

1 October 2012

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AUSTRALIA

TOWER REINSURANCE UPDATE

TOWER has today confirmed the successful placement of its reinsurance programme for the 2012/13 financial year.

The programme again involves reinsurance cover for two catastrophe events. The excess for an event arising in the 2012/13 year will be NZ\$11.7million compared with NZ\$6.7 million in the previous year.

TOWER has also continued to enhance its reinsurance programme, with the limit for 2012/13 increased to \$525 million per event. Due to changes in the programme, and an increase in premium levels charged by reinsurers, TOWER's total reinsurance premiums for the 2012/13 year will be higher than in 2011/12. The company has increased the premium rates for its house, contents and motor policies, consistent with the market, to adjust for the increased reinsurance costs.

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