

**SUN  
INSURANCE  
OFFICE**

ESTD 1710.

**PATRIOTIC  
ASSURANCE  
CO. LTD.**

# Vero



**We're older  
than we look!**

Trinity  
Congregation  
Church

MINISTER  
KONA WILLIAMS, MD  
The Vestry

**WEDNESDAY SERVICES**  
 8:00 AM Morning Prayer  
 10:00 AM Holy Communion

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## LONDON COURT

**LEARMONTH, DUFFY & CO.**





Above:  
Illustration from 1785: Punishment by Pillory was witnessed immediately opposite the West End branch of "Phoenix", London, UK. Business was conducted in this building for 112 years until it was demolished on the planning of the Mall Approach after the building of Admiralty Arch.

## "The Dark Ages"

Dusty company records really only tell us some key dates in our history in Asia Pacific, so we'll climb into our 'Tardis' and rush through the first 120 years or so in an instant.

The Alliance Insurance Company ("Alliance") opened an Australian office in 1833 to transact life assurance (we suspect that there wasn't a great call for life assurance prior to that amongst the convict population). Then Phoenix established an agency in Sydney in 1839, largely to transact fire and marine insurance.

Royal Insurance arrived in Australia a little later, beginning operations in 1848 (having been founded in the UK only three years earlier).

So what do we know about life in an insurance office in the "Dark Ages"? Not a lot, to be honest, for the simple reason that all these companies operated through agents for a significant part of this period.

Alliance has the distinction of having issued in 1833 the first recorded life assurance policy in Australia, and of paying the first claim on a life policy. Company records show the policy was issued with a sum assured on death of 2000 pounds (a large sum in those days and roughly equivalent to about \$750,000 nowadays!).

The policy was issued through its Sydney agents, Messrs Montefiore & Co. You can imagine the laborious negotiations between the agents and Head Office (in London) over terms for such a large policy. The six-month round trip by sailing vessel would

not have been the least of the agent's problems. The commission gleam in their eyes would no doubt have kept the voyage brightly lit!

The policyholder, Joseph Tice Gellibrand, a barrister and Attorney-General of Tasmania (then still known as Van Diemen's Land), was one of the founders of Melbourne. Gellibrand seems to have been a somewhat mercurial character, who fell out with the then colonial governor, Arthur, and was subsequently dismissed from office.

At any rate, he disappeared with another lawyer while on a trek in Victoria in 1837, after having quarrelled with their guide. It was

generally reckoned that he 'perished by the hands of the natives of Port Philip', but despite the mystery surrounding his disappearance, his claim was promptly settled.

Alliance, possibly a little bit disillusioned with life assurance, went into general insurance in the 1840's. We have records of its fire insurance rates from that time.

We can hear our Property Underwriters already pining for the rates in the 'good old days'.

In 1841, when Sydney installed gas street lighting as part of its celebrations for Queen Victoria's birthday, Alliance

announced shortly after that it would not charge extra for fire insurance on premises lit by gas. "Thereby showing the confidence they had in the perfect safety of this method of lighting".

And now to more recent times.

### 1840s Fire insurance rates

(expressed as pounds, shillings and pence, with dollar equivalent in brackets)

#### Stone buildings

- detached, with incombustible roof - 7/6 per cent (37.5c)
- detached, with shingle roof - 10/- per cent (50c)
- connected, with incombustible roof - 13/- per cent (65c)
- connected, with shingle roof - 16/- per cent (80c)

#### Wooden buildings

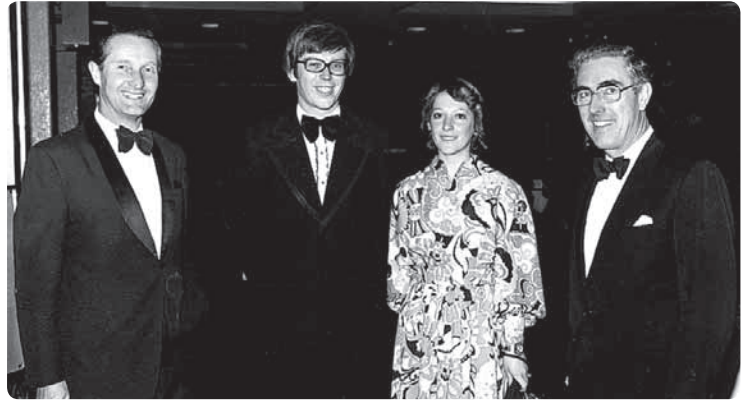
- 40/- per cent (\$2.00)





Right:  
Presentation at a Phoenix office in the late 1960s.

