

COMMUNICATION FROM CGU 'NSW EMERGENCY SERVICES LEVY EXPLAINED'

ATTENTION: SURA COMMERCIAL, SURA HOSPITALITY AND SURA FILM AND ENTERTAINMENT



WHAT IS THE NSW EMERGENCY SERVICES LEVY (ESL)?

The Emergency Services Levy (ESL) provides funding for important emergency services that keep the community safe in times of need with services like Fire and Rescue (FRNSW), Rural Fire Services (RFS) and NSW State Emergency Services (SES).

The funding for these services is currently collected by insurers on behalf of the NSW government through a levy charged on insurance policies.

WHAT IS CHANGING?

In a move to create a fairer system for everyone, the NSW Government is introducing a new approach to collecting these funds.

From 1 July 2017, the NSW Government is:

- removing the Emergency Services Levy (ESL) charged as a percentage on insurance policies, and
- replacing it with the Emergency Services Property Levy (ESPL) which will be paid along with property council rates.

We welcome this decision and feel it is a positive change for our customers. Fire and emergency services are available to the whole community, so we agree that it's fairer for all property owners, including those who are uninsured, to contribute to the new ESPL.

For more information about what's changing, please visit the NSW Emergency Services website.

WHAT DOES THE REMOVAL OF ESL ON INSURANCE MEAN FOR ME?

As of 1 July 2017, you will no longer pay ESL as part of your insurance premium. Until 1 July 2017, we will need to continue collecting the ESL from you to meet our obligations to the NSW Government. (This is an obligation all insurers must meet)

Depending on which insurance product you have, your ESL will be charged as a percentage of your total premium (the percentage charged depends on the type of insurance you have). Leading up to the proposed change, we will review the ESL rates regularly to make sure enough is collected to fund fire and emergency services, with a view to reduce the levy to 0% across all our products by 1 July 2017.

WILL MY INSURANCE PREMIUM FALL WHEN ESL IS REMOVED?

The majority of customers in NSW should see a fall in their total insurance premium as ESL is removed by 1 July 2017. However, premium rates are calculated and change for many reasons, including changes to the level of risk for your property or business, and any changes to the cover provided.

If you have any questions about your renewal, your insurance premium, or ESL rate, please contact us on the numbers on the next page. From 1 July 2017, no customer will be paying ESL on their insurance premium.

HOW DO I KNOW HOW MUCH ESL I AM PAYING?

ESL is charged as a percentage of your insurance premium, with different percentages for different types of insurance. You can find the amount of ESL you are paying on your New Business and Renewal policy schedule.

FREQUENTLY ASKED QUESTIONS

WHAT DO I GET FOR PAYING THE ESL?

Your ESL payment helps fund a significant portion of the fire and emergency services in NSW, which helps everyone in the community when they need it.

DOES THIS CHANGE AFFECT ALL INSURERS?

Yes, this is a NSW Government reform that affects all insurers in NSW.

WILL I GET A REFUND ON ESL IF I CANCEL MY POLICY?

There's no change to the way that ESL is treated at policy cancellation. If a policy is cancelled, a refund on ESL will be given.

IF I HAVE ALREADY PAID THROUGH MY INSURANCE, WILL I THEN HAVE TO PAY THROUGH MY COUNCIL RATES TOO?

You won't be paying ESL twice. Your insurance policy that began or was renewed before 1 July 2017 covers the ESL for the 2016/17 financial year. The ESPL to be included in your council rates will cover the 2017/18 financial year (commencing on 1 July 2017).

MORE INFORMATION

For more information about the NSW Emergency Services Levy and your insurance policy, please contact:

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Or go the website

<https://www.emergency.nsw.gov.au/media-releases/2015/nsw-moves-to-a-fairer-system-for-funding-fire-and-emergency-services.html>