

16 June 2011

Dr Richard Grant
Acting Committee Secretary
Senate Economics References Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

By Email: economics.sen@ah.gov.au

Dear Dr Grant

Re: Senate Economics References Committee – Inquiry into State government insurance and flood levy – transcript corrections and questions on notice

I refer to your letter dated 24 May 2011 enclosing a link to the transcript of my evidence given on 13 May 2011.

Attached please find pages 22 to 27 of the transcript, showing suggested corrections in red. The corrections can be found on pages 24, 27 and 28.

During the session, I undertook to provide additional material to two questions taken on notice.

In response to a question from Senator Nick Xenophon (page 25 of the transcript) I advise that AON Benfield provide insurance and reinsurance advisory services in the following categories under their contract for services to the VMIA:

General Advisory Services

- Reinsurance program design, structure, marketing and placement
- Administration to ensure program is maintained within the VMIA Reinsurance Management Strategy
- Benchmarking premiums against comparable public sector premiums
- Claims collection from reinsurers
- Policy wording advice

Reinsurance program placement services

- Details of the markets approached
- Summary of negotiations, price, terms, capacity and security
- Material changes in coverage

In response to a question from Senator Ian Macdonald (page 27 of the transcript), VicRoads have advised that the valuation methodology they adopt for their road system is commercial and in confidence as they test these values against contracts they let to build, repair and maintain roads. They do have general values of their road network reported in their annual report.

Yours sincerely

Steve Marshall
Encl: Corrected transcript