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MEDIA RELEASE

[Drought Cover Insurance] (8th March 2007)

Australia's largest truck insurer, National Transport Insurance (NTI), has introduced the first Drought Cover insurance policy to help truck drivers whose operations are severely affected by the drought.

"We've seen first-hand the affect the drought is having on the transport industry," said NTI's industry relations manager, Owen Driscoll.

"With graziers reducing their herds due to poor pastures, and crop production falling dramatically, the demand for regional haulage services just isn't there."

"Drivers around the country are being forced to reduce the size of their fleets and, even worse, many owner drivers are parking their vehicles and looking for alternative employment," he said.

"While we understand the temptation for many operators to not bother renewing their truck insurance policy, we strongly urge them to take up our Drought Cover extension instead."

NTI's Drought Cover policy extension is available to new and current customers at only 40% of the cost of a fully comprehensive policy on your vehicle.

"For less than half the usual cost you can leave your vehicle securely parked, knowing that its covered if anything happens," said Mr Driscoll.

"We can't break the drought, but we can help to reduce the impact of an extremely tough situation."

Drought statistics:

- The 2006-07 drought is the worst on record
- Most of Australia's arable land is now drought affected
- It was the driest August to October period since 1900 across many regions in Australia
- Most of eastern Australia has been declared eligible for the Federal Government's exceptional circumstances assistance
- The drought is expected to subtract 0.75 percentage points from the growth of the Australian economy in 2006-07
- The gross value of beef production is forecast to fall by 13% in 2006-07
- The gross value of sheep production is estimated to have fallen by 35% in 2006-07
- Winter crop production is estimated to have fallen by 62% in 2006
- Summer crop production is estimated to fall by 33% in 2006-07

Sources:

1. Economics"ANZ "Impact of the Drought 2006-07"
2. ABARE Economics "Australian Crop Report December 2006 and Australian Crop and Livestock Report October 2006"
3. Australian Bureau of Meteorology. "Drought Statement" February 2007