



Welcome to Lumley Connect!

As the first issue without David Pearce on the cover, this edition marks a significant transition point for Lumley Insurance. As most of you would be aware David left the organisation last month on medical advice.

John Nagle, Chief Operating Officer stated that "David played a key role within the company over the last five years and he is very well respected both internally and across the industry. David will be sincerely missed by everyone at Lumley and we wish him a full and speedy

recovery. Anthony Cooper has now assumed the role of Acting Head of Distribution while we review permanent options. Anthony has been in the industry for over twenty four years, and has significant experience in intermediated distribution, leadership, relationship management and strategy development". Our management and staff wish David and his family all the best.

In other news, our claims teams continue to work through the thousands of claims which resulted from the severe weather events that afflicted the country in December and January. With many claims already finalised, we are looking forward to returning to normal operating loads in the coming months. Claims and assessing staff across the industry have performed admirably under extreme conditions and deserve our thanks and congratulations!

We acknowledge the technical issues that some users have experienced with our my.place@Lumley online platform. With most of these issues now addressed, please be assured that we will continue to monitor and improve system performance.

The initial release of our Management Liability product in April has been well received by the market. We are now preparing to roll out the product to all brokers and your Business Relationship Manager will be in contact to arrange training for you and your teams.

With the end of financial year fast approaching, we are all preparing for the June renewal season. We know that this is a busy time of the year for everyone, so please contact us if we can be of assistance.

On a personal note, I have met many of you at recent industry conferences and I look forward to working with you in the future.

Anthony Cooper
Acting Head of Distribution

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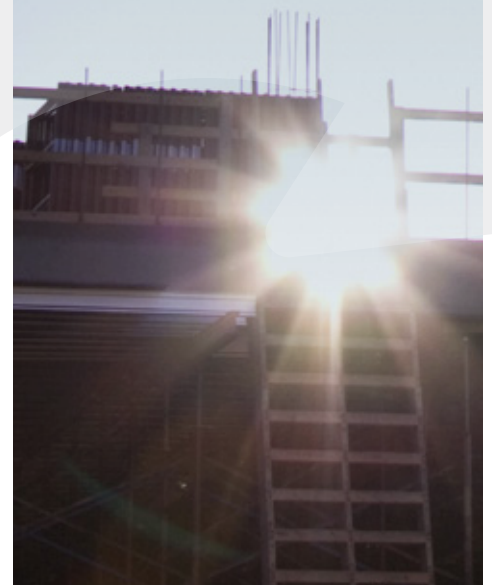
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Continuous Improvement & Innovation

Last month we announced the launch of Management Liability on my.place@Lumley. Aimed at small to medium

enterprises, the product is available as a section of our Commercial Business Package policy or as a standalone policy.

Our continued development of products on my.place@Lumley has been based on 4 key principles, which we will continue to rely upon in the future. These are:

Easy to use

Broker feedback has noted that the screen is simple, and follows the same easy to use design of our award winning my.place@Lumley application.

Allows brokers to choose and tailor cover

The 4 covers of Directors and Officers' Liability, Employment Practices Liability, Statutory Liability and Legal Expenses can be arranged either on a combined package or individual covers basis, with a range of limits allowing brokers to select a cover to suit the clients' risk and budgetary needs.

Competitive pricing

In the current economic environment we know that small businesses are finding times difficult. Having competitive pricing and a simple packaging discount allows you to sell additional covers a little more easily.

Innovative

We are listening to what you are saying and providing new and innovative solutions to enable mutual growth.

These principles have firmly established us as one of the fastest growing insurers for SME insurance over the last six months, and I would continue to urge all brokers to obtain a quote from Lumley Insurance for their SME clients via my.place@Lumley. Over the next few weeks and months our relationship team will be promoting and training brokers on Management Liability. Broker training will be put on hold throughout June as we know you will be extremely busy at this time. We'll also be busy, as we have already started development on our next innovative product, and are currently putting in additional systems capacity to deal with the increasing volumes of business that we are experiencing.

I wish you all the best for the June period, and in the next update we'll be announcing details of further my.place@Lumley developments.

RELATIONSHIP MANAGERS

Key contacts for all your business enquiries.

NSW

Damien Cullen
02 9248 1286
dcullen@lumley.com.au

VICTORIA

Justin Wheeler
03 8627 4235
jwheeler@lumley.com.au

QUEENSLAND

Darryn Muncaster
07 3307 4823
dmuncaster@lumley.com.au

SOUTH AUSTRALIA

Adam O'Reilly
08 8228 1717
aoreilly@lumley.com.au

ACT

Tony LaRocca
02 6279 0309
tlarocca@lumley.com.au

WESTERN AUSTRALIA

Mike Thomas
08 9220 8248
mthomas@lumley.com.au

NORTHERN TERRITORY

Andrew Bryce
08 8946 4600
abryce@lumley.com.au

TASMANIA

Nick Di Martino
0448 970 633
ndimartino@lumley.com.au



What do you think?

Drop us an email at:

connect@lumley.com.au



Claims update

with Andrew Farlow

2011 has already proven to be a very challenging year from a claims perspective. Queensland, Victorian and Western Australian floods, combined with Cyclone Yasi and a cyclone/tropical depression in WA has resulted in devastation across parts of the country. Despite the challenges, I am proud of the Lumley Insurance response to these catastrophes. We have received very positive feedback from brokers with respect to our response, attitude and service, including comments such as:

"The insured was delighted with the Lumley settlement offer".

"The client was very happy with the prompt phone call after the event. They have various policies with a number of insurers and Lumley was the first to call".

"The client was pleased with the quick response and payment of claim from Lumley. They could not live in their home and were able to relocate promptly as a result of the settlement".