Below:  
Mr H.A. Parker and Mr G. Bird at the Phoenix Social Club Christmas Ball 1974 with Mr P Reid (Chairman of the Social Club) and Miss C Marler - "Miss Phoenix 1974".



# 1960s

## "High desks and quills" up to the swinging sixties

Well, it may have been like that in Dickensian times, but there's not much evidence in the archives that office life in Australia was as archaic as that.

In fact, they contain very little information on office working conditions throughout the first half of the 20th century. From the anecdotes provided by staff and from other sources we can piece together a picture that looks something like this:

- The enduring dress fashion in Australia until well into the 20th century was to mimic British fashions to the letter. So, when it was winter in Britain, the same heavy clothing was worn here in Australia
- It's a historical fact that air-conditioning did not become widely available in Australian offices until well after WW2 (ceiling fans were about all you could expect)
- Until relatively recently (say within the last 50 years) personal deodorants were not widely available in Australia
- Most of our longer-serving staff remember quite rigid dress standards for both sexes. White shirt, tie and full suit for men (indoors), and skirts and shirts for the ladies. (Even for a brief period in the 1980's uniforms for ladies were required dress - Lynn Sacco (Sydney) remembers 'these awful uniforms' and 'looking like nurses')

It doesn't take a genius to combine all those facts and to surmise that Australian summer office life was a little 'high'.

If there's an exact opposite of 'flexible office hours', then that was the norm.

Working on alternate Saturday mornings was required until around the early 1970's. Strict timekeeping was required on other working days, with a 'sign-in' staff attendance book.

**Peter Vincent** (Adelaide) and **Larry Mansom** (Perth) both remember the book being snatched

away by their respective assistant managers at the precise office start time, with explanations required from latecomers.

**Kate Hemingray** (Brisbane) has recollections that, for some, office hours were a little less rigid. Senior staff quite often did not come back from lunch ... no names please.

The dress standards mentioned above nearly saw the premature end of one retired colleague's illustrious career. **Richard Vella** (Adelaide/Sydney) remembers his first day at the office in July 1955. At age 14, he had no coat to wear and was called into the manager's office within minutes to be told that his dress standard was a disgrace and that he 'deserved the sack'.

Richard was sent home with the instruction 'get yourself a proper suit and try again'. Fortunately, he was able to survive his first traumatic day and to go on to give the group 40 years of exemplary service.

A strict hierarchy within the office matched the formal dress standards. **Bruce Macfadyen** (Sydney) and others recall that all senior staff had to be addressed by junior staff as 'Mr', 'Mrs', 'Miss' as appropriate. Things were a little less formal among the juniors themselves, except when a 'senior' was present.

If you were a 'junior', you were at the bottom of the pile. A number of staff recall the office junior role. The job included the daily filling of the inkwell into which the manager would dip the nib of his pen, preparatory to signing all policy documents.

Other tasks included taking morning tea and lunch orders, collecting the money, placing the orders at the local deli and later collecting them. All good training, no doubt, for a budding underwriter.

What about life at the top of the pile?



Right:  
Photo opportunity in the late 1960s.

Above:  
In November 1971 Phoenix had its first female guest to a boardroom luncheon - Mrs. Lesley Piddington ('Emily' from the NSW Building Society advertising campaign and TV personality).

## "State Managers and other Ogres"

The State Manager was an absolute monarch and his decisions were not to be questioned. It often felt that you were a long way down from the top in his (yes, invariably male) presence.

That is if you were ever granted an audience.

