Marsh

CONCEPTUAL INSURANCE PROGRAM DESIGN AND PRICING

FOR THE AURIZON NETWORK ACCESS UNDERTAKING PERIOD COMMENCING 1 JULY 2027

Aurizon Network

01 July 2025

A business of Marsh McLennan

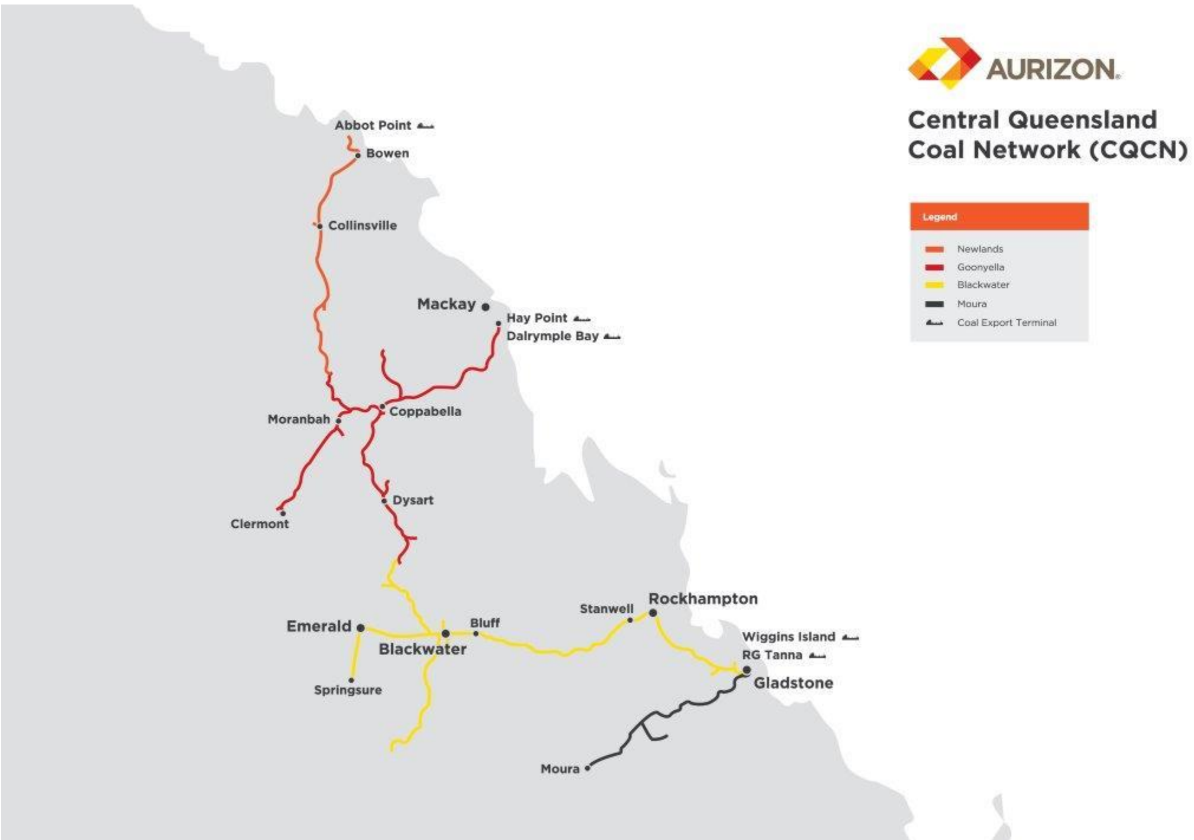
Contents

Introduction

Aurizon is the largest rail freight haulage operator in Australia by tonnes hauled, operating in key freight sectors and supply chains across the country. Aurizon also operates and manages, through its wholly owned subsidiary Aurizon Network Pty Ltd (Aurizon Network), approximately 2,670km of largely dedicated and purpose built, heavy haul rail infrastructure, known as the Central Queensland Coal Network (CQCN), under 99-year lease arrangements with the State of Queensland.

The CQCN principally provides freight services from Queensland's coal mines to various Ports and terminals. The following lines make up the network:

- Goonyella
- Blackwater
- Moura
- Newlands



Aurizon has a comprehensive insurance program in place which has been specifically designed for Aurizon's needs. This insurance program contains cover for Aurizon's Property and General Liability exposures which are placed via a wholly owned Captive Insurance Company named Iron Horse Insurance Company Pte Ltd (Iron Horse). In addition to the Captive placement, there are a number of other policies that Aurizon carry that are placed directly within the Australian Insurance market.

The insurance premiums pertaining to the policies mentioned above are charged on an annual basis to Aurizon Holdings Ltd. The premiums represent all the activities of Aurizon Holdings and all of its subsidiary companies including Aurizon Network. A specific premium is not allocated to Aurizon Network or even more specifically to Aurizon Network for its management and operation of the CQCN.

It should be noted that if Aurizon Network was to have a stand-alone Insurance program, the placement would be via the retail insurance market rather than being placed into Aurizon's Captive insurer.

Scope of Services

Aurizon has commissioned Marsh to provide an expert opinion in respect of the cost and structure of a standalone insurance program covering solely Aurizon Network's risks in relation to the CQCN.

It is noted that this insurance opinion will be provided to the Queensland Competition Authority ("QCA") in support of the regulatory period commencing 1 July 2027 (FY2028). It is also noted that the opinion is to include commentary regarding future premium costs for a five year period for the financial years FY2028 to FY2032.

