

Home Owner's Warranty Insurance

Wednesday, 1 July 2009

Lumley General today announced that from 1 July 2009 it will be progressively scaling back in the Home Owner's Warranty insurance market across Australia, with a view to exit by 1 January 2010.

The decision was made following detailed reviews of all portfolios underwritten by Lumley General. It follows an assessment of current economic conditions and their resulting impact on the portfolio, profitability forecasts, and market size for this insurance class.

Home Owner's Warranty insurance is not a core product for Lumley General, making up less than 2% of Lumley's insurance premium income.

Lumley General will continue to offer renewal for builders with current eligibilities until 31 October 2009. No new applications for eligibility will be accepted from 1 July 2009, and Lumley General will cease issuing Home Owner's Warranty policies from 1 January 2010.

"Lumley General recognises the importance of Home Owner's Warranty insurance which is why we are taking steps to progressively scale back from the market to enable a smooth transition for our eligible builders." said Vivek Bhatia, CEO Lumley General.

"Lumley General will continue to offer up to six months of eligibility to our existing customers, which gives them sufficient opportunity to source an alternative insurer."

"All policy holders as at 31 December 2009 will remain covered for the duration of their policy, and we will maintain a claims handling service to manage any claims that may arise in future years from the policies we have underwritten. I can also assure policy holders that we have ample reserves to cover future claims and we will continue to meet statutory reporting requirements."

Ends.

For more information please contact:

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