**Rob ODaniel** (Adelaide/Sydney) remembers his fear and trembling at being summoned into the State Manager's office for morning tea once. Over tea, he was informed that 'it was his privilege to inform Rob that he was going to increase his salary by \$60'. Rob, for once almost lost for words, responded that this weekly sum would come in very handy. There was a pause, and the manager looked over his dark horn-rimmed glasses and quietly but firmly put Rob in his place: "Mr ODaniel, the \$60 is per year, not per week".

**Ian Jackson** (UK/Sydney) remembers a 1969 encounter with an Assistant Branch Manager. Ian was summoned into the office and asked to explain why he had informed the Pay Office that his bank account details had changed to a joint account with 'a woman who was seemingly not his wife'. On being informed that the woman in question was Ian's fiancée, the assistant manager replied "that the Company did not consider this appropriate, and asked Ian to kindly cancel the account and revert back to a single accountholder until after their marriage". Ian's response is best left unprinted — as is his wife's!

**Phil Burton** (Melbourne) recalls the occasion when he received a call from his immediate superior, the Administration Superintendent, who in turn had received a call from his superior, an Assistant Manager. It transpired that the original call that eventually reached Phil had come down from the State Manager's secretary through the whole State management team, through an army of Assistant Managers and Superintendents. The reason for the call? It was all due to a junior staff member having had the temerity to ring the State Manager's phone direct, with a simple request for the Staff Sports & Social Club. Obviously in those days, you had to go through the proper channels...

Many colleagues have mentioned various versions of the rule that female staff were required to leave the company's employ when they married. Later, this rule was modified to permit them to stay on until they became pregnant.

Yet we should also show the opposite side of the coin. **Dennis Fitzgerald** (Adelaide) remembers being hospitalised following a serious road accident in Adelaide on a Sunday in 1967, and being visited the next day in hospital by the National Underwriting Manager who had come down specially from Sydney.

So, how does this brief picture compare with your current working environment?

Certainly, until quite recently a very hierarchical workplace existed with tight discipline and strict standards. There would have to be general agreement that we all now enjoy a comfortable modern office environment, flexible working hours and much more informal work relationships than in the (not so) distant past.



When you INSURE Against FIRE it is wise to select  
a FIRST-CLASS OFFICE.

THE "ROYAL" IS

The Leading Fire Insurance  
Company in the World

FUNDS.

£12,000,000



ANNUAL INCOME.

£3,600,000

And is distinguished for  
MODERATE RATES, PROMPTITUDE, and FAIR DEALING.

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MANAGER FOR AUSTRALASIA.

Complete Local Administration combined  
with the Large Colonial Investments secures  
all the advantages of a Local Company, with the  
additional Security afforded by the Funds of the  
LARGEST FIRE INSURANCE COMPANY  
in the WORLD and its well-known character  
for Prompt Settlements and Fair Dealing.

H. A. DAVIS, Agent,  
WERRIBEE.

# "Change, change and more change"

## The 70's, decade of change

Next, how have our roles within the office changed over the past 30 to 40 years?

To answer that question, we need to look at how the insurance industry has undergone major structural change in that period.

Until the early 1970's, virtually every class of business was controlled by a tariff which set the whole range of underwriting terms and conditions - from policy wordings and minimum rates for each occupation, trade or risk category, to permissible rate discounts.

Underwriting wasn't so much an exercise in skill and judgement as in legitimately applying the tariff rules, or seeking special dispensations from the all-powerful Tariff Committees.

The Trade Practices Act in 1974 saw an end to tariffs. This necessitated insurers develop their own underwriting guidelines and rates based on their own loss experience. Consequently, skills in selecting and properly underwriting risks were prized.

At roughly the same time, industry distribution systems, which had for generations been characterised by networks of local agents (lawyers, accountants, stock and station agents) all serviced by insurance company 'inspectors', became dominated by insurance brokers. Insurance brokers were not tied to one insurer, and could also access overseas insurance markets for their clients.

Both these developments required staff to learn negotiating skills in order to sell our propositions and to distinguish us from the competition. These skills had simply not been needed in the days of tariffs as all insurers charged pretty much the same premium for the same risk.

Computers also made their advent at this time. In a short period of time they removed the drudgery involved in performing many of the routine tasks in our business.

A lot of changes were converging in a relatively short space of time. How did Vero stack up in this sea of change?

