



CGU Insurance

181 William Street Melbourne VIC 3000
t (03) 9916 3433 f (03) 8804 9165

12 July 2010

Hon John Lenders MP
Treasurer of Victoria
Fire Services Project
Department of Treasury and Finance
1 Treasury Place
EAST MELBOURNE VIC 3002

Dear Treasurer

CGU Insurance Limited (CGU) lodges the attached submission to the Victorian Government's *Green Paper - Fire Services and The Non-Insured*.

CGU welcomes the Government's review of the existing inequitable and inefficient fire services funding model. As the nation's largest regional and rural insurer, and a leading commercial insurer, CGU is very concerned about the unreasonable burden that the current funding model places on people with insurance, while the rest of the community receives the benefit of fire services for free.

Victorians deserve a well-funded fire service. We also deserve a fair system of funding. It makes sense that all potential beneficiaries of fire services should pay for them. It also makes sense that people should only have to pay for the benefit they are likely to receive so, ideally those with a higher fire risk would pay more. We appreciate there are administrative difficulties in calculating fire risk. This means that the fairest method of risk rating is one that takes the burden away from just those with property insurance and spreads it to a wider group of people who stand to benefit from fire services.

So, in the interests of fairness for all Victorians, CGU asks the Government to introduce a system that requires all property and motor vehicle owners to contribute to fire services funding.

If you wish to discuss any matter raised in our submission, or obtain further information, please contact Iwona Polski, Corporate Affairs Manager, on (03) 9916 3433. Alternatively, feel free to contact me directly on (03) 9601 8206.

Yours sincerely

A handwritten signature in blue ink that reads 'Duncan West'. The signature is fluid and cursive, with the first name 'Duncan' being larger and more prominent than the last name 'West'.

Duncan West
Chief Executive Officer



Introduction

This submission on the Victorian Government's *Green Paper - Fire Services and the Non-Insured* has been prepared by CGU Insurance, one of Australia's leading general insurance companies, and part of Insurance Australia Group (IAG). CGU is the largest provider of insurance to Australia's regional and rural communities, one of the nation's largest providers of workers' compensation services and a leading commercial insurer. Further information on CGU is provided in Appendix A.

CGU's interest in the Inquiry

CGU welcomes the Victorian Government's review of the existing inequitable and inefficient fire services funding model. As the nation's largest regional and rural insurer, and a leading commercial insurer, CGU is very concerned about the unreasonable burden that the current model places on people with insurance, while the rest of the community receives the benefits of fire services for free.

Victorians deserve a well-funded fire service. We also deserve a fair system of funding. So while the Government continues to expect the public to fund fire services, which actually are a public good¹ that benefit the broader community, then the fairest way to collect the money is for everyone who benefits from fire services to pay their fair share, according to their fire risk. It makes sense that those who stand to benefit from fire services should pay for them. It also makes sense that people should only have to pay for the benefit they are likely to receive, so ideally, those with a higher fire risk would pay more.

In the interests of fairness for all Victorians, CGU asks the Government to introduce a system that requires everyone that owns property (including self-insured government authorities) or motor vehicles to contribute to fire services funding. Our submission explains why the Government should move away from the inequitable model it is currently using and instead champion this reasonable and fair alternative.

Overview

The current method of funding fire services is grossly unfair as only one part of the community - those with property insurance - carries the cost of providing fire services to the broader community. This means that everyone else gets the benefit of fire services for free. This includes government organisations who self-insure, motor vehicle owners, tenants, and property owners who don't have insurance.

A fair funding model must be introduced so that the cost of fire services is shared by all those who stand to benefit from it. In addition, people should only have to pay for the benefit they are likely to receive. So, ideally, those with a higher fire risk, such as businesses, should pay more than those with lower fire risk, such as motor vehicle owners. Of course, people who are unable to contribute their fair share for valid reasons, such as those on a pension, should not be excluded from fire services and should have their obligation reduced or reallocated equitably amongst the remaining contributors.

¹ The fire service is a public good because it is characterised by non-excludability – users cannot be excluded from consuming the good.

As noted by the 2009 Victorian Bushfires Royal Commission², the Fire Services Levy (FSL) is applied to the total premium of property insurance policies that provide cover not only for fire risk, but also other types of risk such as theft, storm and accidental breakage. This means that because of the weighting of a range of factors, a policy with a higher fire risk may cost less and incur less FSL than one with a lower fire risk, because for example the property may attract a higher burglary premium. As a consequence, a policyholder paying a higher FSL does not necessarily have a higher fire risk.