Of course outcomes such as these are only achieved by working closely with intermediaries and focusing on customer service.

As evidence of this commitment, we ensured that policies with sub-limited flood cover had interim payments authorised up to the value of the flood sub limit, pending confirmation of the cause of the damage, and the insured's were kept informed of the progress of any expert reports required. Where possible, we are using local trades people for the restoration of property and the replacement of goods.

The Lumley Insurance my.place portal provides brokers with access to individual claim files and this has proven to be an enormous benefit in keeping brokers informed of the progress of individual claims.



Corporate Solutions update

with Rob Funnell

Property Risk Management

A risk management program is critical in helping to avoid an unforeseen event occurring. This not only provides insurers with a level of comfort, but also helps to ensure that clients limit any potential loss exposure to their business. Like any engineering approach, the management of hazards can be undertaken in many ways and does not necessarily need to involve significant capital expenditure. Often a solution can be found that is procedural and systems based, rather than requiring a major upgrade to be completed.

a non-combustible (steel) constructed building will be a better risk-managed proposition than say a timber-constructed building. For buildings within a central business district, where exposures are high, fire resistant brick or concrete may be more suitable materials.

Procedures – The organisation should also be mindful of keeping a focus on procedural type systems such as housekeeping, maintenance and controls involving the utilisation of contract service providers. This is because they are often simple and easy to rectify, at little cost.

decision in terms of time taken to enter the site. Installing an independent site based fire fighting water supply storage system, complete with delivery pumps, will be more important in regional or remote areas. Protocols around first aid fire fighting should also be considered, combined with the provision of fire extinguishers and hose-reels and training in use as appropriate.

Any specific areas of high value or importance, for example computer server rooms and the like, should be thoroughly assessed, with the consideration of installing fire detection or protection.

Potential Risks (Inherent Hazards)

Elimination of Hazards – Once all hazards are identified, the first question that should be raised is, can any be eliminated or at least reduced.

Fire Engineering Elements

In terms of fire engineered elements, there are many items that should be considered. Specific items include fire fighting water supplies for both sprinklers (where applicable) and hydrants. Items for assessment include flow and pressure characteristics and the overall reliability of the actual supply. Primarily, these should be assessed in accordance with the occupancy, with the building construction then considered. The proximity of the local fire brigade is important when making any

Business Continuity

Ideally every business should have a continuity plan in place that follows a set of guidelines that are sponsored at a corporate level. Guidelines will often be provided by the organisation to help ascertain what it is that each area of the organisation needs to do to reduce any perceived business exposure. The plan should take into consideration all 'what-if' scenarios, and the required course of action. It should also be both flexible and regularly reviewed in order to be effective and useful.

Risk Mitigation Controls

Construction – When building a new site, the owner should be very mindful of the type of construction to be used. Ideally,

It was great to catch up with so many of you at the 13th Annual Steadfast Convention.

We hope that you had an opportunity to visit The Lumley Lounge for a coffee and demonstration of Management Liability on my.place@Lumley.

Here's a selection of photos taken from the stand and our Monday evening event.

We see all industry conventions as an opportunity to further solidify our relationships with broker partners and our recent attendance at both the AIMS Conference and the CQIB Conference are examples of just that!

Thank you to all who stopped by for a chat and we look forward to seeing you again soon!



Introducing...

Andy Doran

Portfolio Manager, Property and Engineering

Appointed in November 2009, Andy assumed the role of National Property Manager and took on the responsibility to create an insurance offering to large Corporate clients within Australia. His appointment was the forerunner to a number of other appointments that would form the basis of the Corporate Solutions business unit at Lumley Insurance.

Given the motivation to begin a new venture with a blank canvas and with no specific operational impediments that normally reside within an organisation, this 'project' enabled Andy to draw on all of his previous experience and be in the thick of the change.

'It has been extremely motivating to me as I can sense the importance of the contribution we're making to the success of the Lumley transformation. I've embraced the challenge of helping Lumley Insurance to achieve the key objectives of growing and improving our business' said Andy.

'Whilst a large part of my previous work history has been based around the technical underwriting disciplines of the insurance market, I have a strong attraction to innovation and creativity, and look for opportunities to introduce this into developing better and more effective ways to improve the customer experience.'

With a number of attention-grabbing market releases we have introduced in the past 18 months, the insurance community is now beginning to realise the full capability of what Lumley Insurance can offer.

Located in Melbourne, you can reach Andy on (03) 8627 4143 or at adoran@lumley.com.au

PAYMENT CARD INDUSTRY DATA SECURITY STANDARD (PCI DSS)

PCI DSS is a set of minimum security requirements introduced by the major credit card schemes (VISA, MasterCard, American Express, etc) in order to protect customers' credit card information when it is stored, processed or transmitted. Organisations that fail to meet the PCI Compliance requirements face heavy fines and/or removal of the ability to process transactions through credit card companies via their bank. Achieving and maintaining compliance also protects our customer's information and prevents potential damage to our business reputation by decreasing the risk of a breach of our systems and processes.

For this reason, PCI DSS Compliance forms part of our long-term security strategy. To ensure that our client's credit card data is protected and to achieve PCI-DSS compliance, we have introduced a number of changes to business processes and procedures and we're also working on creating a secure network environment.

One of the key changes made is that we no longer accept credit card payments via electronic fax or email, as these methods of communication are not compliant with the Standard and are vulnerable to fraudulent attacks. Compliant methods for providing credit card details include:

- Direct phone calls to Lumley Insurance
- Sending credit card details to Lumley Insurance by mail.

More information on the standard can be found at the following website:
<https://www.pcisecuritystandards.org>