


CommInsure

A New Focus - Insurance Business

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Managing Director

21 May 2002



Disclaimer

The material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation 21 May 2002. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

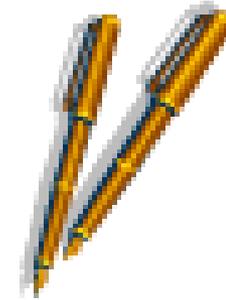


Speaker's Notes

- Speaker's notes for these presentations are attached below each slide.
- To access them, you may need to save the slides in PowerPoint and view/print in "notes view."



◆ CommInsure

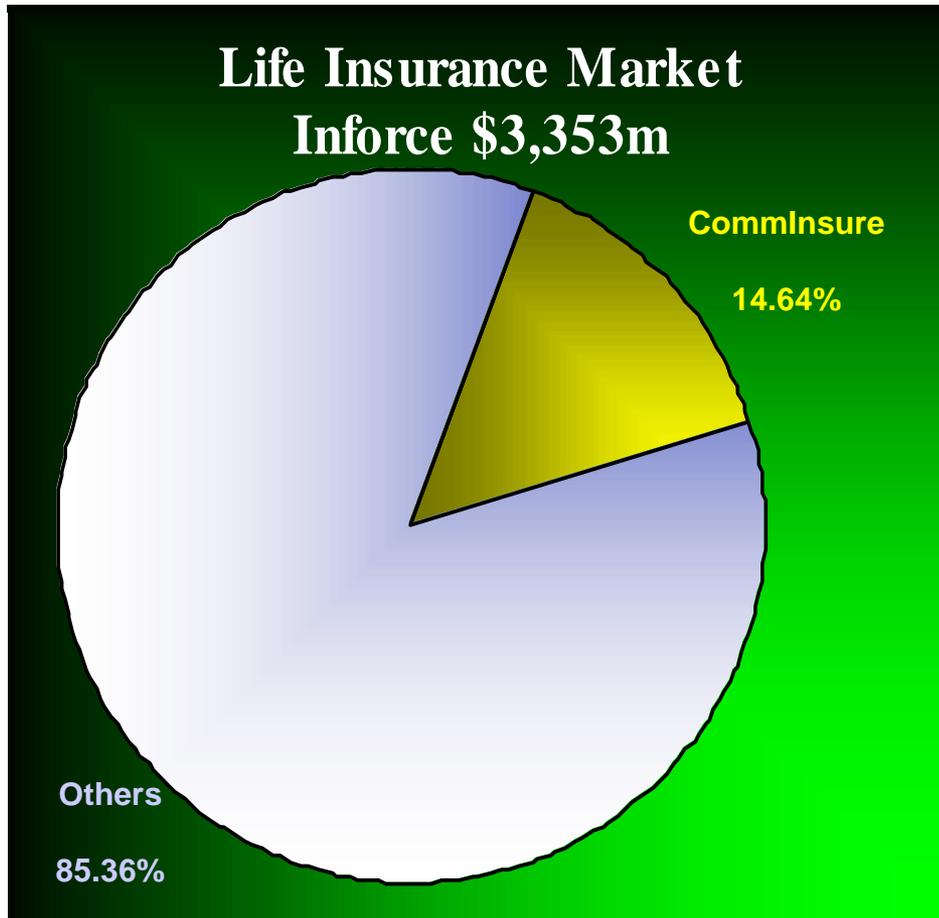


Order of Discussion:

- Who is **CommInsure**? - Definitions & Size
- **CommInsure's** Vision
- **CommInsure's** Values & Brand Promise
- **CommInsure's** Objectives
- The **CommInsure** Business Model
- **CommInsure's** Strategies



Who is **CommInsure**?