We appreciate that there are administrative difficulties in calculating fire risk for individuals and businesses because currently the relevant data is collected by a number of organisations and not shared amongst them, including the Metropolitan Fire and Emergency Services Brigade (MFB), Country Fire Authority (CFA), insurers, and government. So, the fairest method of risk rating currently available is one that takes the cost away from just those with property insurance and spreads it to a wider group of people who stand to benefit from fire services.

As part of this Green Paper, the Government is undertaking a Pilot Study to determine the level of non-insurance and under-insurance. CGU believes that non-insured should contribute to fire services funding as they are a potential beneficiary of these services. However, other than self-insured government agencies which currently do not contribute to fire services funding but can be easily identified and levied, it would be administratively difficult to identify who is actually non-insured. In addition, the Pilot Study continues the Government's focus on property owners as the only beneficiary of fire services. It fails to recognise that motor vehicle owners are responsible for around 15 per cent of MFB callouts and 10 per cent of CFA callouts³. So it is disappointing and surprising that the Government is not considering any option in this Green Paper that seeks to ensure motor vehicle owners contribute to fire services funding.

CGU recommends the Government champions a fair system that requires everyone that owns property or motor vehicles to contribute to fire services funding. Under the revised model, the funds could be collected through Council rates and State Government vehicle registrations, and, in the case of State government organisations that currently don't pay FSL, they could provide the funds directly to the fire services authorities.

While the Government continues to choose not to fund this public good from consolidated revenue and instead expects the community to pay for it, then it must commit to the fairness principle as an ultimate position. Governments, insurers and the community must work together to share fire risk data so that ultimately the public pays for fire services according to their fire risk. In addition, we must also work together to tackle the issues of under-insurance, non-insurance and reducing taxes and charges on insurance, to ensure we have more robust and sustainable communities that are adequately protected from fire for the longer term.

CGU Response to Options

Option One: Retain the existing approach

Q1: Is the lack of parity in fire services funding created by the level of non-insurance and under-insurance significant enough to warrant a change to the current arrangements?

This question implies that the lack of parity in fire services funding is created by the level of non-insurance and under-insurance in the community. In fact, these factors do not cause the current funding model to be inequitable, but they are a potentially devastating by-product of the current model.

The lack of parity in fire services funding occurs because the contribution of individuals and businesses to fire services is not aligned to their fire risk. This is likely to have arisen from the origins of the fire services. After the Great Fire of London in the 17th Century, insurance

² 2009. 2009 Victorian Bushfires Royal Commission. The Fire Services Levy and Insurance Discussion Paper, p5.

³ 2009. Insurance Council of Australia. Submission to the Victorian Parliamentary Economic Development and Infrastructure Committee Inquiry into State Government Taxation and Debt, p7.

companies in the United Kingdom created brigades to attend premises that displayed their plaques or firemarks. In the mid 19th Century, insurance fire brigades started operation in Melbourne, along with volunteer brigades run by municipalities or other institutions⁴. The selective nature of the insurance fire brigades meant that houses that didn't have a particular firemark were left to burn to the ground. After a fire in 1899 that saw six fire-fighters lose their lives, the Victorian government created a public fire service, the Melbourne Fire Brigade.⁵

When this universal service replaced the insurance fire brigades, it probably made sense at the time to raise funds from insurance companies for the one fire brigade. However, while the fire service would now cover all homes, not just those owned by insured, the funding model failed to progress at the same time, which resulted in the inequity we still have today where only insured people fund services that benefit the entire community. In recognition of this unfair burden on insured, legislative provisions were made to allow the CFA to recover their costs from non-insured. However, full cost recovery is unlikely because of the sensitivity of asking people who have just experienced a tragedy to also pay for attendance at their property by fire services; and collection of this payment would be administratively complex. So, it is not surprising that the CFA has still not moved to recover its costs from non-insured property owners who lost homes in the Black Saturday bushfires.

CGU believes that a fire service, like that of the police service, is a public good that should be funded in a manner that provides transparency in service provision and a demonstrated link between levies and benefits. Where the government chooses not to fund this public good out of consolidated revenue and instead expects the community to fund it, then, in the interests of equity, the contribution of individuals and businesses to fire services should align with the level of benefit they stand to receive.