Aurizon Network requires an expert opinion report that shall:

- Include discussion of the overall insurance market conditions, (i.e. tightening, loosening, global losses, emerging risks/trends, etc);
- Provide an estimate of insurance premiums payable by Aurizon Network on a conceptual stand-alone program basis for nominated insurance products, including:
  - Directors' and Officers' Liability
  - General Liability (Public & Products)
  - Civil Liability Professional Indemnity
  - Corporate Travel; and
  - Industrial Special Risks (Property Damage and Business Interruption) - property, buildings and nominated rollingstock, terrorism and loss, damage or destruction to CQCN infrastructure occurring through or in connection with a rollingstock incident.
- Include discussion of how the expected market conditions will impact the pricing of those products over the forecast regulatory term; and
- Provide the forecast of insurance costs for each product and for each year of the five year period commencing 1 July 2027
- Aurizon also requested, as a separate opinion, an estimate and cost escalators for the five year period commencing 1 July 2027, for consideration of the following policies
  - Construction (Material Damage and Liability)
  - Motor Vehicle; and
  - Marine Cargo.

Whilst endeavouring to provide a reasonable expert opinion, Marsh cannot guarantee future program structures in the insurance market due to a number of factors including but not limited to:

- Changing risk profile of Aurizon's Network business
- Inability to predict the state of the insurance market in the future
- Loss history for the category of risk
- Global loss history (i.e. significant natural catastrophes) potentially resulting in withdrawal of capacity and creating upward pressure on pricing
- Changing appetite of key insurers to underwrite a specific risk
- Capacity of the insurance market; and
- Fluctuation in the cost of reinsurance.

Marsh confirms that we have made all the necessary inquiries that we believe are appropriate, and that no matters of significance that we regard as relevant have, to our knowledge, been withheld.

It should be highlighted that the program design and premium costings contained in this report are conceptual indications only and are provided on a non-binding basis.

Information Made Available & Data Collection

On 26th March 2025, Aurizon provided Marsh with the necessary information needed for Marsh to meet the Scope of Services.

The underwriting information provided the basis on which the costings have been calculated and is detailed within this report.

Whilst scoping indicative premium costings, consideration was given to relevant property, and liability claims that can be attributed to the CQCN. For all other classes of insurance, Marsh was not provided with any specific past claims data relating directly to the CQCN and therefore all premium costings outlined in this Opinion are on the basis that there have been either nil or minor claims specifically relating to the CQCN. If there have been any large losses in relation to the CQCN this would need to be examined as it could increase either, or both, the premium and deductible levels.

Marsh's Credentials

We pride ourselves on the depth of our experience and capabilities across the various industry sectors, with our strength borne from working with many of the world's largest mining, transport & logistics, construction and energy companies.

Following is a list (not exhaustive) of Marsh Australia's relevant clients and experience:

- Aurizon Holdings Ltd
- Commonwealth Bank
- Arc Infrastructure
- One Rail
- Sydney Metro
- Coles Group
- Wesfarmers
- QUBE Logistics
- Bombardier
- Woodside Petroleum
- Caltex Australia Ltd
- Pacific National
- SCT logistics
- Tasmanian Rail

Insurance Market update Q1 2025

Each quarter, the Marsh Global Insurance Market Index (GIMI) provides our clients, partners and prospects with insights on the world's major insurance markets. As Marsh's proprietary measure of global commercial insurance rate trends, the GIMI captures a rolling view of marketplace shifts and serves as an ideal tool for you get a clear, concise picture of the most up to date position of the market.

Globally

Global commercial insurance rates declined by 3% in the first quarter of 2025, the third consecutive decrease in the composite rate following seven years of increases, according to the Marsh Global Insurance Market Index.

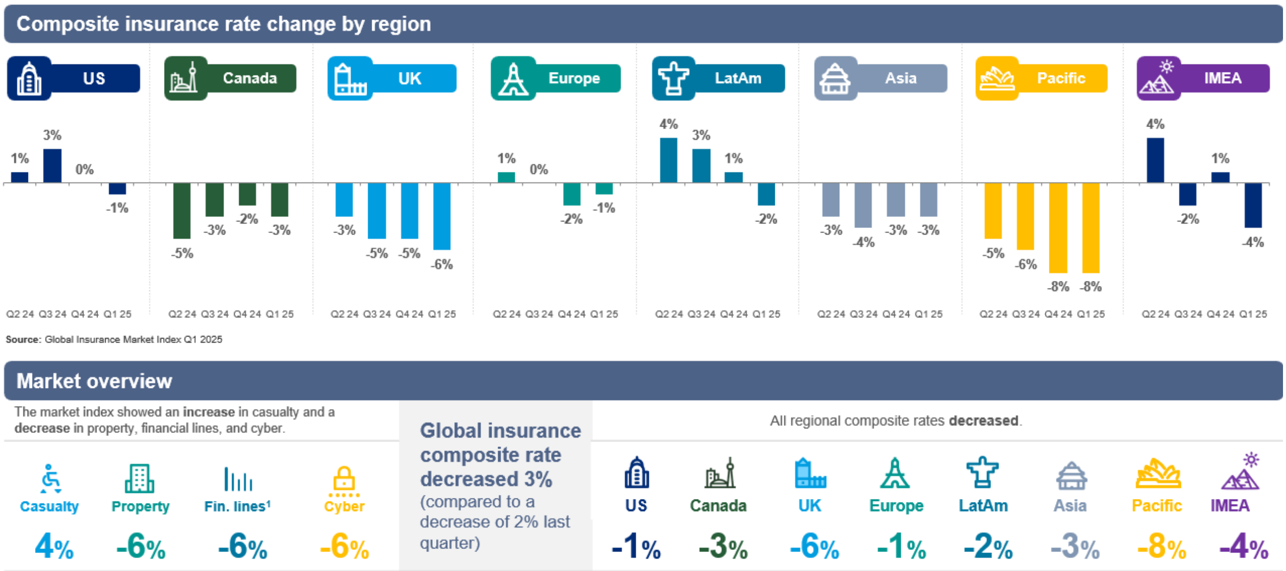
A continuing increase in insurer competition was the main catalyst behind rate trends, which declined globally in every region and across all major product lines other than casualty.