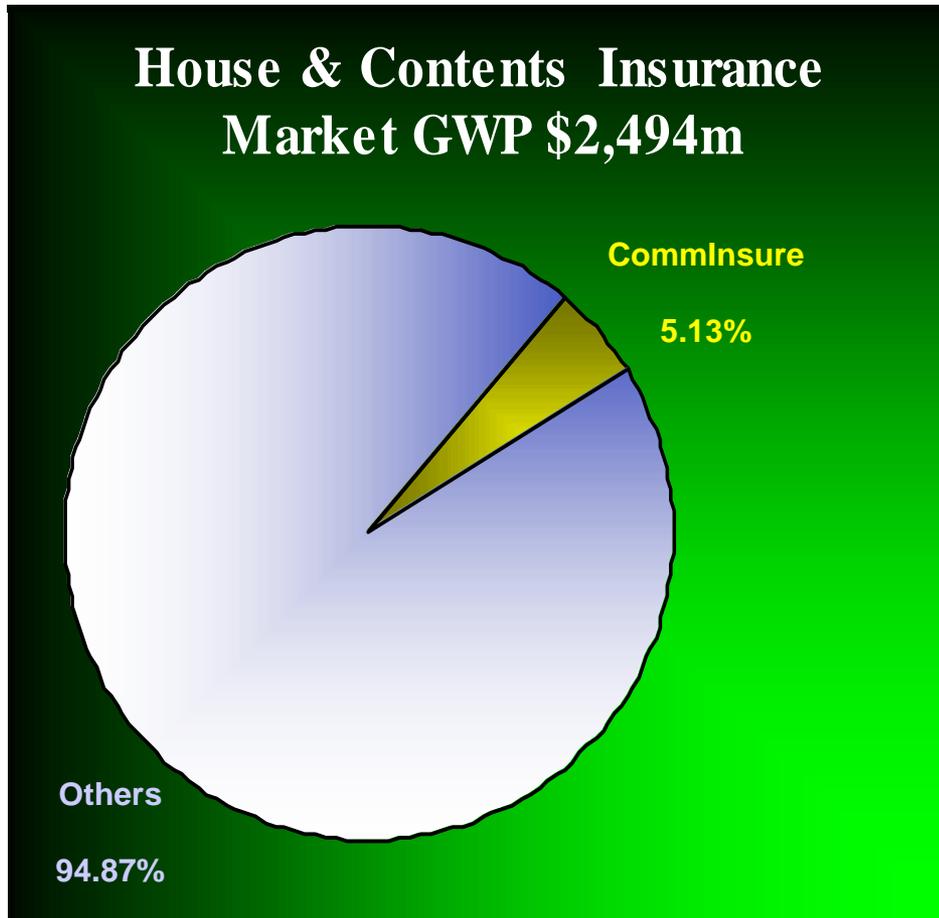


Source: Plan for Life 31 December 2001 Report

- Life insurance products include:
 - death cover
 - total and permanent disablement (TPD) cover
 - trauma
 - income protection
 - individual and group risk
- CommInsure is No.2 as measured by Inforce Premiums at 14.64% (14.42% June 2001)



Who is **CommInsure**?

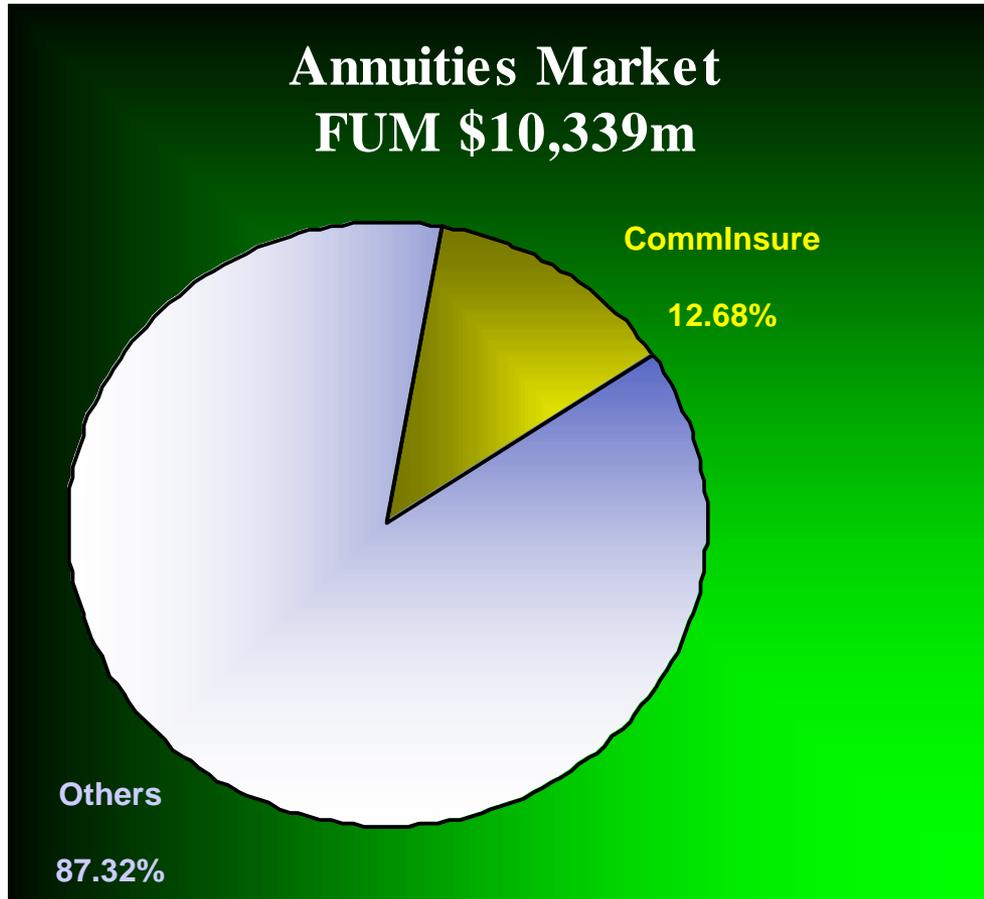


Source: APRA Report extrapolated from 30 June 2001 numbers

- Niche player in the General Insurance market - underwriting home and contents business only
- Sells rebadged Allianz product in other personal and commercial lines
- 5.13% market share in the Home & Contents line



Who is **CommInsure**?

