, and any related TasInsure enabling legislation (the "**Intial TasInsure Arrangements**").

4.2 RACT will:

a) collaborate with the State to build the capabilities and design the services required for the operation of TasInsure, and to jointly advance the Purpose; and

b) where agreed, to deliver services on behalf of TasInsure.

4.3 Subject to the requirements of appropriate commercial confidentiality, to be agreed between the parties in the Initial TasInsure Arrangements, RACT will provide open book commercial transparency to the State, in order to provide the State with all information necessary to assess and determine value-for-money arrangements for the appointment of future TasInsure partners and operators of TasInsure services.

4.4 Unless otherwise expressly contemplated and agreed, during the Initial TasInsure Partnership it is proposed:

a) given the potential range and diversity of the activities to be undertaken through the Initial TasInsure Partnership, after each activity is scoped by the Steering Committee and agreed by the Parties, each will have a separate scope of work, outlining what the piece of work involves, and how the funding arrangements for that activity will be managed;

b) additionally, the State will provide RACT with an agreed monthly retainer, for the period of its engagement under the Initial TasInsure Partnership, to support the reasonable costs and expenses incurred by RACT in fulfilling the role of the initial TasInsure partner; and

c) otherwise, unless specifically agreed, the Parties will each bear their own costs.

4.5 The Parties will regularly discuss the activities being undertaken by each of them outside the paramaters of the Initial TasInsure Partnership, to ensure that there is a clear and agreed understanding of those activities which are or should be outside the partnership's scope, and those which should be included within its scope.

5. Establishment of TasInsure Steering Committee

5.1 The Parties will establish the TasInsure Steering Committee (the "**Steering Committee**") with effect from the execution of this MOU, and with a shared expectation for the Steering Committee to continue following the formation of the Initial TasInsure Partnership in accordance with the Initial TasInsure Arrangements.

5.2 The Steering Committee will be co-chaired by the Deputy Secretary – Strategy and Delivery of the Department of Premier and Cabinet (or nominee) on behalf of the State, and RACT Group Chief Executive Officer (or nominee) (the "**Co-Chairs**").

5.3 The Steering Committee will be supported by a secretariat, jointly established by Parties, and may also be supported by a specialist adviser or advisors, jointly selected by the Parties.

5.4 The Steering Committee will include:

a) The Co-Chairs;

b) one (1) additional State representative to be determined by the State;

c) one (1) additional RACT representative to be determined by RACT; and

d) other representatives as agreed between the Parties from time to time.

5.5 For the avoidance of doubt the Steering Committee may form such sub-committees as it considers beneficial and appropriate to the work of the Steering Committee, and the achievement of the Purpose, from time to time.

5.6 The Steering Committee will meet fortnightly, or otherwise as agreed by the Parties.

5.7 The Parties contemplate that there will be regular public reporting from the TasInsure Steering Committee, to the Government and to the Tasmanian public, on the work, priorities and outcomes of the Initial TasInsure Partnership.

6. The Steering Committee Mandate and Guiding Principles

6.1 The mandate of the Steering Committee is to:

a) give effect to the Purpose of this MOU, manage the proposed transition of the Interim TasInsure Partnership to the intended appointment of RACT as the initial TasInsure partner, and thereafter to guide and oversee the Initial TasInsure Partnership in accordance with the terms and requirements of the Initial TasInsure Arrangements;

b) guide the strategy, service and operating model, governance arrangements and resourcing framework for TasInsure to be established in legislation, including the respective roles of the State and RACT as the initial TasInsure partner, including in respect to risk ownership and underwriting participation, service delivery requirements and responsibilities, and governance structures;

c) be consulted on, and have input into the preparation of draft legislation suitable for introduction to the Parliament of Tasmania;

d) consider in detail the functions and priorities of three potential TasInsure divisions for markets, consumers, and risk assessment and migitiation as guided by the TasInsure Implementation Pathway;

e) where practicable, prioritise practical and early benefits for households, community organisations, small businesses, sectors facing insurance affordability and accessibility challenges, and ensure early implementation demonstrates the credibility of the TasInsure model;

f) consider options to improve the long-term sustainability of the State's broader insurance ecosystem, including alternative arrangements to governance, operations, pricing and value for money, approaches to Statewide risk mitigation;

g) coordinate and support parliamentary and stakeholder engagement on insurance affordability issues affecting Tasmanians; and

h) consider any other matters as agreed by the Co-Chairs from time to time.

6.2 Without limiting the ability of the Steering Committee to establish necessary governance, support, and delivery arrangements, and develop and manage an ongoing work program, the initial priorities for the Steering Committee are provided at Schedule 1.

6.3 The Steering Committee cannot make any binding obligations on either or both Parties.

6.4 The work program to be developed under the Initial TasInsure Partnership, including arrangements under this MOU, will be guided by the following policy principles:

a) **public value:** the Initial TasInsure Partnership will prioritise actions directed at measurable benefits for Tasmanian households, small businesses, community organisations and sectors experiencing challenges in respect to insurance affordability and accessibility;

b) **probity and competition:** all activities of the Initial TasInsure Partnership should seek to preserve fair market engagement, avoid anti-competitive effects, meet regulatory requirements, and protect future procurement options; and

c) **evidence-based intervention:** any potential market intervention by the Initial TasInsure Partnership should be informed by robust analysis of risk drivers, prudential management, pricing, market appetite, fiscal exposure and community outcomes.