The UK and the Pacific regions experienced the largest composite rate decreases, at -6% and -8%, respectively, while US rates declined 1%.

Many clients used the increasingly competitive environment to negotiate better terms, enhance coverage, and explore alternative risk transfer solutions such as self-insurance and captives.

Q1 2025 Global Insurance Market Index

Global commercial insurance rate decreased 3%, compared to decrease of 2% in Q4 2024

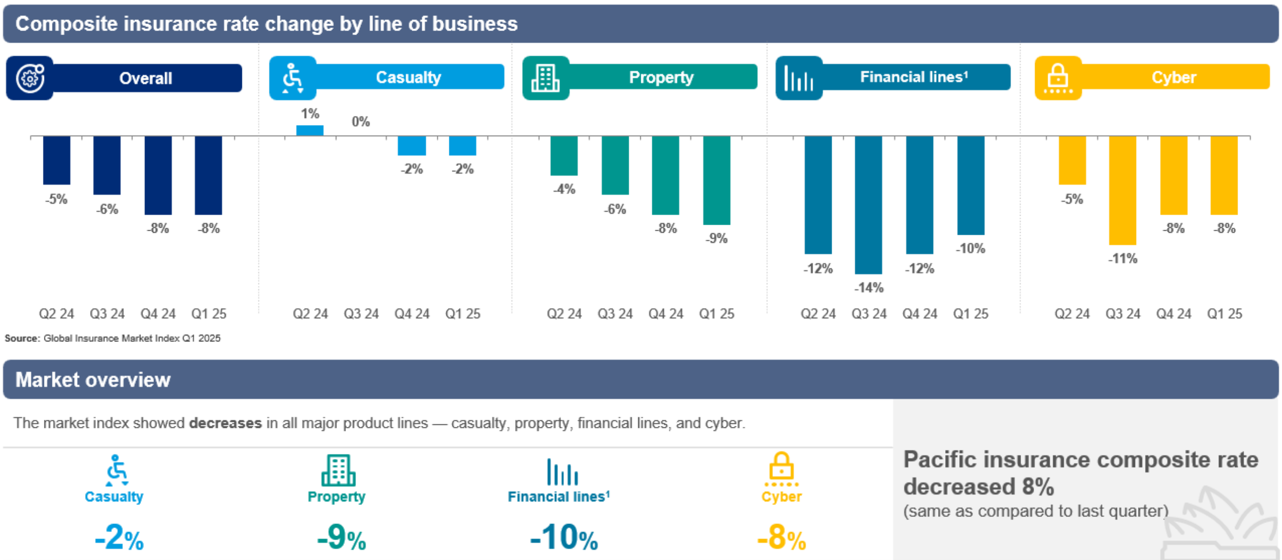


Pacific Region

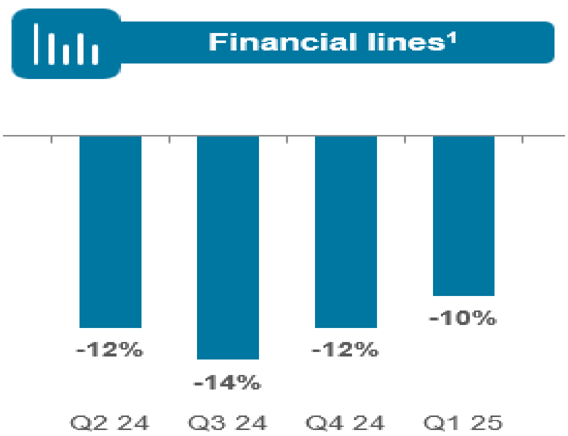
Insurance rates in the Pacific region declined 8% in the first quarter of 2025.

Q1 2025 Global Insurance Market Index – Pacific

Commercial insurance rate decreased 8%, same as in Q4 2024



Market Update: Financial Lines Q1 2025



Property rates declined by 9%

- Property insurers actively sought new business and typically offered increased capacity on existing policies as competition continued into 2025.
- Incumbent underwriters primarily competed on price, with limited changes to retentions, limits, and coverages.
- Clients with larger limits were encouraged to request alternative retentions, limits, and program structures, generating greater competition for lead terms.
- Some clients are accepting long-term agreements (LTAs) for certainty on future rate movements.

Casualty rates declined 2%, the second consecutive quarter of decline.

- Insurers competed on price, terms, and conditions as the market shifted to an increasingly competitive landscape.
- Larger accounts typically experienced significant improvements in terms.
- The approach to underwriting polyfluoroalkyl substances (PFAS) exposures continued to vary across territories and occupations.
- The challenging conditions in the US casualty market were reflected in Australian placements involving US-domiciled risks.

Financial and professional lines pricing decreased 10%.

