This document is part of ASIC's 2025–26 CRIS.
It should be read in conjunction with the other documents that make up the CRIS, including the key terms.

2025–26 estimated costs and levies: Insurance sector

Insurance sector

Key points

This document outlines:

- the estimated levies to recover our costs—for a summary of the estimated levies for each subsector, including the cost variances (see Table 1);
- any material variances from the actual 2024–25 costs; and
- more detailed breakdowns of estimated costs for each subsector (see Table 2–Table 5).

The estimated levies are a guide only. The final levies will be based on our actual cost to regulate each subsector in 2025–26.

Overview of the insurance sector

The insurance sector consists of Australian financial services (AFS) licensees, including:

- insurance product providers;
- insurance product distributors;
- risk management product providers; and
- claims handling and settling services providers.

Note: In this CRIS, we round figures to two decimal places in the text and three decimal places in tables. Items may not add up to totals due to rounding.

Financial performance

For information on actual revenue and expenses for costs recovered through industry funding levies and fees for service for 2024–25, as well as estimates for 2025–26 and the following three years, see the financial performance section of the 2025–26 CRIS.

Non-financial performance

ASIC's *Corporate Plan 2025-26* was published in August 2025. It outlines our purposes, strategic priorities and focus areas in relation to regulating our industry sectors. The plan also details the key activities we undertake and the performance measures we will use to assess our performance in achieving our purposes.

ASIC's Annual Report 2025–26 will be published in October 2026. It will report on our progress and achievements against our purposes, strategic priorities and focus areas.

In December 2025, we also published ASIC's 2026 enforcement priorities, which communicate our intent to industry and indicate where we will direct our resources and expertise.

Further information on how we measure our performance is outlined on the Measuring our performance webpage on our website.

Table 1: Summary table of estimated industry funding levies and recoverable cost variances for the insurance sector

Subsector	FY 2025-26 estimated cost recovery amount	FY 2024-25 actual costs	Variance in dollars	Variance as a percentage	Number of entities	Minimum levy	Graduated levy threshold	FY 2025-26 estimated levy	FY 2024-25 actual levy
Insurance product providers	$16.879m	$13.792m	$3.087m	22%	99	$20,000	$5m	Minimum levy of $20,000 plus $2.20 per $10,000 of revenue[a] above the $5 million threshold	Minimum levy of $20,000 plus $1.75 per $10,000 of revenue above the $5 million threshold
Insurance product distributors	$2.498m	$1.536m	$0.963m	63%	3,670	Not applicable	Not applicable	Flat levy[b]: $681	Flat levy: $418
Claims handling and settling services providers	$4.061m	$2.114m	$1.947m	92%	345	$500	No threshold	Minimum levy of $500 plus $0.025 per claim under insurance products in relation to which the entity provides claims handling and settling services[c]	Minimum levy of $500 plus $0.013 per claim under insurance products in relation to which the entity provides claims handling and settling services
Risk management product providers	$0.400m	$0.166m	$0.234m	141%	91	Not applicable	Not applicable	$4,491[d]	$1,910
Total insurance sector	**$23.838m**	**$17.608m**	**$6.230m**	**35%**	**4,205**	**Not applicable**	**Not applicable**	**Not applicable**	**Not applicable**

Notes:

a) Gross premium and net policy revenue: Gross amount of premiums written and net revenue received, less any reinsurance expenses, in relation to business covered by the entity's AFS licence.

Note: Our regulatory effort for insurance product providers varies, depending on whether the entity is a life insurer (or friendly society) or a general insurance product provider, and the scale of its operation. For example, a large general insurer with a substantial customer base presents a significantly larger risk to the broader financial system than a small general insurer with a limited number of products and customers.

b) Our regulatory costs for insurance product distributors will be shared equally between all entities in the subsector because our level of regulatory activity is relatively similar for entities with each authorisation.

c) Number of insurance claims: The number of claims relating to insurance products that the entity provided claims handling and settling services for in the financial year.

d) This levy is based on the number of days in the financial year on which the entity held the prescribed AFS licence authorisation.

Material variances from the actual 2024–25 recoverable costs

We consider a variance to be material if:

› the estimated 2025–26 recoverable costs for the subsector are different from the actual 2024–25 recoverable costs by more than 10%; and

› the variance is also greater than $1 million in total.

