



Dear Valued Customer,

CGU's Fee States Workers Compensation Team are here to make your world a safer place. This is what drives us and is why we come to work. To deliver on our purpose we will be changing the way we operate – To be closer to our customers, braver in our decision-making, and faster in the way we do business. We are writing to keep you informed of these developments and whilst they may not impact your business immediately, we encourage you to contact us should you have any questions or feedback.

In 2015, CGU explored alternative claims models with a view to redefine best practice for personal injury compensation. Our aspirations were clear and these remain unchanged. They are: to be the leader in recovery at work, have the lowest claims expenses, be the partner of choice, be the employer of choice, and deliver ongoing and affordable premiums for our customers.

From May 2016, we'll begin transitioning to a new claims operating model starting with small and regional employers. This will be done through an iterative test & learn approach, which will begin in our Small Employer Hub (Wollongong, NSW) and our Rural & Agriculture Hub (Geelong, VIC). The claims model will be supported by three centres of excellence including:

1. **Recovery:** This stream is focussed on returning injured workers to health, work and life. Dedicated Recovery Partners will get closer to workers and expedite safe recovery at work outcomes.
2. **Liability:** This stream ensures that workers are paid the correct entitlement on-time, every-time. The Liability Specialist will help to explore and execute braver liability decisions where that makes sense. They will improve the timeliness and quality of our decision-making, delivering more sustainable claim outcomes.
3. **Direct Claims:** This stream will provide faster, exceptional service to our customers. Our Direct Claims Consultants will focus on 'low risk' claims. They will also perform a range of administrative functions to support Recovery and Liability.

Whilst our launch focuses on small and regional employers, there is some opportunity to test these arrangements with large corporate employers. If you are interested, please contact your Client Relationship Manager and we will explore this option with you.

We are going to be hosting information sessions across our Melbourne and Sydney locations and invites will be sent to you this month. We encourage you if possible to join us and learn about our new model and how we see this will benefit your workers compensation portfolio. We are also keen to seek your feedback as you are central to ensuring our models success. If you are unable to attend as we approach the roll out of you will be hearing a lot more from me and our teams over the coming months about "Project Imagine" and how this will work your workers compensation program.

Post June 2016, we'll undertake a similar transition for our corporate employer programs. We have delayed transition for this group to ensure we test and learn our new model in a smaller claims environment. This enables us to review and redesign processes quickly and supports us in ensuring your new claims model is tested before roll out to our corporate partners We also recognise the need for consultation within our partnership. I would encourage you and your team to attend the upcoming consultation sessions for employers, so you have a full understanding of the model and our best practice principals which sit behind the design.

Please note that in undertaking this exercise CGU are retaining all of our claims people and will continue to operate from all of our claims sites. We will look to minimise people impacts to all programs, however some changes are expected.

If you have any queries regarding "Project Imagine" please contact me.

Kind Regards