- Rate decreases continued across most classes, but at a moderating pace compared to prior quarter.
- Rates for large directors and officers (D&O) liability programs have moderated from peak levels, allowing for retention adjustments.
- Large D&O claims, such as shareholder class actions, remained.
- Strong primary alternatives were generally available for large D&O programs.
- LTAs were commonly available.

The Market Cycle

The following diagrams illustrate the insurance market cycle. The current position is that of a 'Softening Market', in which increased capital flows into markets and insurers chase market share. The competition driven by excess capacity naturally results in premium reductions.

The Insurance Cycle

A soft market is characterised by the below key factors:

- Moderate to high premium reductions across most classes
- Greater risk appetite from the Insurance market
- An increase in available capacity from existing and new insurers
- A willingness for underwriters to write Long Term Agreements
- Insurers agreeing to uniform / broader policy wordings

Market Cycle Influences

The insurance market cycle is influenced by a variety of factors, including:

1. **Economic Conditions**: During economic downturns, consumers and businesses may reduce their insurance spending, affecting market dynamics.
2. **Claims Trends**: Patterns in claims influence insurers' risk assessments and pricing strategies.
3. **Regulatory Changes**: New laws and regulations can alter the risk landscape and affect market cycles.
4. **Natural Disasters**: Catastrophic events like Cyclones, Earthquakes, and Floods inevitably lead to significant losses for insurers, impacting premiums and coverage availability.
5. **Market Competition**: The level of competition among insurers can affect pricing and coverage options. When insurers are profitable, Capital generally becomes available to insurers, who then are under pressure to provide further returns
6. **Investment Returns**: Insurers rely on investment income to offset underwriting losses. Fluctuations in investment returns can influence the market cycle.

Insurance Program and Costing

All premiums contained in this report are total premiums, which include the base premiums charged by insurers and all statutory charges excluding GST. The premiums have been based on levels of cover similar to that which is currently enjoyed by Aurizon. Premiums shown are for the FY26 policy period

All deductibles shown are in line with what would normally be expected to be carried by a company such as Aurizon Network for the appropriate risk of each insurance class. Marsh has only shown the standard / most pertinent deductibles for each class, and it should be noted that in some cases some additional deductibles may be payable (for example Young / Inexperienced driver excesses under a motor policy).

As previously mentioned, Aurizon places its General Liability and Property (ISR) risks into the Captive insurer, Iron Horse. It is not expected that Aurizon Network would be able to access Iron Horse if it were a stand-alone entity, and as such, the placement options for these two classes are based on the capacity available in the traditional Australian and London markets.

In order to provide the costings contained in this report, Marsh has relied upon its international network of placement brokers. All premiums have been based upon current insurance market conditions.

Marsh can confirm that all premiums are reflective of insurance companies that satisfy as a minimum a Standard and Poors rating of A-, which is traditionally the benchmark standard that corporate insurance buyers set as a minimum rating to assist in managing insurer solvency risk.

General Liability (Third Party Liability)

The policy would provide cover for Aurizon Network's legal liability to third parties for claims arising out of personal injury or property damage.

Terms have been provided on the basis of the following underwriting information for the FY26 period.

- The estimated Revenue is $1,470.6m
- The estimated Payroll is $282m
- The estimated number of employees will be 1,317

Marsh approached both London and Australian placement brokers for premium indications, and the market feedback was that to underwrite a risk of this nature on a standalone basis, a deductible of ~$4,000,000 each and every claim would be required. Marsh has therefore proceeded on this basis.

The premium has been based on a policy Limit of Liability of $350,000,000 any one occurrence and in the aggregate in respect of Product, Pollution and Bushfire Liability. Due to the relatively high overall limit of cover, a multi layered liability program involving several insurers would be required.

We would recommend setting a primary layer at a limit of $10m. It is within this layer of cover that the vast majority of risk sits. Sitting above the Primary layer, the remaining $340m of cover would also need to be layered and co-insured.

Based on the above, it is Marsh's expert opinion that this type of program would attract a total premium of $888,904 based on a rate of 0.055% applying to the estimated revenue.

Industrial Special Risks (ISR)

An ISR policy will provide cover for physical loss or damage to Aurizon Network's assets. Due to the nature of the regulatory regime and the pass-through mechanism, it is understood that cover for any consequential business interruption following a material damage loss is not required. It is possible however to factor in some cover for any associated Additional Increased Costs of Working that Aurizon Network may suffer following a loss.

Declared Values

- Buildings, Plant & Machinery, Contents and Stock - $247,367,283
- Dwellings - $3,778,943
- Network Assets - $1,400,184,335
- Rollingstock – $266,683,440

In addition to the declared values shown above, Aurizon Network would also need to declare its value of CQCN track infrastructure, which is currently valued at $9,061,958,921. This figure would be declared solely for the purpose of coverage provided for damage to track infrastructure from a rollingstock incident.

At the time of writing this report, Marsh can advise that there is still an oversupply of capacity in the market for property risk, including rail infrastructure. Marsh explored various methods to construct this ISR placement, and with the current demand for capacity, a proportionate quota share placement would be appropriate.

Based on current market conditions and appetite, it has been established that a rate of ~0.085% (excluding Rollingstock) would be achievable. Rollingstock would be rated at ~0.25%. These rates would equate to a total premium of $2,316,481

Premium costings have been based on the following provisions.

- Claims under the policy would be limited to $200m any one loss arising out of any one event
- Rollingstock claims would be limited to $50m any one loss
- Track and below rail infrastructure would not be covered except for a number of declared bridges and feeder stations.
- Additional Increased Costs of Working claims would be limited to $20m.
- Deductibles would be $500,000 any one claim but increasing to $5,000,000 any one claim for Rollingstock.