Material variances for the insurance sector

Insurance product providers

The main driver for the material variance is that the estimated enforcement costs are higher than prior years. This is due to increased enforcement action and new matters arising.

Claims handling and settling services providers

The main driver for the material variance is a growth in estimated supervision and surveillance costs. These costs relate to increased regulatory activity to assess and mitigate potential consumer harm. There was also an increase in the adjustment for prior year under recovery in financial year 2025–26 compared to the prior year.

Detailed breakdown of estimated costs of regulating each subsector in the insurance sector

We have provided a breakdown of estimated costs for each subsector in the insurance sector. To see how the 2025–26 estimated costs have varied from the 2024–25 actual costs, see the annual dashboard and summary of variances documents on our website.

Insurance product providers

ASIC's cost to regulate the subsector in 2024–25 was $13.79 million. The estimated cost to regulate the subsector in 2025–26 is $16.88 million: see Table 2.

Table 2: Estimated costs to regulate insurance produce providers

Expense	FY 2025-26 estimated cost recovery amount
Supervision and surveillance	$3.448m
Enforcement	$6.401m
Other regulatory activities	
Industry engagement	$0.797m
Education	$0.322m
Guidance	$0.215m
Policy advice	$0.160m
Indirect costs	
Commission, corporate legal support, strategy and communications	$0.718m
Digital, data and technology	$2.603m
Enabling services	$1.070m
Property and accommodation services	$1.064m
Total operating expenditure	**$16.797m**
Allowance for capital expenditure	$0.081m
Less costs funded by own-source revenue	Nil
Adjustment for prior year (under or over recovery)	Nil
Total levy to recover costs	**$16.879m**

Insurance product distributors

ASIC's cost to regulate the subsector in 2024–25 was $1.54 million. The estimated cost to regulate the subsector in 2025–26 is $2.50 million: see Table 3.

Table 3: Estimated costs to regulate insurance product distributors

Expense	FY 2025–26 estimated cost recovery amount
Supervision and surveillance	$0.255m
Enforcement	$1.300m
Other regulatory activities	
Industry engagement	$0.068m
Education	$0.039m
Guidance	$0.016m
Policy advice	$0.008m
Indirect costs	
Commission, corporate legal support, strategy and communications	$0.102m
Digital, data and technology	$0.355m
Enabling services	$0.157m
Property and accommodation services	$0.154m
Total operating expenditure	**$2.455m**
Allowance for capital expenditure	$0.012m
Less costs funded by own-source revenue	Nil
Adjustment for prior year (under or over recovery)	$0.032m
Total levy to recover costs	**$2.498m**

Claims handling and settling services providers

ASIC’s cost of regulating the subsector in 2024–25 was $2.11 million. The estimated cost to regulate the subsector in 2025–26 is $4.06 million: see Table 4.

Table 4: Estimated costs to regulate claims handling and settling services providers

Expense	FY 2025 26 estimated cost recovery amount
Supervision and surveillance	$0.704m
Enforcement	$0.932m
Other regulatory activities	
Industry engagement	$0.201m
Education	$0.060m
Guidance	$0.039m
Policy advice	$0.027m
Indirect costs	
Commission, corporate legal support, strategy and communications	$0.126m
Digital, data and technology	$0.505m
Enabling services	$0.202m
Property and accommodation services	$0.205m
Total operating expenditure	**$3.002m**
Allowance for capital expenditure	$0.016m
Less costs funded by own-source revenue	Nil
Adjustment for prior year (under or over recovery)	$1.043m
Total levy to recover costs	**$4.061m**

Risk management product providers

ASIC's cost to regulate the subsector in 2024–25 was $166,263. The estimated cost to regulate the subsector in 2025–26 is $399,946: see Table 5.

Table 5: Estimated costs to regulate risk management product providers

Expense	FY 2025–26 estimated cost recovery amount
Supervision and surveillance	$0.058m
Enforcement	$0.184m
Other regulatory activities	
Industry engagement	$0.018m
Education	$0.006m
Guidance	$0.003m
Policy advice	$0.002m
Indirect costs	
Commission, corporate legal support, strategy and communications	$0.016m
Digital, data and technology	$0.059m
Enabling services	$0.025m
Property and accommodation services	$0.025m
Total operating expenditure	**$0.397m**
Allowance for capital expenditure	$0.002m
Less costs funded by own-source revenue	Nil
Adjustment for prior year (under or over recovery)	$0.001m
Total levy to recover costs	**$0.400m**