The Government states in the Green Paper that it wants a system that is fair so that, "those who benefit from fire services are funding the costs of its provision. There is close alignment of funding contributions and benefits that encourage those generating fire risks to recognise and manage them."⁶ It then goes on to say that its preferred option is to retain the existing approach.⁷

The Government mistakenly believes that under the current insurance-based model of funding fire services, the contribution of individuals and businesses to fire services is based on fire risk. This is certainly not the case. Currently only those with property insurance contribute to funding fire services, while others without insurance including other property owners, tenants, governments and motor vehicle owners, pay nothing but have access to the same services. On top of that, out of those insured who are burdened with funding on behalf of the broader community, they pay an amount that is based on the total premium of property insurance policies that provide cover not only for fire risk, but also other types of risk such as theft, storm and accidental breakage. These points are explained further below:

1) Only those with property insurance pay for fire services

Only those with property insurance contribute to funding fire services. However, non-insured and those with motor vehicle or liability insurance, as well as a number of government authorities that are insured through the VMIA⁸, pay nothing for fire services yet are entitled to the same benefits. While the MFB and CFA may retrospectively charge uninsured property owners for using their fire services, this rarely occurs; for example, the CFA did not charge non-insured who used their services in the Victorian bushfires.

⁴ 2004. The Australian Scanning Encyclopedia. VicNews Ltd, Ashley Geelan. 'Metropolitan Fire Brigade: The History 1845 to 2004.

⁵ 2004. The Australian Scanning Encyclopedia. VicNews Ltd, Ashley Geelan. 'Metropolitan Fire Brigade: The History 1845 to 2004.

⁶ 2009. Department of Treasury & Finance. Fire Services and the Non-Insured: Green Paper, p14.

⁷ 2009. Department of Treasury & Finance. Fire Services and the Non-Insured: Green Paper, p14.

⁸ Although VMIA is required to lodge a Premium Return under the MFB/CFA Acts, they are essentially the same as being uninsured for the tens of millions of dollars they self-insure.

In addition to being inequitable, the current system provides a disincentive for people to take up full, or any, insurance, as they try to minimise the amount they have to pay for fire services that everyone else is getting for free anyway. This is particularly noticeable with businesses that opt for high deductibles as they not assigned any FSL on the notional premium relating to that deductible. The inherent inequity in the current model is obvious during major catastrophe events such as the Victorian bushfires, where large numbers of non-insured people need, and rightly receive, the help of the fire service, but they get it for free.

2) Insurance premiums are based on more than just fire risk

In addition to the unfairness of a system that requires only some people to pay for fire services that benefit the broader community, those with property insurance also pay an amount that is not based solely on their fire risk. As noted by the 2009 Victorian Bushfires Royal Commission⁹, the FSL is applied to the total premium of property insurance policies that provide cover not only for fire risk, but also other types of risk such as theft, storm and accidental breakage. This means that because of the weighting of a range of factors, a policy with a higher fire risk may cost less than one with a lower fire risk, because, for example, the property may attract a higher burglary premium. On top of this, government taxes and charges are levied not just on the total premium, but the total premium plus FSL, so the government receives a further windfall by taxing its own tax.

Q2: Does the increased fire effort put too much strain on insurers who along with Government are having to meet this cost?

Fire services play an essential role in our community so they should be adequately funded at all times. Under the current funding model, government contributes only a small portion of the funding, and the vast majority (75 - 77.5%)¹⁰ comes from insurance company policyholders. The private sector bears the administrative burden of collecting funds for what is essentially a public good and this burden remains the same whether funding goes up or down.

The real strain of the current model is borne by those with property insurance. Under the current model, only this sector of the community contributes to funding fire services, while others without insurance including uninsured property owners, self-insured government authorities and motor vehicle owners, pay nothing but have access to the same services.

Option Two: Charging a levy on non-insured and under-insured property owners

Q3: Is the option outlined above an appropriate way to target non-insured and under-insured property owners, to ensure their contribution corresponds with the level of benefit they receive?

This proposal is flawed because, like the current model, it does not align funding contributions to fire risk, it only covers people with properties, and it would be difficult to identify non-insured and under-insured properties. It is evident that the current model of funding fire services needs to be changed to widen the contribution base so it is more equitably based on fire risk. However, the proposal to levy only those with properties means that other beneficiaries of fire services would still not contribute to funding, e.g. self-insured government authorities, tenants and motor vehicle owners.