Directors & Officers Liability

Directors' and Officers' liability Insurance (D&O) indemnifies the officers of a company (or in some cases to the organization itself), for losses and advancement of defence costs in the event of a legal action brought for alleged wrongful acts.

There are three main insuring clauses (A, B & C), which respectively provides cover for Directors and Officers, Company Re-imbursement and Company securities (Side C).

The capacity that individual insurance companies are able to put out will vary, however in most cases this would be no more than $10m for any one insurer and therefore based on Policy Limit of $100m a large number of underwriters would need to participate on the program.

The ownership structure of Aurizon Network would to a large extent determine what limit of cover is required and whether or not Side C would be purchased. Assuming that Aurizon Network would also be ASX listed and require Side C to a limit of $100m, a premium of ~$1,939,427 would be warranted on the basis that the Side C limit is shared with the A&B policy limit. It is expected that deductibles would be $250,000 for Company Reimbursement claims and $7,500,000 for Side C (Securities claims).

Civil Liability Professional Indemnity

Professional Indemnity insurance provides cover for Third Party Financial loss resulting from a breach of professional duties / services.

Fee revenue derived from Aurizon Network's Professional Services to external parties was declared to be at a figure of ~$3,000,000.

In view of this, the indicative premium costing has been based on a limit of indemnity of $20m. A premium of $461,580 based on a rate of 14% applying to the estimated fee revenue, subject to a deductible of $250k would be appropriate.

Corporate Travel

It is expected that there will be a number of journeys undertaken by Aurizon Network employees on company business. As such a comprehensive Business Travel policy would be needed by a prudent network operator.

Underwriting Information:

- The estimated number of overseas trips in any one year is 15
- The estimated number of trips within Australia in any one year is 2,100

It is Marsh's opinion that an annual premium of $4,583 would be appropriate.

Professional Fees

Aurizon Network would need to engage a Risk & Insurance Consultancy company for their insurance broking services and needs. These services include the placement of the Insurance program, specialist advice, and any additional technical reports.

Due to the fact that a large portion of Aurizon Network's Insurance program would be placed with London based insurers, the Professional Fees shown also includes remuneration required by the London based brokers, who have to be engaged to place business into the London market.

Our estimation for the Consultant Professional Fees is $300,000 per annum.

Insurance Premium Summary

Class of Insurance	Total Premium (FY26)	Total Premium (FY27)
General Liability	$888,904	$935,127
Industrial Special Risks	$2,316,481	$2,436,938
Directors & Officers Liability	$1,939,427	$2,040,277
Civil Liability Professional Indemnity	$461,580	$485,582
Corporate Travel	$4,583	$4,821
Consultancy Services – broking and risk engineering	$300,000	$315,600
Total	**$5,910,975**	**$6,218,346**

The annual premiums shown in the FY27 column above takes into consideration the current Consumer Price Index (CPI) increase made available by the Australian Bureau of Statistics, for Insurance and Financial Services. This current rate is 5.2% (as of 26 March 2025). This rate has been applied to the FY26 premiums detailed in this report.

Further cost escalation data for the remaining forecasted regulatory period is shown later in this report.

Statutory Charges

All base premiums are subject to a variety of statutory taxes and charges. The total premiums shown include all statutory charges (excluding GST).

Terrorism

The Australian Reinsurance Pool Corporation (ARPC) was established under the Terrorism Insurance Act 2003. The ARPC administers a scheme that provides insurance cover for eligible terrorism losses, involving commercial property. In order to fund the ARPC, a terrorism levy is applied to a policyholder’s property (ISR) premium, which is influenced by the Post Code of where the risk is situated.

Fire Service Levy

Currently there is no Fire Service Levy in Queensland

Stamp Duty

As of 20 March 2025, the current Stamp Duty rate in Queensland is 9%.

Insurance Cost Escalation

As part of the scope of services, Marsh has also been requested to provide an estimate of insurance premiums for the five year period commencing 1 July 2027.

As previously mentioned, it is extremely difficult to estimate future insurance premiums due to numerous factors as detailed earlier in this report. Marsh therefore have relied upon a projected nominal CPI figure of 3% compounding until FY32.

FY28	FY29	FY30	FY31	FY32
$6,404,896	$6,597,043	$6,794,954	$6,998,803	$7,208,767

Additional Insurance Covers for Consideration

In addition to the various policy classes previous mentioned, Marsh has also provided cost indications for the following policies which may also be of interest to Aurizon Network.

Construction

(Contract Works Material Damage and Third-Party Liability)

Based on Aurizon Network's declared total annual contract value of $265,000,000, the estimated Material Damage Premium would be $582,470. This has been based on rate of 0.20%. Deductibles would be $100,000 any one claim, except for Major Perils and Named Cyclone which would be $500,000.

Third Party liability cover would be based on a policy limit of $20m, and claims would be subject to an excess of $250,000 for all losses. The estimated premium for this cover would be $291,235 based on a rate of 0.10% applying to the estimated contract value.

Motor Vehicle

It is expected that Aurizon Network would require a comprehensive Motor Fleet Insurance policy.

Underwriting Information

- The estimated number of vehicles to be insured is 940.

Terms have been based on historical claims data proportionate to those currently available under the Aurizon program. Claims would be subject to a policy deductible of $5,000 each and every claim.

An estimated annual premium of $903,928 would be required based on a premium of $875 per vehicle.

