



Chairman's Report for UAC AGM Dec 3, 2009

Welcome. Thank you all for taking the time to be here today.

I'd like to thank the outgoing chairman, Martin McAvenna, who has been a long-serving board member since December 2003, taking on the chairmanship in February 2008, when his predecessor, Murray Rogash, resigned after selling his agency.

Martin pioneered many new initiatives for underwriting agencies, including the addition of Underwriting Agency of the Year as a category at the annual ANZIIF awards. Another highlight has been the ongoing development of training programs for UAC members and their staff, which is being implemented in conjunction with ANZIIF.

I'd like to thank my fellow directors for their tireless contribution in a voluntary capacity for UAC.

The deputy chairman and director responsible for member applications is John Iles. David Porter is the secretary and Frank Van Rooy is the treasurer.

Kevin Corkery is responsible for the regular UAC-NIBA expos and William Legge oversees training and compliance.

Regulatory and legal issues are in the capable hands of Heath Amber and Simon Trowell is responsible for UAC's international affiliations.

In particular I would like to single out David's contribution and the support provided by his colleague Glenda Robertson.

I'd also like to thank our external advisers, Amanda Dick, from KSG, who supplies our secretariat services, and Kate Tilley, who is our communications consultant and webmaster.

I congratulate Sportscover, as the inaugural winner of the Underwriting Agency of the Year award. Sportscover is a leading specialist sports and leisure insurer with more than 20 years' experience in this niche field. It has offices in London, Sydney, Melbourne, Toronto and the Pacific Islands and its own Lloyd's syndicate, so certainly a worthy winner.

Finalists in the award were Accident & Health and DUAL Australia, so I congratulate both for being top achievers in the agency sector.

I am confident more agencies will be in the running to win this prestigious award in 2010.

UAC continued with its broker expos in key locations around the nation during 2009. Your council will continue to invest in these events and examine ways to improve them for members and broker participants.

As part of the online membership renewal process for 2009, members were also asked to complete a survey to ascertain member perceptions of UAC and its services and to get a better picture of the size and market stature of our members.

Armed with that knowledge, your board of directors will focus during 2010 on improving services to members.

The survey enjoyed a 71% response rate, which means it is highly indicative of members' views.

It certainly demonstrates the strength of the agencies sector in the Australian insurance marketplace.

I'd like to take you through a Powerpoint presentation of some of the key findings.

While the survey showed the majority of UAC member agencies employ 10 or fewer staff, two respondents have more than 60. An analysis of the data shows the total number of employees in the sector is likely to be about 1,800.

Agencies' gross written premium is substantial, with a third of member companies writing more than \$20 million a year (excluding statutory charges). An analysis of the figures shows the likely total premium pool for agencies is about \$2.5 billion a year.

We asked members about their awareness and use of various services provided through UAC.

We then asked about their perceptions of the relevance and the value of each of these services. For ease of presentation today, I have included only those slides that relate to the relevance of the services. The presentation will be available on the UAC website soon.

We asked members whether they used the tagline 'A member of UAC' on their website or corporate collateral, and found many did not do so only because they were unaware of the ability to do so. We'll be alerting members to this in a forthcoming e-newsletter.

We were keen to know if members would be interested in participating in forums before the expos, and had a good response.

Members also had some great suggestions about ways UAC could improve its services. The board will discuss these in depth in 2010 with the aim of implementing as many as are feasible.

Overall, I think it was a very pleasing result. It also gives us great ammunition to assist members to grow their businesses and become an even more important force in the insurance market.

Agencies play a vital role in the market, providing niche services underwritten by product specialists. It is that strength that gives the agencies muscle and ensures they remain at the cutting edge of servicing their clients.

Thanks again for making the effort to be at the AGM today.

Damien Coates
Chairman
Underwriting Agencies Council Ltd