

MEDIA RELEASE

6 March 2008

St Andrew's Australia: Industry strike rates strong across the board

Insurance strike rates¹ are high across the board in Australian Credit Unions and Building Societies with loan protection insurance, motor insurance and home & contents insurance leading the way at 48.5 per cent, 38.7 per cent and 36.9 per cent respectively according to the St Andrew's Credit Union Insurance Survey².

Following the top three, mortgage protection insurance and travel insurance also had high strike rates at 31.7 per cent and 28.6 per cent respectively.

St Andrew's Director of Insurance Renato Mazza said the findings were impressive and highlighted that the Credit Union industry was good at bringing its products to the attention of members.

"The results indicate that members show trust in their Credit Union and the products they offer," Mr Mazza said.

"The Credit Union industry has really focused on selling insurance products and the results are very good when you compare them to many other markets."

"Staff in this industry are effective insurance specialists and this was due to a combined effort between the mutual financial institutions and the insurance companies they partnered with."

The average cancellation rate in the past twelve months was quite low with motor insurance at 18.6 per cent, home and contents insurance at 14.8 per cent, and loan protection insurance at 12.2 per cent.

"Getting the best product for members first time will mean they are less likely to switch or cancel and it seems the industry is getting this right," he said.

The average renewal rate for insurance policies in the last twelve months was 73.2 per cent for home and contents insurance, 70.7 per cent for motor insurance and 54.8 for consumer credit insurance.

¹ Strike rate is number of opportunities divided by number of sales

² August 2007

“These figures display that the industry as a whole is getting better at keeping members, particularly for the more competitive insurance products such as home and contents insurance and motor insurance,” Mr Mazza said.

- ENDS -

Media Inquiries:

Bridget Tombleson, Media Relations Manager HBOS Australia, 0407 084 359

About the Survey

The survey was carried out for St Andrew's Australia between July 25 to August 24, 2007. The survey is an online poll of 34 credit unions and building societies in Australia

About St Andrew's

St Andrew's Australia Pty Ltd, is a wholly owned subsidiary of HBOSA, and is the holding company of HBOS Australia's credit insurance, life insurance and wealth management businesses. St Andrew's Insurance (Australia) began trading in 1998 providing customers with consumer credit insurance products. In 2004, St Andrew's Australia opened a new life insurance company, St Andrew's Life Insurance to offer customers a range of term life and life insurance products. St Andrew's has continued to further expand its operations and also offers wealth management and investment product options through St Andrew's Wealth Management after acquiring BWA Financial Services Ltd in 2004 and RACV Financial Services Limited in 2005. These expansion initiatives form part of the overall growth strategy of HBOSA Insurance & Investment operations in the Australian market.