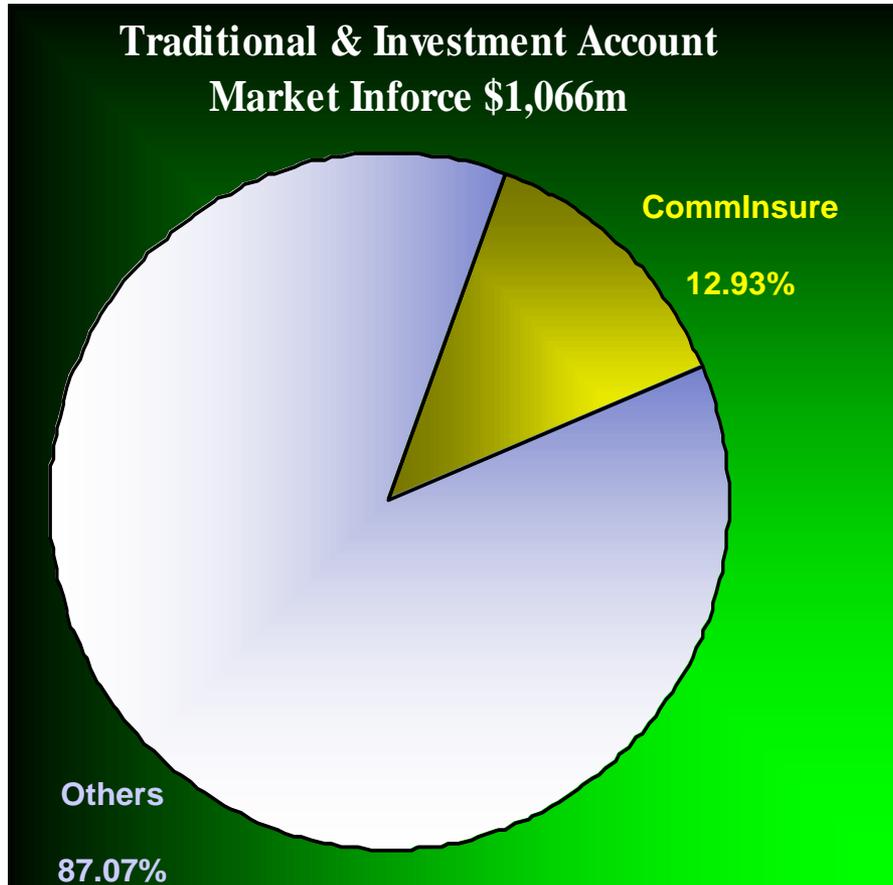


- Product includes:
 - lifetime annuities
 - term certain annuities
- Market share at 12.68%

Source: Plan for Life 31 December 2001 Report



Who is **CommInsure**?

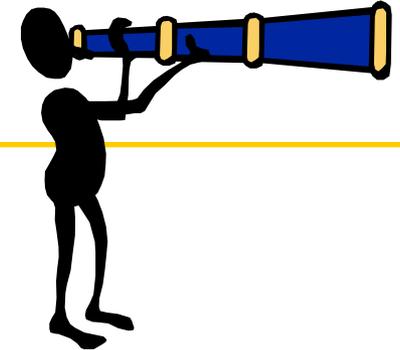


Source: Plan for Life 31 December 2001 Report

- Includes whole of life and endowment business - bundled risk and investment in a single offering
- Includes capital guaranteed Investment Account business
- \$2.9bn in funds under management in this product category
- \$138m in inforce premiums - No. 2 in the market
- Closed to new business and in runoff



◆ CommInsure's Vision - Key Elements



Best AllInsurance Brand

- **Understanding our customers and their insurance needs**
- **Devising wealth protection solutions** or Customer Value Propositions (“CVPs”) that are tailored to customers total insurance needs.
- Building a business of sufficient **scale and efficiency** to enable competitive or leading pricing and a leading market share.
- To establish the leading **insurance brand** in the marketplace.
- Maximising **profitability and shareholder value** by leveraging the full financial services capability (Allfinanz provider) of the wider organisation.



◆ CommInsure's Values & Brand Promise

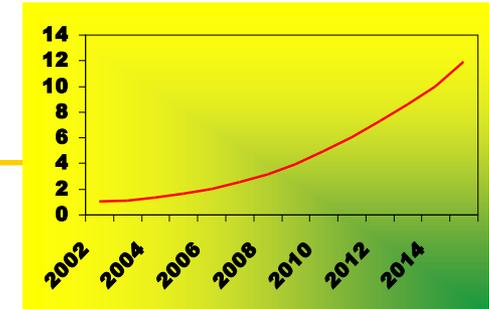


Strength	Stability	Honesty	Integrity
This is what we stand for:		What we want our customers to say about us:	
CommInsure is big, stable and secure and a trusted provider who meets all of my insurance needs		"I know they will always be there and I can trust them."	
CommInsure has integrity and honesty		"I will be treated with respect and dignity no matter what the circumstances."	
CommInsure advisers understand my needs and how important financial security is to me - they will help me secure my financial future		"I understand the products and services they offer me and they are good value for money."	
CommInsure can be relied on to honour their insurance obligations in my time of need		"I will have my claims paid."	
CommInsure are a big business but with a small business attitude - they are personal and want to help me protect my future and that of my family		"I will recommend them because they are easy to do business with."	



◆ CommInsure's Objectives

The Business Plan - Growth objectives



Leading Insurer in Australia in:

- Life Insurance 2 years
- Home and Contents Insurance 3 years
- Motor Insurance 5 years

Aiming to grow our life business to be number 1 (currently no.2 in inforce premiums with market share of 14.64%).

Source: Plan for Life December 2001

Aiming to grow our general insurance business to one of market relevance (currently 5.13% market share in home and contents).