Marine Cargo

This policy would cover Aurizon Network for its exposures to loss or damage to goods whilst being transported or "in transit". It is understood that it is extremely difficult to estimate the total value of goods that is transported (Sendings) in any one policy period and therefore the premium has been calculated on the estimated revenue of $1,470,000,000

Estimated policy terms have been based on a benchmarked limit of $10,000,000 (any one conveyance), subject to a policy deductible of $50,000 each and every claim.

An estimated annual premium of $80,809 would be required based on a rate of 0.005% applying to the estimated revenue.

Premium Summary for Optional Additional policies

Class of Insurance	Total Premium (FY26)	Total Premium (FY27)
Contract Works - Material Damage & TP Liability	$873,705	$919,138
Motor Vehicle Fleet	$903,928	$950,932
Marine Cargo	$80,809	$85,011
Total	**$1,858,442**	**$1,955,081**

The annual premiums shown in the FY27 column above takes into consideration the current Consumer Price Index (CPI) increase made available by the Australian Bureau of Statistics, for Insurance and Financial Services. This current rate is 5.2% (as of 26 March 2025). This rate has been applied to the FY26 premiums detailed in this report.

Cost Escalation for Optional Additional policies

FY28	FY29	FY30	FY31	FY32
$2,013,733	$2,074,145	$2,136,370	$2,200,461	$2,266,475

As part of the scope of services, Marsh has also been requested to provide an estimate of the optional additional insurance premiums for the five year period commencing 1 July 2027.

As previously detailed in this report, Marsh have relied upon a projected nominal CPI figure of 3% compounding until FY32.

Comparison Against UT5

The following table provides a comparison against the estimated premiums for UT5;

Class of Insurance (Core)	Premium UT5	Premium UT6 (Base Year)	Factors
General Liability	$712,152	$888,904	Estimated revenue increased by ~37%. Estimated wages increased by ~180%
Industrial Special Risks	$1,291,705	$2,316,481	Estimated values increased by ~7%
Directors & Officers Liability	$447,293	$1,939,427	Estimated revenue increased by ~37%.
Civil Liability Professional Indemnity	$60,445	$461,580	Estimated fee revenue increased by 500%.
Corporate Travel	$8,242	$4,583	
Total	**$2,519,837**	**$5,610,975**	

Class of Insurance (Optional)	Premium UT5	Premium UT6 (Base Year)	Factors
Contract Works	$263,623	$873,705	Estimated construction values increased by ~43%
Motor Vehicle	$313,215	$903,928	Estimated number of vehicles increased by ~34%
Marine Cargo	$126,385	$80,809	Estimated revenue increased by ~37%.
Total	**$703,223**	**$1,858,442**	
Grand Total	**$3,223,060**	**$7,469,417**	

The premiums include statutory charges (excluding GST).

Please note that since UT5, Aurizon conducted a review of its ongoing insurance requirements and deemed that Employment Practices Liability, Crime and Rollingstock Terrorism policies were superfluous. These classes of insurance have therefore been ignored when evaluating the base year for the period commencing 1 July 2027 and stripped from the above comparison.

There is a range of factors that have resulted in an increase in the estimated premiums between UT5 and for the base year for the period commencing 1 July 2027, including;

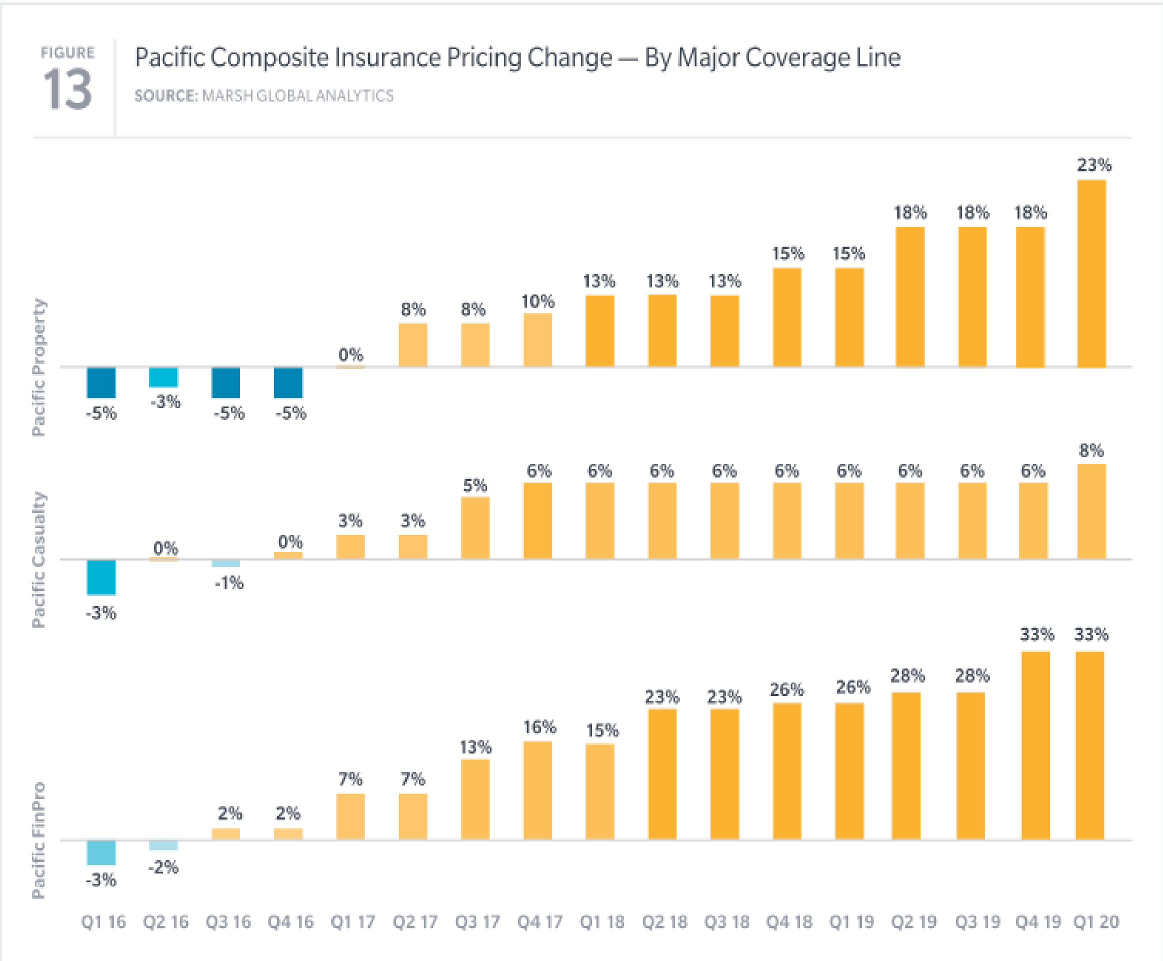
- Increase in data inputs (as detailed in the table above) – such as estimated declared values, estimated revenue, wages, fee revenue, construction values etc which has a direct impact on the premium estimates;
- Market cycle. The insurance market is traditionally cyclical. Page 10 of this Expert Report details a typical insurance cycle. UT5 Expert Opinion was