7. Funding Arrangements for MOU

7.1 In the spirit of partnership for the benefit of Tasmania, during the period of the Interim TasInsure Partnership, the Parties will initially bear their own costs and act at their own risk.

7.2 In the event that the Parties enter into the Initial TasInsure Arrangements, it is contemplated that the State will reimburse RACT for its reasonable costs incurred during the Interim TasInsure Partnership period in accordance with the Initial TasInsure Arrangements.

8. Communication and Public Announcements

8.1 At the commencement of this MOU, the Parties will make a joint public statement to announce the establishment of the Interim TasInsure Partnership, and the State's intention to enter into the Initial TasInsure Partnership.

8.2 The Parties agree that this MOU will be publicly released following its execution. The Parties acknowledge that proactive publication supports transparency, accountability and public confidence in the establishment of TasInsure.

8.3 The Parties will consult with one another on public announcements, media releases, speeches and other external communications relating to this MOU or the Interim TasInsure Partnership to promote accurate, consistent and coordinated public information, subject to the Parties' mutual recognition that public announcements may be required without prior consultation on behalf of the State, having regard to its functions and responsibilities.

8.4 Where either Party receives media or stakeholder enquiries relating to matters addressed by this MOU that extend beyond previously agreed public information, the Parties will consult in good faith to ensure responses are accurate, consistent with the Purpose and the Priorities in Schedule 1, subject to the Parties' mutual recognition that public announcements may be required without prior consultation on behalf of the State, having regard to its functions and responsibilities.

9. Intellectual Property

9.1 The title to, and the property (including intellectual property) in, Material (other than Existing Material incorporated in the Material) vests in the State upon its creation.

9.2 For the purposes of the clause 9 the term Material means all Material, either, or both:

a) brought, or required to be brought, into existence by the State and/or RACT; or

b) collected by, or on behalf of the State and/or RACT,

as part of, or for the purposes of, this MOU.

9.3 For the purposes of this clause 9, Existing Material means any material, document or data created by either of the State or RACT before the date of this MOU and which may be provided by one party to the other.

9.4 This clause 9 is binding on the Parties and does not merge on termination or expiry of this MOU.

10. Legal Status and Interpretation

10.1 This MOU is a non-binding agreement between the Parties to undertake the Purpose of this MOU.

10.2 Except for this clause 10 this MOU is not intended to create legal relations and does not constitute a binding agreement between the Parties.

10.3 This Clause 10 survives the termination or expiry of this MOU.

10.4 This MOU is governed by the laws of the State of Tasmania.

10.5 Nothing in this MOU creates a legal or equitable partnership between the State and RACT whether in Equity, at Common Law or under the *Partnership Act 1891* (Tas).

10.6 Neither party has the right or power to:

a) incur any liability on behalf of the other party; or

b) bind the other party in any way.

Schedule 1 – Early Priorities

The Parties acknowledge that the Initial TasInsure Partnership will be informed and guided by the TasInsure Assessment and the TasInsure Implementation Pathway over the course of its operations. To facilitate early effective relief for Tasmanian challenges regarding insurance affordability and accessibility the Parties have agreed to initially focus on the following Early Priorities.

1. Insurance premium and Policy Assessment

Commission an independent expert to undertake a forensic and evidence-based assessment of the drivers of insurance premiums and policies for a pre-determined subset of insurances for Tasmanian households, businesses and/or community organisations (as the case may be), in order to better inform priority actions for TasInsure in the immediate term – including limitations and barriers.

2. Risk Management Capabilities

Design and develop training, tools, systems, processes and certification frameworks for small to medium Tasmanian businesses, and community groups, to support stronger risk management practices within those businesses. This includes procedures and practices to evidence this to insurance underwriters, in order to improve insurance accessibility and affordability through verified and credible undertakings, with the aim to support greater and improved coverage.

3. Property-Level Initiatives

Developing clear and actionable property level risk reduction plans and methodologies for Tasmanian households and businesses, to prioritise, quantify and inform direct actions which property owners can take to better manage their risks from natural hazards and catastrophes, thereby supporting improved insurance accessibility and affordability. The work will also be supplemented by a consideration of how completed mitigation measures can be independently verified and recognised by insurers when assessing eligibility, coverage, excesses and premiums.

4. Coordination and prioritisation of Mitigation Activities and Investment

Review, strengthen and optimise the governance and prioritisation mechanisms, across the actions taken by Commonwealth, State, and Local Governments, and GBEs and Statutory Authorities in Tasmania, in respect to natural hazards mitigation and risk management, which can support and have a beneficial impact upon insurance accessibility and affordability. This work will identify gaps, duplication and barriers to coordinated investment; establish clearer responsibilities and decision-making pathways; and develop a transparent framework for prioritising mitigation initiatives according to their capacity to reduce community risk.

Signing Page

Date / /

Jeremy Rockliff
Premier

Mark Mugnaioni
RACT Group Chief Executive Officer

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