Profit growth & Value generation



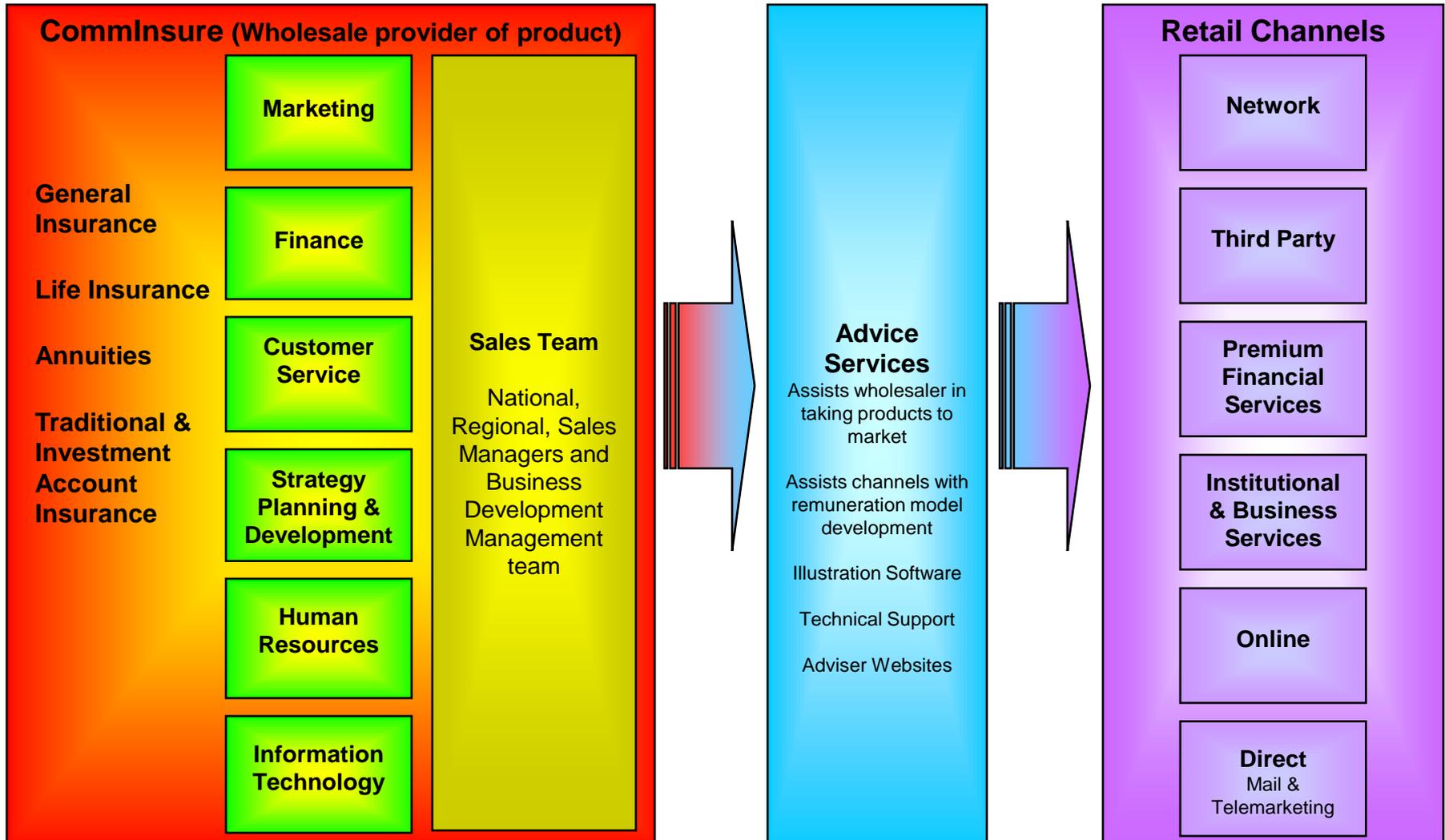
◆ CommInsure - The Business Model



- The Insurance Services business will run under the **CommInsure** brand - positioned as the leading all Insurance brand.
- The business will focus on risk product specialisation - life insurance risk and general insurance risk products - catering to the personal and business risk management needs of the customer.
- The business model will resemble that of a “wholesaler of product” whereby **CommInsure** will deliver leading edge product to multiple internal and external retail distribution channels.
- The business will pay market based remuneration to the retail distribution businesses.
- An “end to end” business management model with some internal and external outsourcing.
- Diagrammatically as follows:



◆ CommInsure - The business model



◆ CommInsure Strategies - Overview



	Today	Strategies	The Future
Customers	Unintegrated and sub-optimal service	Integrated service, Total Insurance Solutions & Total Financial Solutions	All Insurance Proposition
Brand	Relevant in Banking and Investment	Rebranding Products, Promote CommInsure Brand, Packaging and Loyalty Programs	Relevant in Insurance
Product	Discreet product offerings	Product Upgrades, Competitive pricing, Product rationalisation	Leading Complimentary Range
Distribution	Limited and Inefficient	Improved Efficiency, Extend Reach, Increase cross-sell and retention	Efficient Multiple Channel

Life Insurer and General Insurer

Best AllInsurance Brand



◆ CommInsure Strategies - Overview



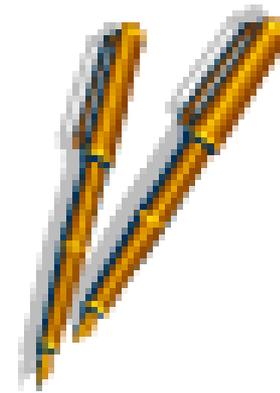
	Today	Strategies	The Future
Service	Disparate and fragmented	Systems rationalisation Integrate Call Centre & Operations. Combine Life & General Insurance	Integrated
Price	Selectively Competitive	Packaging and Loyalty Programs, Scale & Efficiency in service, Capital efficiency	Comprehensive Value Proposition
People	Generalists	Small business culture Insurance Focus Functional Specialist	Customer Focused Insurance Experts
Technology	Multiple & Stable	Rationalise, Web-enable, straight thru' processing	Modern & Integrated

