"Insuring the future" – IAG's role in creating a greener, safer community





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Overview



- About IAG
- Engagement with community
- Examples of ways IAG engages with its community to reduce risks
 - Climate Change
 - Help House
 - Risk Radar
 - Innovative Training















About IAG



- Insurance Australia Group is the largest general insurance group in Australia and New Zealand.
- IAG provides personal and commercial insurance products under some of the most respected and trusted brands.















About IAG



• Insures more than 4.7 million cars, 2.4 million homes, 220,000 businesses, 85,000 farms. Provides workers' compensation services to 213,000 employers.

More than 11,000 employees

















"The acid test for real social investment (not simply PR motivated sponsorship and donations) is that the desired social outcome is so beneficial to the company that it would be pursued even if noone knew about it".

Michael Porter, Harvard Business Review, Dec 2002















IAG Sustainability Report





www.iag.com.au

















- Managing risk well ensures IAG is in a position to achieve sustainable and profitable growth.
- The vast pool of knowledge we hold about risk presents us with a wide range of opportunities to help the communities in which we operate.
- One of the ways we can share our knowledge about risk is through our sponsorship program.

















- Community Business partnerships
 - St Johns Ambulance, Salvation Army Emergency Services, Surf Life Saving Australia, KidSafe, Volunteer Rescue Association, Royal Flying Doctors Service (QLD & SA)
- IAG Community Help Grants
- IAG Staff Volunteering and Workplace Giving Program

















We use our access to data, understanding of risk and the national power of our brands to inform public debate and improve social outcomes around crime, workplace safety, natural disasters and road safety.















Engaging with Community on Climate Change



















Weather and climate are core business for Insurers



- Insurance premiums spread cost of risk across community
- Claims expense represents more than 80% of home and motor premiums
- If frequency or severity of claims increases insurers have to increase premiums and/or mitigate risk to stay viable

Climate change is expected to increase claims frequency and/or severity!















There are plenty of global warming warning signs already



- 2002 Australian drought climate change link
- 3 worst hailstorms in Australia's history have occurred since 1990
- 5 of the most intense cyclones ever recorded in Australasia occurred in the last decade
 - Cyclone Heta



Image: Jimmy Deguara C/O www.australiasevereweather.com















Small changes in mean climate can increase hazards dramatically



| Hazard | Change in climate | Resulting Change in hazard |
|----------|---|--|
| Cyclone | 2.2°C mean temperature increase | Increase of 5-10% in Cyclone wind speeds |
| Bushfire | 1 ° C mean summer temperature increase | 17-28% increase bushfires |
| Drought | 1.3°C maximum temperature increase | 25% increase in evaporation leading to increased bushfire risk |
| Floods | 25% increase in 30 minute precipitation | 1 in 100 yr Flood becomes 1 in 17 yr Flood |

Source: Mills et al(2001)



SGIO SGIC









Encouraging risk reduction around the home



- Providing information to the public about ways to reduce risks around the home.
- Injury prevention, crime prevention, reducing loss from natural disasters (flood, fire) and environmental protection.
- Home help website
- Help House http://www.helphouse.com.au