In addition, there are significant challenges to implementing a proposal to apply a levy to non-insured and under-insured properties, as outlined below:

⁹ 2009. 2009 Victorian Bushfires Royal Commission. The Fire Services Levy and Insurance, p5.

¹⁰ 2009. Department of Treasury & Finance. Fire Services and the Non-Insured:Green Paper, p6.

1) Applying a fire levy to non-insured

CGU believes that non-insured should contribute to fire services funding as they are a potential beneficiary of these services. Other than self-insured government agencies which currently do not contribute to fire services funding but can be easily identified and levied, it would be administratively difficult to identify who is actually non-insured. This proposal would require data held by State and local governments to be matched against insurance company information in an attempt to identify properties without insurance. In addition to privacy laws and administration costs for insurers to provide this data, the following hurdles would need to be overcome:

- The data match would be a snapshot in time, and would likely become out-dated by the time non-insured were identified and levied
- Some insurance policies do not record every insured risk address, e.g., Industrial Special Risks (ISR); and master policies for schemes / bordereau
- There may be more than one eligible party for insurance at a risk address, e.g., high rise, multiple buildings, multiple tenancies
- Matching of risk addresses may be poor, as each insurance company has different protocols for recording addresses
- The tenant may be insured, but not the property owner, and vice versa. The property would still be recorded as "insured"
- Business placed with Direct Offshore Foreign Insurers (DOFIs) and Lloyd's Underwriters, who do not have a presence in Australia, may not be captured.

2) Applying a fire levy to under-insured

As noted already in this document, individuals and businesses that are under-insured avoid contributing their fair share to fire services funding while secure in the knowledge that they would still receive fire services assistance should they need it. This places a higher burden of funding on those who do fully insure and arguably discourages people from insuring. However, we are not certain how under-insured could be identified and how the level of under-insurance would be quantified.

Under-insurance and non-insurance are issues for the whole community, not only insurers. It is the role of insurers to price products fairly according to the degree of risk, but it is an individual responsibility to insure appropriately. While individuals should retain the right to choose insurance, the consequences of not insuring or under-insuring impact not only individuals but the wider community.

Insurers see the problems of under-insurance every day when customers make claims and realise they have not adequately insured their property, belongings, etc. To help reduce the levels of under-insurance, many insurers, including CGU, offer products such as new for old replacement cover, and also recommend that customers regularly review their cover and adjust it accordingly.

CGU regularly hears first hand how excessive taxes and charges on insurance impact our customers and, in particular, how the resulting increased premiums can discourage people from taking up full, or in fact any, insurance protection. We firmly believe that removing the FSL on premiums would increase the number of people taking up insurance.

Q4: The factors that influence insurance take-up involve a number of socio-economic triggers. Are there any social policy issues that would need to be considered if implementing this proposal? For example, should there be concessions through exemptions or subsidies for low income groups and how could these be funded?

As noted above, this proposal is flawed because, like the current model, it does not ensure the contribution to fire services is based on fire risk, it only covers people with properties, and it would be difficult to identify non-insured and under-insured properties.

Aside from this point, we believe that social policy issues should be considered in this and all fire services funding proposals. Since the Government has chosen not to consider fire services to be a public good, and is instead expecting the community to fund it, then the community must ensure that those who are unable to contribute their fair share for valid reasons are still permitted to receive the benefit of fire services. For example, those on a pension or in a low income group should have their obligation subsidised or reallocated equitably amongst the remaining pool of contributors.

Option Three: Status quo plus mandating banks to issue compulsory insurance

This proposal is flawed because, like the current model, it does not ensure the contribution to fire services is based on fire risk. A proposal requiring only some property owners to contribute to funding fire services still means that others who may benefit from fire services, such as property owners without a mortgage, tenants, self-insured government organisations, and motor vehicle owners, would not be required to contribute.

In addition, CGU is against any form of mandatory insurance. We believe that individuals should retain the right to choose whether or not to insure and how much insurance they wish to have. However, it's important to keep in mind that the consequences of not insuring or under-insuring impact not only individuals but the wider community.

Q5: How would this option address the question of equity outside of properties that are mortgaged?

This proposal does not address the question of equity outside of properties that are mortgaged and this is a major flaw of this option. In addition, it does not require motor vehicles owners and self-insured government organisations to contribute to funding fire services.

Option Four: Introduce compulsory fire services insurance

Q6: Is this option an appropriate way to target non-insured and under-insured property owners to ensure their contribution corresponds with the level of benefit they receive?

