

MEDIA RELEASE



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FOR IMMEDIATE RELEASE

CGU calls on State Government to act on fire services

CGU Insurance has welcomed the Victorian Bushfires Royal Commission's final report which calls for change to the way fire services are funded.

As the nation's largest regional and rural insurer, CGU's customers lodged over 1,300 insurance claims as a result of the bushfires, representing more than 2,900 separate losses.

Duncan West, CGU Chief Executive Officer, said it was time for the Victorian Government to listen to what the community, and a number of government enquiries, has been saying for many years about fire services funding.

"As the devastating bushfires raged across Victoria, it was the fire-fighters who stood up and performed the impossible, saving lives and properties. The services they provide are essential and it is therefore essential they are funded appropriately," said Mr West.

"Victorians deserve a well-funded fire service. We also deserve a fair system of funding. Yet, the current funding model for the Victorian fire services is grossly unfair.

"CGU, like many others, has for years been calling on the Victorian Government to remove the burden of funding from insurance policyholders and implement a system that is fair for the entire community.

"In regional Victoria, the Fire Services Levy almost doubles the cost of property insurance. It's a big stretch to claim this is a fair system for funding the fire services when the increased cost means full insurance is out of reach for so many.

"CGU regularly hears how excessive taxes on insurance products impact the community, often leaving homes and businesses dangerously exposed should the worst-case scenario occurs.

"The fire services are an integral part of every safe community; as such they should be funded appropriately. We believe that fire services funding should be drawn from property rates and motor vehicle registrations, a system that better reflects how the fire services are used.

"It's definitely time for change. The Victorian Government has committed to reviewing the current funding system. In the interests of fairness for all Victorians, CGU asks the Government to remove the burden from people with insurance and make the system a fair one for the whole community."

ENDS

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Note to Editors:

CGU Insurance made two submissions to the Victorian Bushfires Royal Commission as well as a submission to the Victorian Government's Green Paper – Fire Services and The Non-Insured. All three of these submissions emphasised the need for a fairer funding system for the fire services; they are available at www.cgu.com.au

About CGU

CGU Insurance is the largest provider of general insurance to Australia's regional and rural communities, a leading workers' compensation provider and one of Australia's leading commercial insurers. CGU offers a comprehensive range of commercial, rural and personal insurance products through a network of over 1,000 insurance brokers and authorised representatives. CGU has been operating in Australia for almost 160 years and is part of Insurance Australia Group (IAG).