

Allianz Australia Limited

ACN 000 006 226

Niran Peiris
Managing Director

29 April, 2014

Mr David Murray AO
Chair
Financial System Inquiry
GPO Box 89
Sydney NSW 2001

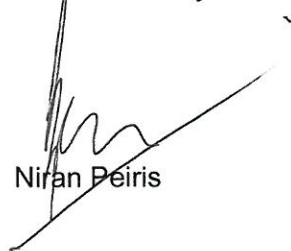
Dear Mr Murray

I write to provide you with a submission to the Financial System Inquiry from Allianz Australia Ltd. Allianz appreciates the opportunity to provide its perspective to the inquiry on three issues facing the general insurance sector. These include the high levels of taxation on insurance products at the State and Territory level, and the need to maintain an appropriate balance between the objectives and imposts associated with prudential regulation. Allianz supports the submission of the Insurance Council of Australia as it relates to these issues.

In Allianz's view, one of the most critical issues facing general insurance is an emerging affordability issue in respect of residential home insurance in geographic pockets across Australia. Specifically, in relation to homeowners vulnerable to cyclone risk, particularly in North Queensland, and to high flood risk, which is prevalent in many towns and cities around the country. In the event that the Commonwealth Government comes to the conclusion that regulatory intervention is required to address home insurance affordability issues, Allianz's submission offers our view on how this could be best done.

Allianz is available to elaborate further on any of the issues raised in our submission and should the Inquiry wish to do so it can contact Nicholas Scofield, General Manager Corporate Affairs, on 02 93906596 or nicholas.scofield@allianz.com.au.

Yours sincerely



Niran Peiris