This proposal is flawed because, like the current model, it does not ensure the contribution to fire services is based on fire risk, and it would be difficult to identify non-insured and under-insured properties. It is evident that the current model of funding fire services needs to be changed to widen the contribution base so it is more equitably based on fire risk. However, the proposal to levy only those with properties means that other beneficiaries of fire services still do not contribute to funding, e.g. self-insured government authorities and motor vehicle owners.

In addition, there are significant challenges to implementing a proposal to apply a levy to non-insured and under-insured properties as we explained in our response to Q3.

Q7: Does the compulsory nature of this proposal raise Charter of Human Rights concerns?

CGU is against any form of mandatory insurance. We believe that individuals should retain the right to choose whether or not to insure and how much insurance they wish to have. However, it's important to keep in mind that the consequences of not insuring or under-insuring impact not only individuals but the wider community.

Q8: The factors that influence insurance take-up involve a number of socio-economic triggers. Are there any social policy issues that would need to be considered if implementing this proposal? For example, should there be concessions through exemptions or subsidies for low income groups and how could these be funded?

As noted above, this proposal is flawed because, like the current model, it does not ensure the contribution to fire services is based on fire risk, it only covers people with properties, and it would be difficult to identify non-insured and under-insured properties.

Aside from this point, we believe that social policy issues should be considered in this and all fire services funding proposals, as explained in our response to Q4.

Q9: Does this option discriminate between fires and other natural disasters (e.g. flood)? Should the levy be applied to cover all natural disasters, e.g. an emergency services levy as opposed to a fire services levy?

As we have stated above, CGU is against any form of mandatory insurance. We believe that individuals should retain the right to choose whether or not to insure and how much insurance they wish to have. Insurance cover is already available for natural perils such as fire and flood. However, it's important to keep in mind that the consequences of not insuring or under-insuring impact not only individuals but the wider community.

Option Five: Introduce compulsory property insurance

Q10: Is this option outlined above an appropriate way to target non-insured and under-insured property owners, to ensure their contribution corresponds with the level of benefit they receive?

This proposal is flawed because, like the current model, it does not ensure the contribution to fire services is based on fire risk, and because it would be difficult to identify non-insured and under-insured properties. It is evident that the current model of funding fire services needs to be changed to widen the contribution base so it is more equitably based on fire risk. However, as we have explained previously, the proposal to levy only those with properties means that other beneficiaries of fire services still do not contribute to funding, e.g. self-insured government authorities and motor vehicle owners.

Q11: Does the compulsory nature of this proposal raise Charter of Human Rights concerns?

CGU is against any form of mandatory insurance. We believe that individuals should retain the right to choose whether or not to insure and how much insurance they wish to have. However, it's important to keep in mind that the consequences of not insuring or under-insuring impact not only individuals but the wider community.

Q12: The factors that influence insurance take-up involve a number of socio-economic triggers. Are there any social policy issues that would need to be considered if implementing this proposal? For example, should there be concessions through exemptions or subsidies for low income groups and how could these be funded?

As noted above, this proposal is flawed because, like the current model, it does not ensure the contribution to fire services is based on fire risk, it only covers people with properties, and it would be difficult to identify non-insured and under-insured properties.

Aside from this point, we believe that social policy issues should be considered in this and all fire services funding proposals, as explained in our response to Q4.

Option Six: Replace the FSL with an 'across the board' property tax (which could be risk based)

Q13: Is this option outlined above an appropriate way to target non-insured and under-insured property owners, to ensure their contribution corresponds with the level of benefit they receive?

This option is a step in the right direction as it spreads the burden carried by insured property owners more widely to all property owners. As this model is not linked to insurance, then non-insured and under-insured will be captured. In addition, moving to a property-based model would enable insurers to pass on savings to customers from the removal of statutory contributions. We believe that the lower cost of insurance will encourage households and businesses to insure more prudently, helping to reduce the incidence of non-insurance and under-insurance.

However, the proposal to levy only those with properties means that motor vehicle owners, a significant beneficiary of fire services, still receive their benefits for free.

Q14: Does the compulsory nature of this proposal raise Charter of Human Rights concerns?

All government taxes may raise Charter of Human Rights concerns, and this is why the Government should be funding the fire service, which is a public good, from consolidated revenue rather than expecting the community to pay for it.

Q15: Does this model reduce the incentive to manage fire risk?