Pretty well, according to many.

**Bruce Macfadyen** (Sydney) remembers his career highlight as the introduction of the Brokerlink/TRC systems (now EDI) which allowed brokers to place their clients' risks with us electronically, and with low levels of human intervention. It was 'leading edge' in its time.

**Lynn Sacco** remembers the BC (before computer, that is) era, when most records were manually created on various forms then transferred at the end of each business day onto the mainframe.

Ask Lynn if there was a computer terminal on each desk? You're joking! For a long time, policy records were kept on microfiche machines. Two for the whole office floor, so queuing to use was the norm. This involved a laborious process of searching for the policy record you wanted among hundreds of others on a thin transparent plastic sheet. Later, policy information became available on visual display units (or VDU's), but again, access had to be fought over.

**John Robertson** (Sydney) remembers the later luxury of two persons sharing a VDU which stood on a 'lazyboy contraption', allowing it to be swung between their desks.

**Richard Vella** speaks fondly of his introduction to the hard new world of negotiation with a well-known Sydney broker, legendary for getting his way over policy rates, terms and conditions. Many an underwriter would arrive in their office the next day after a lunch involving a bottle or two (or three) of red wine with this particular broker, to find that they had signed a placing slip containing terms they had no recollection of agreeing to. Richard's approach? Abstinence - and the broker respected him for it. Of course, such lunches are now a thing of the past.....

**Gus Tringas** (Perth) remembers the aftermath of a significant earthquake in 1968 in Meckering, 130kms east of Perth. As well as shattering the town itself, damage was caused in the Perth area. Gus tells how he was instructed after the earthquake to inspect every risk insured by the company and to take careful note of every fresh crack in every room of every building.

**Peter Muir and John Joliffe** (Brisbane) remember the aftermath of the serious floods that hit central Brisbane in early 1974. The basement of the then Royal building was flooded which, of course, had been used for file storage. These two and other male staff members were instructed to go into the basement and assist with the clear out of mud-caked files and stationery - in the height of a Brisbane summer.

And what came next?



Phoenix House, Burwood opened in May 1973 which housed the Data Processing Centre.  
Top  
The Univac 9300 computer  
Above  
Punch card operators



## “Hard times” The 80's, decade of losses

Much of this decade was characterised by a prolonged ‘soft’ market. There were well over 100 insurers hungrily competing for business that was increasingly placed through well over 1000 insurance broking firms.

Commercial insurance business was largely placed on price rather than security or service. What kept most insurers’ ‘heads above water’ throughout this period was the buoyant share market. Underwriting profits were unknown, and only by bringing investment income into the equation could insurers show profits.

The early part of this decade saw some catastrophic losses through natural disasters, including the infamous ‘Ash Wednesday’ bushfires in early 1983. These fires particularly affected Victoria and South Australia causing considerable loss of life and enormous property damage.

Both **Peter Vincent** and **Dennis Fitzgerald** have vivid memories of those traumatic events. Dennis speaks of watching, from a vantage point in our office block, the fires race across the Adelaide Hills, fanned by strong winds, while relaying the grim news to Head Office in Sydney by phone. He later flew over the scenes of devastation.

Peter and others were away on a three-day sales conference the day the fires started. When the full extent of the disaster was made apparent from television pictures (Peter watched as the fires engulfed a monastery which he knew was insured by us), the conference was abandoned and staff returned to the office to provide assistance to colleagues and clients.

Claims staff in a number of States during this period well remember the militancy of the Builders Labourers Federation (“the BLF”). They used ‘forceful’ methods to obtain Workers’ Compensation settlements for their members.

**Lynn Sacco** recalls an invasion of the Sun Alliance office in Sydney in 1980 by a horde of BLF members protesting at the handling of a claim for a fellow member. Large men in working clothes were everywhere in the office, using the phones and disrupting normal work. They even used the manager’s office mini bar. Similar walk-ins took place in Royal’s office in Melbourne.