Life Insurer and General Insurer

Best AllInsurance Brand



◆ CommInsure's Strategies



Profitability

Generally:

- Capital management initiatives
- Review reinsurance retention limits
- Active expense management

For General insurance

- Leverage buying power in white/brown goods to drive lower costs and improved underwriting outcomes in general insurance - outsourced buying.
- Pro-active Call-back programme for late payers
- Direct debit payment option campaign

For Life Insurance

- Tighten definitions to enhance claims outcomes in life insurance

For Annuities

- Reprice for security



◆ CommInsure Proforma Profits

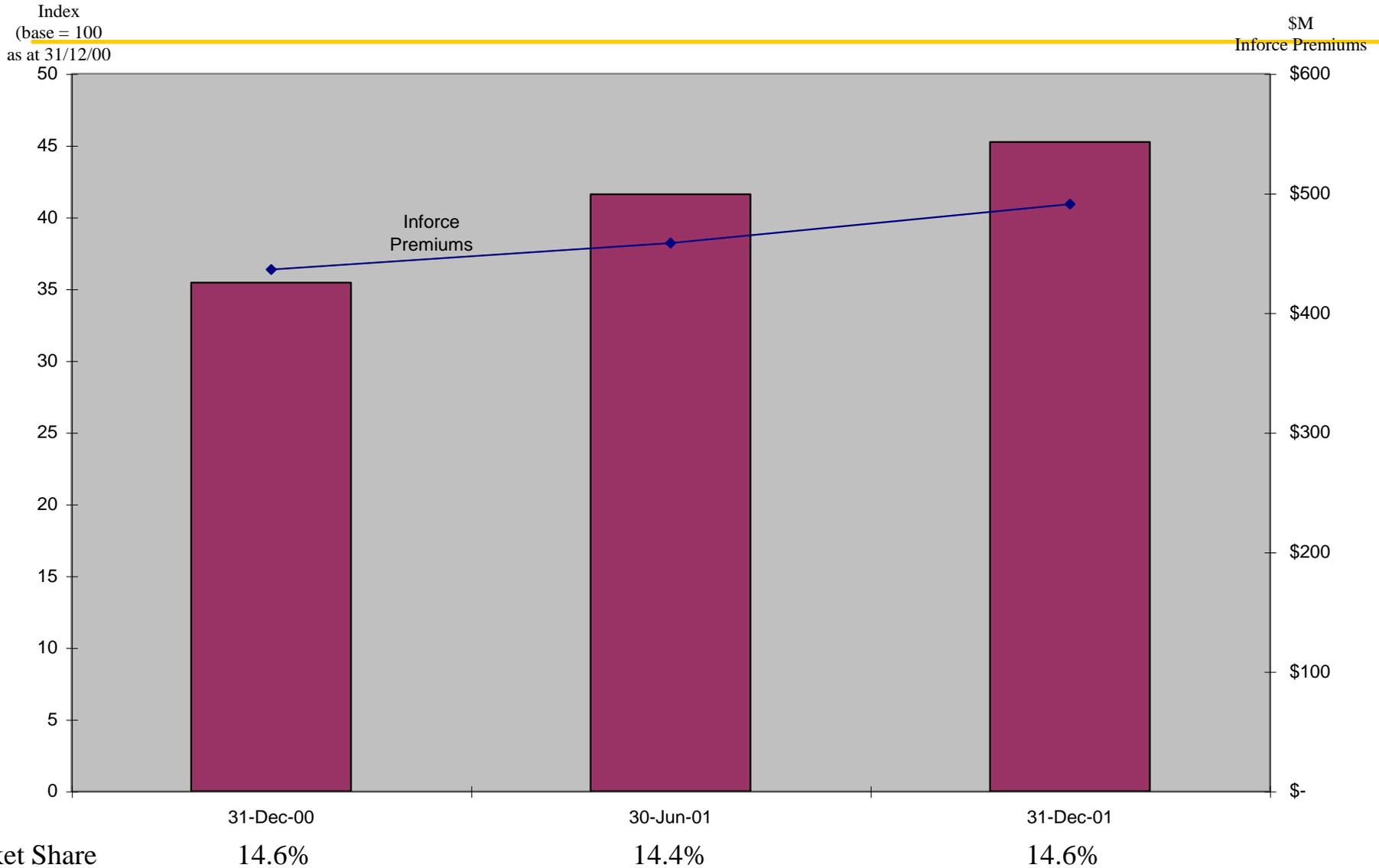
	31-Dec-00 6mths	30-Jun-01 6mths	31-Dec-01 6mths
Shareholder Profit Margin <i>(Base = 100 Indexed from 31/12/00)</i>	100	102	109
Profit Margin by Business Type			
Risk	36.0	40.1	44.7
Annuities	1.5	1.2	1.7
Investment Account	13.6	13.3	12.3
Traditional	24.6	23.6	24.2
General Insurance	24.2	24.0	26.4
	100	102	109