It's reasonable to assume that moving to a funding model that aligns contributions to fire risk would give individuals or businesses with properties an incentive to manage fire risk.

Q16: How can the Government continue to charge insurance companies for the benefit that they derive from the provision of fire services?

This question fails to recognise that it is ultimately insurance policyholders, not insurance companies, who currently fund fire services. The whole community benefits from public goods such as fire services, police services and hospitals, and this why they should all be funded by the Government from consolidated revenue.

On this point of non-excludability of public goods, consider the police service. The provision of the police service is a positive benefit for the whole community, not only insurance companies, because it lessens the financial costs associated with theft, arson and other criminal activities. The current funding arrangements of the fire service suggest that the whole community, including insurance companies, is getting a free ride on the provision of the police service because they do not directly contribute to its funding. Applying this principle of a link between funding and benefits to the police service highlights that the current method for funding fire services simply doesn't make sense.

Q17: What transitional issues are likely in a major change in funding models to establish a new collection system?

The transition away from the current insurance based model needs to take into consideration that funds are collected via insurance policies which fall due at various times. So, there will inevitably be a transition period when the old insurance-based model and a new more equitable model are both operating. During this transition, the Government will need to ensure that people with insurance who have already paid the levy for a particular period are not charged again for the initial funding period of the new system. In addition, it is essential that any change in funding model does not interrupt the continued funding of fire services.

Option Seven: Require mandatory collection of costs from non-insured by the CFA and MFESB

Q18: Is this option outlined above an appropriate way to target non-insured and under-insured property owners, to ensure their contribution corresponds with the level of benefit they receive?

This proposal is flawed because it means the current funding model is maintained, and we reiterate previous comments on the unfairness of the current model.

Q19: Would this proposal adequately address the issue of under-insurance?

Not at all. This proposal relates to non-insured and does not include charging under-insured.

Q20: The factors that influence insurance take-up involve a number of socio-economic triggers. Are there any social policy issues that would need to be considered if implementing this proposal? For example, should there be concessions through exemptions or subsidies for low income groups and how could these be funded?

As mentioned previously, we believe that social policy issues should be considered in this and all fire services funding proposals. Since the Government has chosen not to consider fire services to be a public good, and is instead expecting the community to fund it, then the community must ensure that those who are unable to contribute their fair share for valid reasons, are still permitted to receive the benefit of fire services. For example, those on a pension or in a low income group should have their obligation subsidised or reallocated equitably amongst the remaining pool of contributors.

Additional Question

Q21: Would the administrative burden under a range of options be manageable from a regulatory burden perspective?

The private sector currently bears the administrative burden of collecting funds for what is essentially a public good. Returning this role back to the Government will provide an opportunity to streamline administration of the funding model as well as reduce compliance and regulatory costs.

In addition, Options 2, 3, 4 and 7 in this Green paper require multiple sources of fund collection, and it would be administratively difficult to ensure that property owners are not paying twice.

CGU has recommended the Government champions a fair system that requires everyone that owns property or motor vehicles to contribute to fire services funding. Under the revised model, the funds could be collected through Council rates and State Government vehicle registrations, using payment systems that are already in place. In the case of State government organisations that currently don't pay FSL, they could provide the funds directly to the fire services authorities, which is also a straightforward process.

Appendix – About CGU

CGU is the largest provider of insurance to Australia's regional and rural communities, one of the nation's largest providers of workers' compensation services and a leading commercial insurer.

We offer a comprehensive range of commercial, rural and personal insurance products for individuals, families, farms, business and large multi-national corporations. CGU has a network of over 75 branches throughout metropolitan, regional and rural Australia, with 14 branches in Victoria including a large regional office in Ballarat. CGU works in partnership with a network of more than 1,000 insurance brokers and Authorised Representatives, many servicing regional and rural communities, and we partner with more than 100 major financial institutions.

After over 150 years of serving Australians in their time of need, CGU is deeply embedded in the communities we serve. With a head office in Melbourne, CGU employs almost 2,000 people in Victoria. In our home state, we insure more than 342,000 motor vehicles and over 170,000 homes, including almost 100,000 in regional and rural Victoria. We also insure over 20,000 farms, and around 42,500 Victorian businesses, including 18,500 in regional and rural areas.

CGU is part of Insurance Australia Group (IAG), Australasia's leading general insurance group that is publicly listed on the Australian Stock Exchange.