completed in October 2016. Since then, there has been a sustained period (approximately 7 years) where the insurance market underwent a significant hardening phase. This results in a reduction in the availability of market capacity / insurers imposing premium increases / retention increases and coverage cutbacks. As an example, during the hard market;

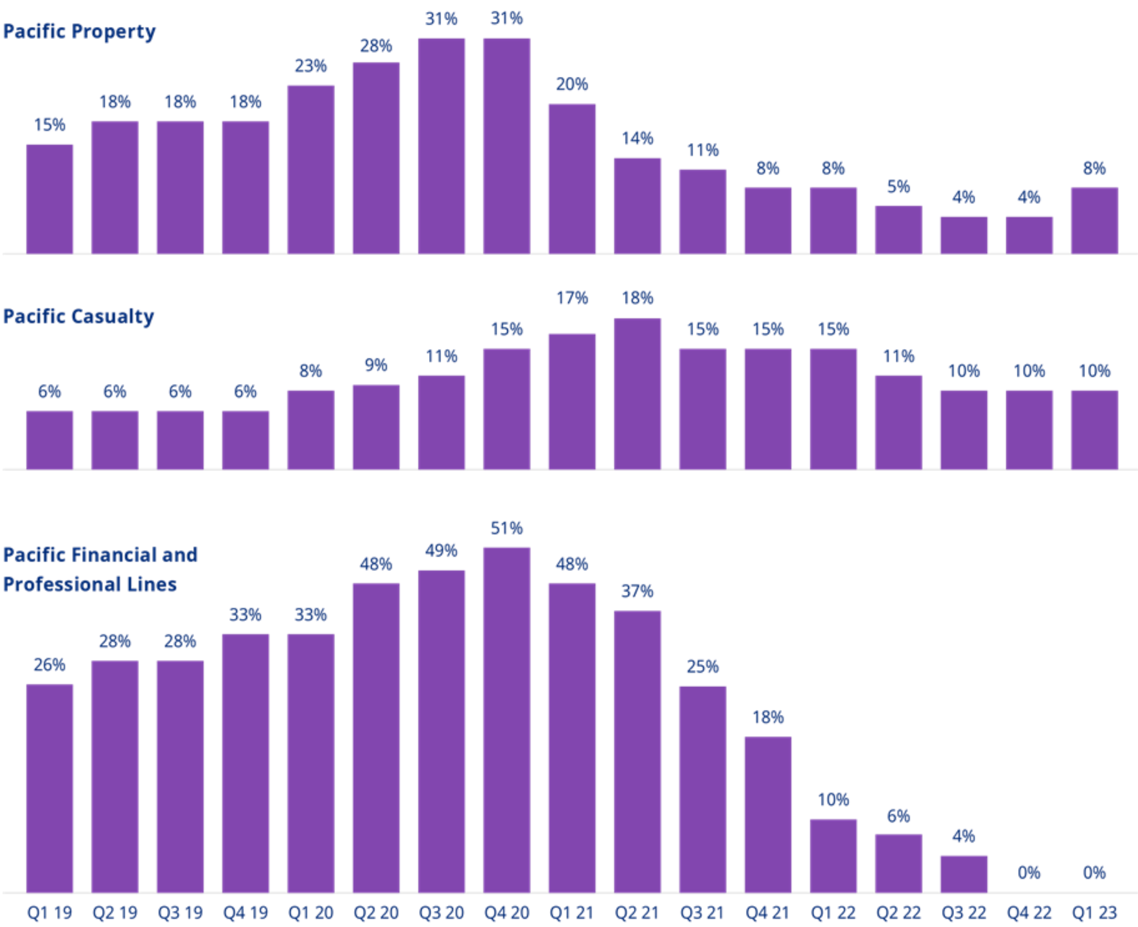
- Property Insurance premiums increased by ~ 90%
- Casualty Insurance premiums increased by ~65%
- Professional Indemnity premiums increased by ~135%;
- Directors & Officers Liability premiums increased by ~500%;

- Inflationary trends – with the highest inflation rate reaching 7.8% in the December quarter of 2022;
- Claims performance on a portfolio basis. An example would be Financial Lines such as Directors & Officers (D&O) and Professional Indemnity, where claims performance has been poor. This is particularly the case for Professional Indemnity for design consultants & project managers and D&O with increased claims frequency and severity due predominantly to underlying issues relating to Security Class Actions (SCA's).