***Excludes investment income & experience profits**





Risk Business Trends

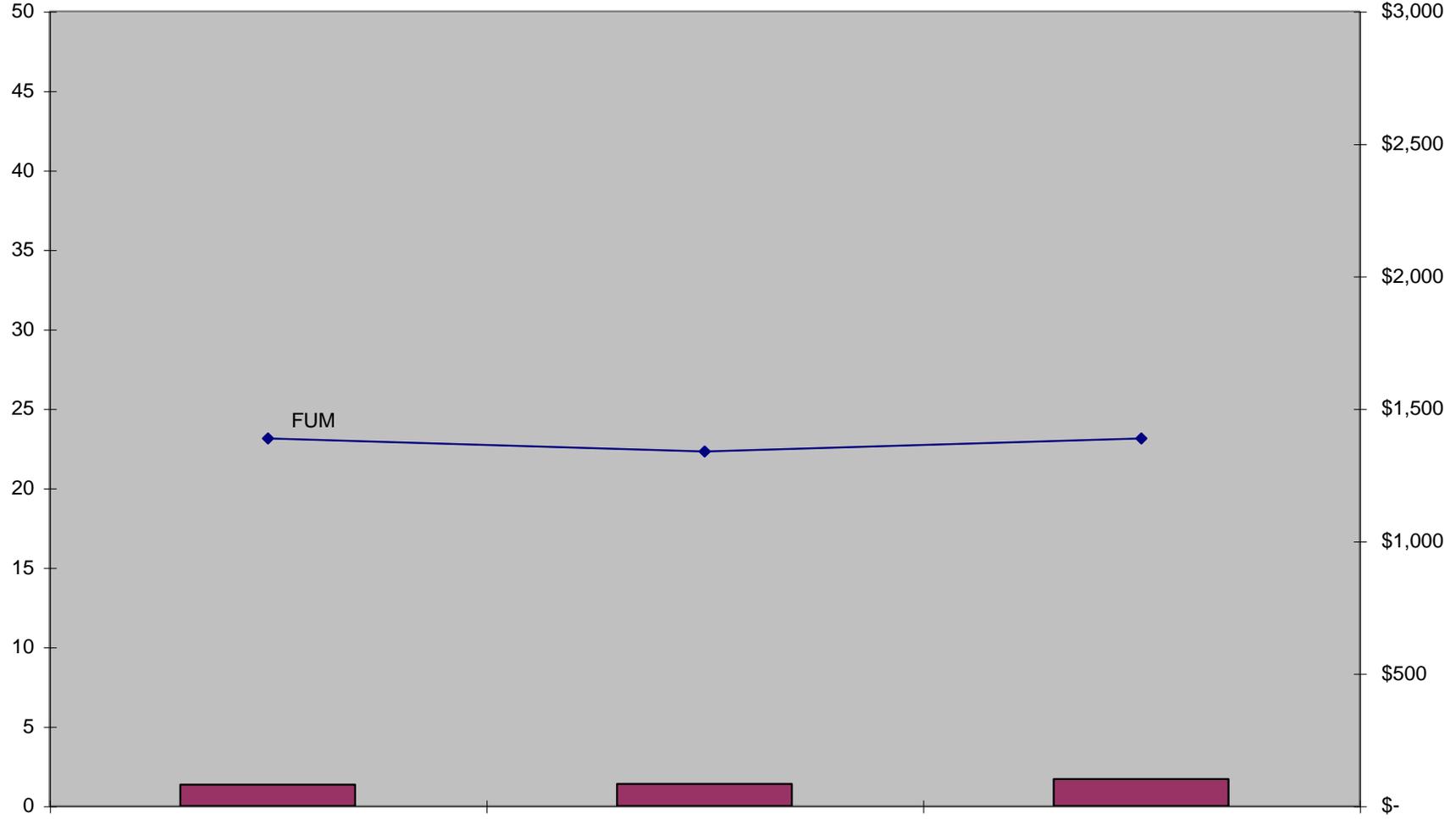




Annuities Business Trends

Index
(base = 100
as at 31/12/00

\$M
FUM



31-Dec-00

30-Jun-01

31-Dec-01