Some classes of business written in this period were heavily affected by fraudulent claims, in particular Workers Compensation. Phil Burton (Melbourne) remembers a ‘back’ claimant who used to come

into our offices for his regular payment, hobble to the counter from the lift, and complain loudly about his crook back. After he left, the staff would run to the window to watch him sprint down Collins St to catch his tram. **David Harrison** (Sydney) remembers this syndrome too. He would occasionally follow Workers Compensation claimants after they left the office in order to see if they limped as much as when they came in.

Working in Claims can have its own compensation. **Bruce Macfadyen** (Sydney) recalls visiting a policyholder’s home following a report of a vehicle fire in a driveway. The fire had spread to their home, causing severe damage, and upsetting the insured’s pregnant wife greatly. Bruce attended to the necessary organisation of repairs, and the claim was later finalised to the insured’s great satisfaction. So much so that Bruce was later invited to the christening of the insured’s daughter, and subsequently to their second child’s christening. Above and beyond hey Bruce?



Branch Underwriter Mr C. Marks at a new work station, July 1989



Royal & SunAlliance staff celebrate the opening of the new offices at 465 Victoria Ave, Chatswood in November 1995.

## "Merging times" The 90's, decade of consolidation

An exceptional amount of consolidation within the insurance industry took place during this decade. As the continuing soft market ate into company margins, it forced insurers into thoughts of mergers.

One of the catalysts for this was the enormous damage (some US\$20b) caused in Florida by Hurricane Andrew in 1992. This resulted in a mini hard market for Property insurance as worldwide reinsurance capacity shrank virtually overnight.

Here in Australia, we ushered the decade in with one of the most serious natural disasters (in terms of both lives and damage) to have happened to our country. The Newcastle earthquake in late December 1989 caused insured damage exceeding AU\$1bn, involved over 70,000 claims across the local insurance industry and reinsurers again bore the brunt of that payout.

**Dennis Fitzgerald** (Adelaide) remembers his own rather smaller disaster in February 1991. A violent hailstorm in Adelaide caused damage estimated at around AU\$100m, including AU\$1m damage to cars parked in the open at Mitsubishi. As the lead underwriter, Dennis had insisted that the client install hail netting at their Sydney, Melbourne and Brisbane plants, but not Adelaide 'as it never hails in Adelaide'.

The morning after the storm, Dennis's phone rang. It was the General Manager in Sydney: "So Fitzie, it never hails in Adelaide?"

1992 saw one of the key events in Vero's history, with the merger in Australia between Royal Insurance and Sun Alliance Insurance. The companies later merged on a worldwide basis in 1996, in no small measure encouraged by the success of the merger here in Australia. Past mergers in our industry have had chequered histories, with staff often occupying separate camps in their aftermath. All those staff involved in the Royal/Sun merger remember the ease and harmony with which two major insurers in the Australian market combined forces, setting the scene for the later creation of our parent, Promina.

But the catalogue of disasters affecting the industry didn't get any better as the decade went on.

Christmas Day 1993 saw one of the largest fires at one location in Australian history, the Offset Alpine fire at a printing works in Sydney. The claim was settled fairly quickly for such a large fire, at a figure exceeding AU\$54m. The Royal & Sun Alliance share of this was around 11%, gaining our unfortunate underwriter (who has since left the company) the title of "The Six Million Dollar Man".

September 1998 saw the gas explosion at an Esso plant in Longford, Victoria. This caused loss of life and severe disruption to gas supplies to practically the whole State. Outside of the plant itself, there was little actual damage, but claims under business interruption policies issued by insurers to Victorian businesses exceeded AU\$1.3bn.

Colleagues in Victoria, bereft of domestic gas for over two weeks, well remember becoming accustomed to salads, morning, noon, and night during this time. And we are sure they could have done with a hot shower!

Finally, as if the other losses in this decade hadn't been enough, April 1999 saw what was probably the most expensive natural disaster in Australian history, the Sydney hailstorm. In just five hours of havoc, the local insurance market sustained over AU\$1.7 billion in insured losses to around 32,000 houses and some 43,000 cars, and our Vero Claims colleagues were in the thick of the aftermath.

For obvious reasons, claims colleagues were not sad to see that decade out.

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# "What, more change?"

## The 00's, decade of regulation

Government regulation of the industry, especially since 2000, has brought new challenges and the need for significant change in the way we do business.

