

20 November 2023

### **Tower exits commercial rural business**

Tower Limited (NZX/ASX:TWR) has today announced that it will no longer offer insurance for commercial farms as the insurer focuses on its leading direct personal and small business lines insurance business.

Tower will continue to insure lifestyle blocks under this strategy. Commercial rural clients will have the opportunity to work with Aon New Zealand's AonAgri division going forward.

Tower's commercial rural book comprises farms of more than 10 hectares that earn gross annual income of over \$10,000. The book generates gross written premium (GWP) of about \$9m per year.

With effect from 1 February 2024 Tower will refer its commercial farm customers to Aon as their Tower policies expire.

Tower Chief Executive Blair Turnbull says this is the latest in a suite of actions Tower has taken to streamline and improve efficiency of its business over the past three years.

"This change will help smooth the path to decommissioning our last legacy technology system in New Zealand. We look forward to developing a new digital offering for our lifestyle block customers in the coming year," he says.

Mr Turnbull says the Aon agreement provides good value for Tower's shareholders and provides commercial rural customers with access to specialised insurance solutions with AonAgri.

Agri New Zealand General Manager Jessica Hunt says "we look forward to welcoming new clients to Aon. We believe that each client is an integral part of our wider New Zealand agriculture community, and our dedicated teams are ready to support them now and into the future. We are committed to providing our clients with advice and access to advanced analytics to help them navigate increasing complexity to protect their business and assets."

Tower will continue to progress any open Tower claims lodged within the policy term as normal, up until their completion. No regulatory approvals are required to proceed with the agreement.

ENDS

This announcement has been authorised by Tower Chief Executive, Blair Turnbull

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