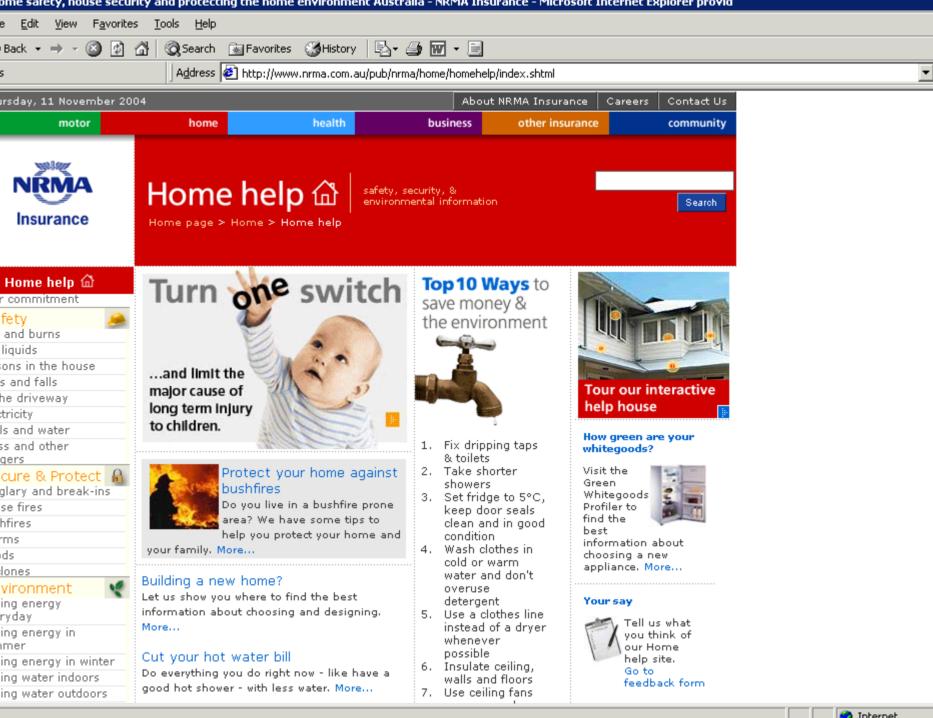


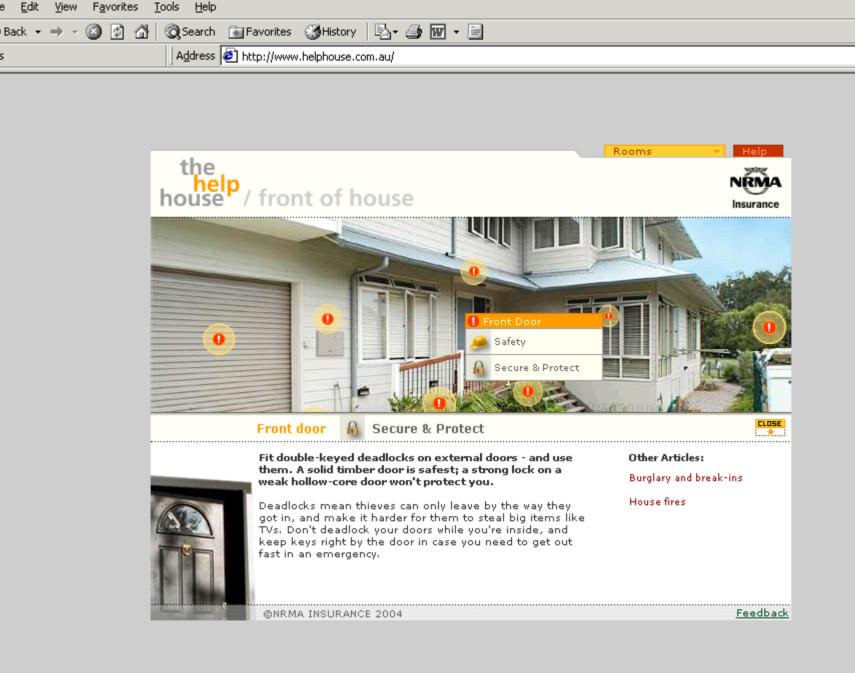












Microsoft Internet explorer provided by NKMA Information Services



Engaging with our supplier network to create cleaner and safer supply chains















Smash Repair Industry: encouraging safer and cleaner production and waste management



 Waste strategy and increasing re-use and recycling

 Risk Radar – improving OH&S and environmental performance



Image: budgetstockphoto.com















The Risk Radar is an environmental and OH&S risk management tool developed by CGU Safety & Risk Services.



- Risk Radar is a user-friendly, interactive, multimedia CD-Rom tool which allows Preferred Smash Repairers (PSRs) to easily self-assess their performance against environmental, health & safety criteria.
- Criteria include key Australian Standards, Legislation, and commercial and workers compensation underwriting risk factors.

Risk Radar Demo















Getting people engaged in compliance training



• The Workplace Bully Show is a high quality compliance training session which has the added elements of puppetry, music and acted monologues.



Image: Spud, Randy & Clive - The Workplace Bully Show















Our Commitment to continued engagement with communities



- We will grow faster and perform better if the way we do business is in line with what our communities and customers expect of us.
- It is our responsibility to protect and improve the communities in which we operate. We will constantly look for ways to work closely with the community.
- Be recognised for having transparent business practices that are based on respect for employees, communities and the environment.

















Community partnerships and investment, building safer communities

















Questions?