Vero staff can be proud of the fact that they have absorbed these more recent changes in their stride. Especially their mastering of the new range of acronyms that beset us, e.g. PDS, FSG, SOA, GST, BCP, TIA, FSRA, they go on.

Change, particularly enforced regulatory change, can be traumatic. It can also present opportunities. Opportunities to gain advantage in the market place by accepting change and doing it better than the competition. This is what we do best.

Significant man-made events and natural catastrophes in various parts of the world in the early years of the current decade (September 11, Caribbean windstorms, several severe earthquakes, some spectacular insolvencies in the insurance sector) caused a flight of capital from insurers and reinsurers. This required them to compete strongly with other industries in the capital markets.

In early 2003, when Royal & SunAlliance sought to float off its Australasian operations, insurance shares were somewhat out of favour, largely because of the catastrophes and insolvencies mentioned above.

Again, it is a tribute to our staff that investors in the share markets on which our parent is quoted, have seen value in Promina's propositions to the extent that at the time of preparing this brochure, our shares were trading at more than twice the original issue price.

Perhaps we can dwell a little at this point on how our name, Vero, was chosen.

Believe us, it is no small decision for a company to divest itself of names and brands that have served it well for over 170 years. In our case, we had no choice. From early 2003 we ceased to be part of the Royal & Sun Alliance Group.

The process of deciding on our new brand was exhaustive and done within a tight time-frame. Extensive specialised research was needed, including the use of consultants working to a brief set by us, and internal and external 'taste-testing' of a number of possible names.

For us, one of our key requirements was for a name that reflects our values, including those of integrity, security, and performance.

The name Vero is derived from the Latin for 'certain', 'assured', 'in truth', and for us perfectly mirrors our performance attributes such as integrity, confidence and expertise. In short, it 'ticked all our boxes'. The rest, as they say, is history!

So, what does the future hold for us? You can be certain that it holds more change and further challenges.

We've done some crystal-ball gazing into how insurance practices and working conditions might look in 2020.

We could see:

- universal use of 'artificial intelligence' in the underwriting process for all but the more complex risks
- use of satellite technology to investigate claims and to conduct remote-site risk surveys
- many staff working from home, but with regular 'conventions' in order to foster team spirit and to keep staff fully abreast of changes in insurance practice
- 'cradle to grave' covers for personal insurances that offer guaranteed renewal and 'loyalty incentives', and
- policyholders transmitting 'real time' video images of their damaged property to our claims staff and having their claims assessed and agreed 'on the spot'.

If any of this comes true, sounds like Vero may need to set up gymnasias in order to ensure that staff get some exercise!

Sound fanciful? Just think back over your own lifetime and run through the technological changes that have taken place, advances in computers, mobile phones, digital and wireless technology, and much more. All reinforced by the memories noted in this history.

What you can be sure of is that Vero will be there. Winning the awards and accolades, the envy of our competitors, the insurer, investment and employer of choice, at the cutting edge, and constantly striving to improve.

Various Vero Day celebrations across Australia



Hobart 2004



Sydney 2004

Melbourne 2003



Perth 2003



Brisbane 2003



Adelaide 2004





# History of Vero Timeline



Sun Fire Office established

Date: 1710



London Insurance

Australian involvement  
Date: 1865



Alliance

Australian involvement  
Date: 1833



Phoenix Assurance

Australian involvement  
Date: 1839



London and Lancashire Fire

Australian involvement  
Date: 1838



Royal Insurance

Agencies established: Adelaide  
Date: 1848  
Melbourne Date: 1849  
Sydney Date: 1850



Sun merges with Alliance

Date: 1959



London Assurance merges with Sun  
Alliance

Date: 1965



Sun Alliance acquires Phoenix

Date: 1985



Australian Alliance formed

Date: 1986



Sun Alliance and Royal Insurance merge in  
Australia

Date: 1992



Worldwide merger to form  
Royal & SunAlliance

Date: 1996



Australia and New Zealand floated from  
Royal & SunAlliance UK to form the  
Promina Group and its House of Brands  
(including Vero)

Date: 2003