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State consults on branch network

State insurance this week began consulting with employees on a proposal that could see the closure of the bulk of its branch network.

Executive General Manager Craig Olsen says that the proposal is based on making sure that State has the appropriate structure to meet the current and future needs of customers.

“Insurance is increasingly 24/7. Over the past five years fewer State customers have been visiting our branches and instead are choosing to call us or connect via our website or other online mechanisms at a time that is convenient to them,” Mr Olsen said.

Analysis showed that currently 94 per cent of customers choose to use website or call State when to discuss their insurance needs, make a claim, update their contact details or pay a bill, and that number was growing year-on-year.

“People’s needs are changing and the proposal is that State will focus on supporting customers online and over the phone in a way that leads the market. State excels in servicing through these channels and it is our intention to invest in further developing this capability,” Mr Olsen said.

Ninety-one employees across twenty-one State branches are potentially impacted by the proposal. The exception is State’s Riccarton branch in Christchurch, where it’s been identified that specific customer needs related to earthquake-related insurance claims justify a different approach.

“We recognize this is unsettling and potentially disappointing for employees who have served customers face-to-face so well, and often for a long time. We are committed to supporting our people and should the proposal proceed we will look at redeployment opportunities across our wider business.”

State is part of insurance group IAG’s direct insurance division, which employees around 1,400 people.

Mr Olsen said that within the division it is intended to maintain a strong network presence in the community.

AMI has 65 stores across the country, and Mr Olsen said there was no intention of moving away from having a face-to-face option.

“We are investing in new-look AMI stores that reflect that brand’s close connections into local communities. State’s branch network is less extensive, which is why we are looking to consolidate our overall presence.”

“Our strategy remains to be there, across our direct insurance brands, where customers want us, when they want us, with compelling and affordable insurance products and superior support – but to achieve this we need to be efficient,” Mr Olsen said.

“State is working through a formal consultation process and our focus at the moment is supporting our people and considering how we work with those customers who do prefer a face-to-face experience.”

A final decision on the proposal is expected to be made by mid-October.

Ends.

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