

# The Victorian Fire Services Levy and your insurance premiums

## If you live in Victoria, the new Fire Services Levy is good news for your home insurance premiums

The Victorian Government has changed the way it funds our State's vital fire and emergency services. The new funding method aims to be fairer and more transparent – and it could mean lower home insurance premiums for you.

Until recently, the State's fire brigades were funded by a Fire Services Levy added to Victorians' home insurance premiums. But from 1 July 2013, the Government has switched to a new property-based levy, which will be collected through local council rates charged to homeowners.

The new levy applies to every homeowner, not just those with insurance and because it isn't subject to stamp duty and GST, it could also help Victorians save money, by not having to pay a tax on a tax.

For ANZ customers living in Victoria, who take out a new home insurance policy or renew an existing policy after 30 June 2013, you'll no longer have to pay the levy on your insurance. That could make a difference to your insurance premiums.

### Your questions answered

#### What is the Victorian Fire Services Levy?

The Victorian State Government introduced the Fire Services Levy (FSL) to help pay for running two vital State services: the Victorian Metropolitan Fire Brigade and the Country Fire Authority.

Before 1 July 2013, the levy was added to all residential and commercial property insurance premiums.

#### How has it changed?

From 1 July, 2013, a new property-based FSL replaced the old, insurance-based FSL. The new levy is designed to be fairer and more transparent, spreading the cost across all Victorian homeowners, not just those with property insurance.

Under the new property-based scheme, the FSL will be collected from all Victorian households through local council rates.

#### What will happen to my insurance premiums?

If you take out a new policy or renew an existing policy with a start date on or after 1 July 2013, your property insurance premiums will no longer include the FSL. Simply check your Policy Schedule Notice to see whether your premium includes the levy.

#### Do I still have to pay the FSL if I pay by the month?

Yes, if your policy started before 1 July 2013, you'll have to keep paying the FSL until you renew it again. Once you start or renew a policy after 30 June 2013, there will be no FSL to pay.

#### Why do I still have to pay FSL on a policy that started before 1 July 2013?

Under the old insurance-based scheme, insurers were required by law to fund about 75% of Victoria's annual Fire Services budget through the FSL. To meet these costs, insurers worked out how much of the FSL they needed to pay each year, then spread this cost over their customers' premiums.

As insurance companies still need to contribute to Victoria's Fire Services 2013 budget, we still need to collect the FSL for policies that started before 1 July 2013.

#### How did you calculate the FSL on my premium?

Before 1 July 2013, we charged you the levy as a percentage of your base insurance premium. The percentage was based on the contribution we were legally required to make towards the Victorian Fire Services budget during the year.

Because the FSL is added before GST and Stamp Duty, those taxes are also charged on the FSL included in your premium.

If you took out or renewed a property insurance policy before 1 July 2013, you'll find your FSL amount listed on your Policy Schedule Notice.

### The FSL has been removed, so why hasn't my premium gone down?

From 1 July 2013, no Victorian insurance property premium will include the FSL. This doesn't automatically mean that your premiums will go down, if they've increased for another reason. Some of the reasons your premiums could go up are if you have:

- Moved to a new house that's worth more.
- Asked to insure your home for more.
- Made claims over the last year.
- Experienced catastrophic weather events in your area, such as flooding or storms. In that case, your suburb may have become more expensive to insure.
- Seen your individual risk profile change for some other reason.

If none of these factors apply to you and there is no other reason for your premiums to go up, when you take out a new policy or renew an existing policy after 30 June 2013, your premiums should be cheaper than before.

### Need to know more?

If you have a question we haven't answered here, please call our Customer Services Team on **13 16 14**.

You can also get more information or advice about FSL Reform at [www.firelevymonitor.vic.gov.au](http://www.firelevymonitor.vic.gov.au)

### Do you have a complaint?

If you have a complaint about the Victorian Fire Services Levy, we want to know.

### Please contact our Customer Services Team on



13 16 14



02 9234 6000



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If you post or email your complaint to us, be sure to include your name, policy number, contact details and details of your complaint so we can get in touch with you.