In addition to the Marsh Global Insurance Market Index detailed on pages 7 and 8, the following tables demonstrates the hardening insurance phase since UT5 by detailing the percentage change for each quarter's rate trends relevant to the corresponding quarter in the prior year.



13| **Pacific composite insurance pricing change — by major coverage line**



Source: *Marsh Specialty and Global Placement*

State of the current Insurance Market

After a lengthy hard market environment over a 7-year period, in FY25 insurers reached a point of returning to profitability and the insurance cycle had flattened with “green shoots” starting to appear. In the past 12 months, new entrants to the local insurance market and insurers seeking to retain &/or grow market share, has seen increasing supply of capacity which generates competitive tension. This creates an environment where there is a willingness by insurers to consider premium reductions.

With the hard market only recently reaching its peak, premium reductions are reasonably modest. Currently premium reductions are in the vicinity of 5%, but up to 10% for customers who are considered well risk managed with a clean claims experience.

The greatest premium reduction has been in respect of D&O Insurance. Changes in legislation as well as a willingness for SCA’s to be defended rather than simply settled commercially, has seen a reduction in the volume of SCA’s. In recent years, insurers have a level of confidence that premiums have reached a sustainable level with additional capacity now flowing into the market.

Following ~500% premium increases in previous years, a correction has been underway with premium reductions of 15-20% over the past two years. It is anticipated that D&O premiums will flatten out from here.

It’s not possible to predict the future in respect of the impact of the softening market – in relation to its duration and quantum.

Given the length of time it’s taken for underwriters to repair their portfolios and reach a reasonable level of profitability, the underwriters will not entirely abandon technical and disciplined underwriting practices. It’s anticipated the softening of the market may be short lived and reasonably shallow. There may be some years of minor reductions with the market then flattening out.

Premium determination for the period commencing 1 July 2027

In determining the estimated premiums for the five year period commencing 1 July 2027, there was benchmarking undertaken – with the Aurizon Insurance Program being a significant guide. It’s not possible to benchmark against other similar entities to Aurizon Network (such as other rail infrastructure providers) because details of their insurance programs are not available in the public domain. There is an element of judgement based on experience of Marsh and validation from the Aurizon Insurance team. This includes input from the Marsh Placement teams who have significant experience in placing insurances for the rail sector.

The premiums as determined for the five year period commencing 1 July 2027 are appropriate given the current insurance market conditions.

Conclusion

In Marsh's expert opinion, in the event that Aurizon Network would implement its own stand-alone insurance program in respect of the CQCN, a total premium of $5,910,975 including statutory charges (excluding GST) and the consultancy services fee would be required for the first year of placement.

To compliment this amount, it is conceivable that a further $1,858,442, including statutory charges (excluding GST) would be applicable if Aurizon Network were to take out the additional policies that would be considered prudent for an organisation such as Aurizon Network.

Notwithstanding the cost escalation shown in this report, it should be noted that at this moment of time it is widely accepted that we are at the start of a competitive soft market. It is expected that favourable market conditions should prevail for a couple of more years, before a period of stabilization and then a phase of hardening, where premiums will again start to increase.

FY26 Estimated Premium Summary – Including Statutory Charges

Class of Insurance	Premium	Terrorism	GST	Stamp Duty	Total Premium
Industrial Special Risks					
Buildings, plant & equipment, contents, network assets	$1,403,630.98	$37,468.59	$144,109.96	$142,668.86	$1,727,878.38
Rollingstock	$666,708.60	$0.00	$66,670.86	$66,004.15	$799,383.61
Total	**$2,070,339.58**	**$37,468.59**	**$210,780.82**	**$208,673.01**	**$2,527,261.99**
General Liability	$808,830.00	$0.00	$80,883.00	$80,074.17	$969,787.17
Total	**$808,830.00**	**$0.00**	**$80,883.00**	**$80,074.17**	**$969,787.17**
Other Classes of Insurance					
Directors & Officers Liability	$1,764,720.00	$0.00	$176,472.00	$174,707.28	$2,115,899.28
Civil Liability Professional Indemnity	$420,000.00	$0.00	$42,000.00	$41,580.00	$503,580.00
Corporate Travel	$4,170.00	$0.00	$417.00	$412.83	$4,999.83
Total	**$2,188,890.00**	**$0.00**	**$218,889.00**	**$216,700.11**	**$2,624,479.11**
Additional Insurance Covers for Consideration					
Marine Transit	$73,530.00	$0.00	$7,353.00	$7,279.47	$88,162.47
Contract Works Material Damage	$530,000.00	$0.00	$53,000.00	$52,470.00	$635,470.00
Contract Works Liability	$265,000.00	$0.00	$26,500.00	$26,235.00	$317,735.00
Motor Fleet	$822,500.00	$0.00	$82,250.00	$81,427.50	$986,177.50
Total	**$1,691,030.00**	**$0.00**	**$169,103.00**	**$167,411.97**	**$2,027,544.97**
Premium Totals	**$6,759,089.58**	**$37,468.59**	**$679,655.82**	**$672,859.26**	**$8,149,073.24**

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