

Information on the NSW Emergency Services Levy

CHUBB®



Information

The Emergency Services Levy (ESL) is a charge that has previously been added to the cost of your property insurance to fund fire and emergency services agencies in New South Wales.

On 30 May 2017, the NSW Government announced that it had deferred its policy of funding fire and emergency services through a property levy collected by councils. The Government will continue to require insurance companies to provide funding for the emergency services, which Chubb will reclaim by collecting an ESL on property insurance premiums.

The legislation reintroducing the obligation on insurance companies to collect the ESL became effective on 1 July 2017. As such, the purchase of this insurance includes a charge for ESL.

The ESL component of your insurance premium may be higher after 1 July 2017 than in previous years.

This reflects:

- our decision to commence the phasing out of the ESL in the final months of 2016/17 financial year in line with the expected abolition of an insurance based funding scheme for

fire and emergency services.

During the phasing out you may have paid a lower or nil ESL rate.

- the continuation of the insurance-based funding scheme for fire and emergency services in the 2017/18 financial year commencing 1 July 2017, may result in significantly higher levels of ESL charges than was the case in the 2016/17 financial year.

NSW ESL Rates

The following ESL rates will be effective for Chubb accounts:

- 30% for Commercial Property accounts (binding on or after 1 September 2018)
- 10% for Homeowners Property accounts (binding on or after 1 October 2018)
- 1% for Motor Vehicle accounts (binding on or after 1 September 2018)

The ESL rate has been calculated at a rate sufficient to meet Chubb's contribution requirements and may be reviewed from time to time.

Premiums are regularly reviewed and take into account risk factors such as location, construction and claims history. In addition, our premiums take into account business expenses,

including operating and reinsurance costs. Any changes to our premiums are independent of changes to the ESL.

The Insurance Monitor

The Insurance Monitor was established in June 2016 as an independent body. One of its functions is to monitor the prices for the issue of regulated contracts of insurance. Professor Allan Fels AO and Professor David Cousins AM have been appointed by the NSW Government as the Emergency Services Levy Insurance Monitor and Deputy Monitor, respectively.

If you would like further information

If you have any ESL queries or concerns you can contact your broker alternatively you can contact the ESL Insurance Monitor's Office on 1300 607 723 or at enquiries@eslinsurancemonitor.nsw.gov.au.

Information about the Insurance Monitor can be found at: www.eslinsurancemonitor.nsw.gov.au.

About Chubb in Australia

Chubb is the world's largest publicly traded property and casualty insurance company. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. The company is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally. Parent company Chubb Limited is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. Chubb maintains executive offices in Zurich, New York, London and other locations, and employs approximately 31,000 people worldwide.

Chubb, via acquisitions by its predecessor companies, has been present in Australia for almost 100 years. Its operation in Australia (Chubb Insurance Australia Limited) provides specialised and customised coverages, including Marine, Property, Liability, Energy, Professional Indemnity, Directors & Officers, Financial Lines, Utilities, as well as Accident & Health insurance, to a broad client base. Chubb is a major insurer of many of the country's largest companies. With five branches and over 500 staff in Australia, it has a wealth of local expertise backed by its global reach and breadth of resources.

More information can be found at www.chubb.com/au

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