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TOWER brings back full replacement cover for homes lost to fire

TOWER Limited (NZX/ASX: TWR) is today bringing back full replacement cover for New Zealand houses destroyed by fire, one of the main reasons for the total loss of a home.

TOWER is the only major insurer focusing on all New Zealanders to offer any form of full replacement benefit since the industry move to sum insured in early 2013. Policy holders' homes will be fully replaced to the same standards as before the fire.

Fire is the most common reason for the total loss of a home, after natural disasters, yet only about 10 per cent of New Zealanders consider losing their house to fire to be a high risk, according to recent survey results from Horizon Research*.

TOWER Chief Executive Officer David Hancock said the company understood that a house fire can happen to anyone and the impact is totally devastating. TOWER was pleased to be able to introduce an improved level of cover for people's biggest assets – their homes.

“Being able to provide full replacement for fire means one less worry for homeowners in the traumatic event of a fire. TOWER can guarantee your home will be fully rebuilt if it's destroyed by fire, regardless of the cost or the sum you're insured for,” says Mr Hancock.

Many homeowners have struggled to understand sum insured house insurance since it was introduced after the Christchurch earthquakes, he said.

“Our customers have repeatedly told us that they find the concept of sum insured confusing and worry about whether they have the right insurance cover. People want to know that if the worst happened they can at least know that they will get their house back the way it was.

“TOWER is committed to doing the right thing for our customers, we've been in New Zealand for 140 years looking out for Kiwis and we'll keep finding ways to help people when they need it most.”

Mr Hancock said that TOWER will continue to partner with its international reinsurers to offer cover that meets customers' needs. TOWER would like to see homeowners having more options for how they insure their home and TOWER will keep working hard to try and simplify the house insurance process.

Full replacement for fire applies to any new TOWER house insurance policies purchased from today, as well as all existing TOWER house insurance policies. The new benefit excludes those typically older homes that are covered by a Present Day Value policy. These make up a very small percentage of TOWER's customer base.

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*Horizon Research surveyed 1669 people between 17 and 22 October 2014, using the HorizonPoll National Panel representing the New Zealand population 18+. The sample has a maximum margin of error at a 94% confidence level of +/-2.5%.