Market Share

14%

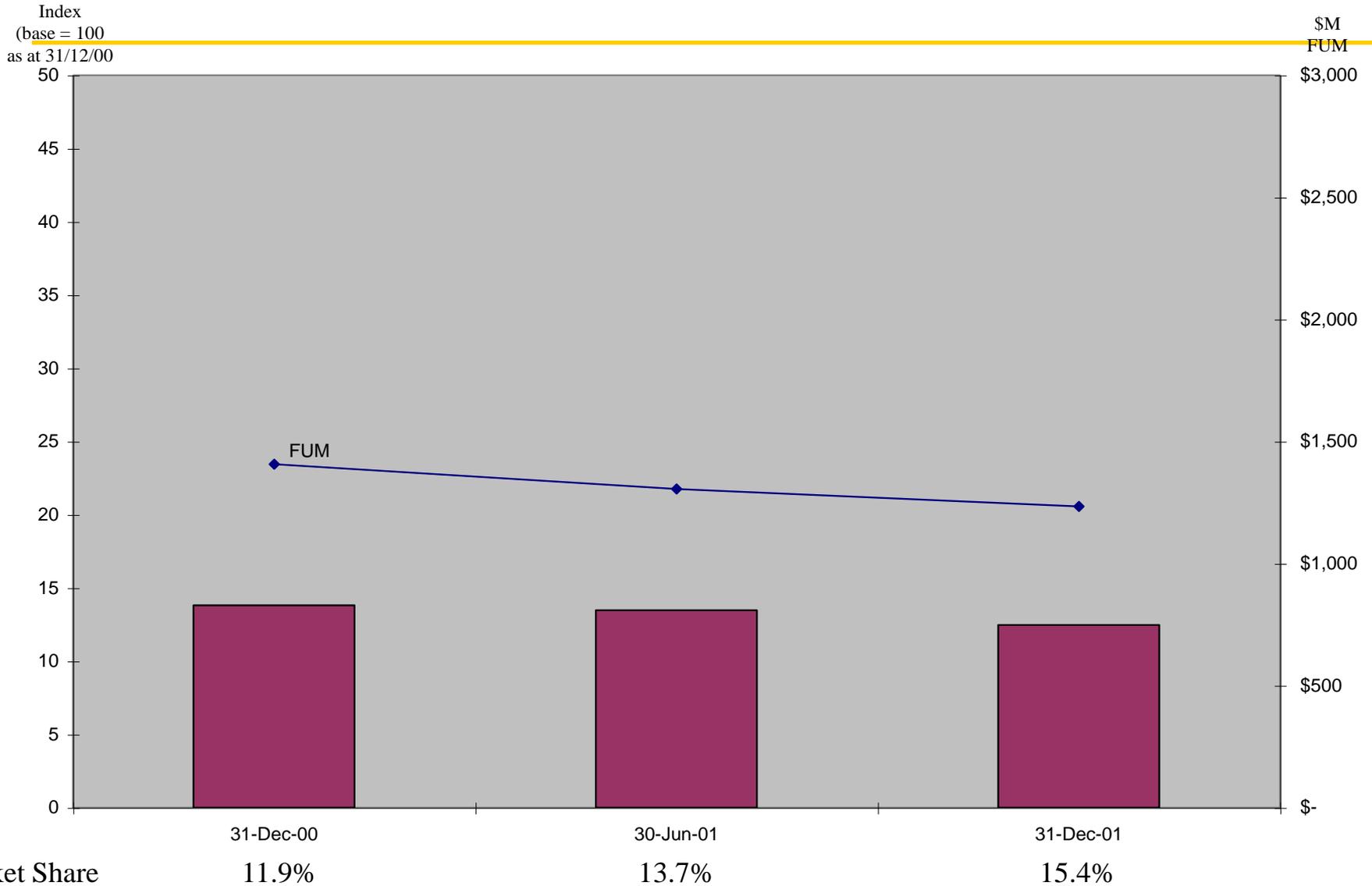
12.7%

12.7%



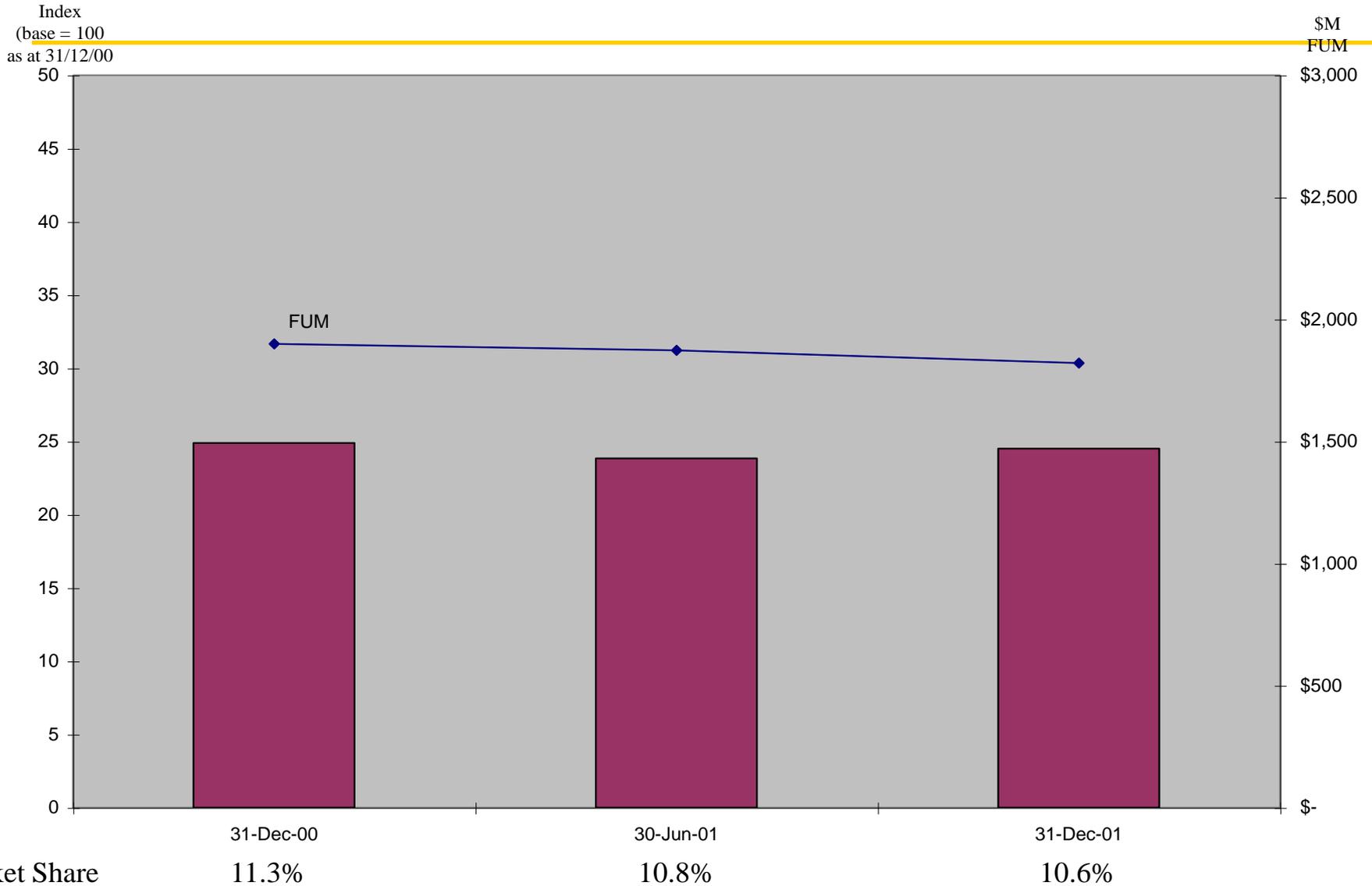


Investment Account Trends



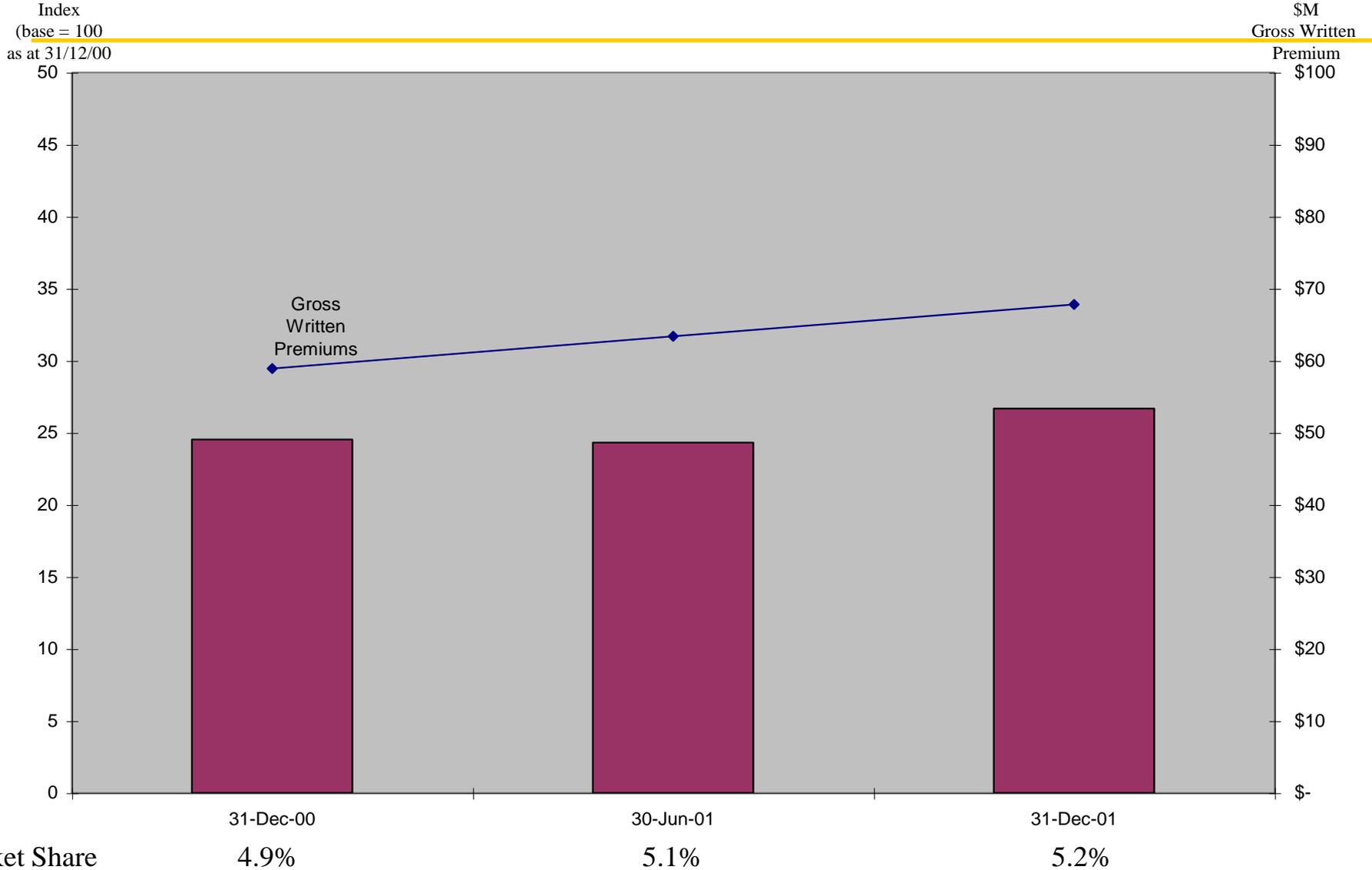


Traditional Business Trends





General Insurance Trends



Market Share
(home & contents)





CommInsure

Questions?



CommInsure

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Peter Beck

Managing Director

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