



CASE STUDY

Richmond Valley Council



For Richmond Valley Council, insurance products have been a winding journey. Located in an area with recent high exposure to natural disasters, the council required a robust risk protection strategy – which didn't always present an obvious solution. We spoke with Vaughan Macdonald, General Manager at Richmond Valley Council, to explore the council's partnership with CivicRisk Mutual.

The Challenge

When Vaughan took the position of general manager in 2016, the Richmond Valley Council had already identified overpriced insurance premiums, given the coverage it had. The council went to tender, resulting in savings of approximately 50% on premiums alone.

For some years, Richmond Valley Council remained with the same provider before eventually spearheading a movement that led to cheaper insurance premiums for many New South Wales councils. Ultimately, Vaughan believes rate payers are also paying lower premiums as a result.

The primary drivers to seek alternative risk-protection options anew were initially price; however, a lack of transparency and an inability to influence decisions with the competitor also called for a change. "There was no transparency around where premiums were going and how the competitor and other councils benefited from the good years," Vaughan explains.

Following this, Richmond Valley Council decided to test the market again. That's when they connected with CivicRisk Mutual.

The Solution

Since joining the Mutual, Vaughan has found CivicRisk to be more transparent about where money is spent and the savings achieved through self-insurance. "When you have good years, the Mutual and members benefit," he says, "We know what every council is paying in premiums, why and their claims record."

Another advantage is that there's zero internal competition or conflict of interest. CivicRisk Mutual has a board composed of local government representatives, general managers, directors and Councillors, so there's no conflict in having a broker, claims manager or risk manager from a private entity sitting on that board.

And that influences the collaborative culture within the Mutual. With a genuine local government representative board making decisions, and certain choices going to the members' assembly, all members have the opportunity to guide the Mutual's operations and services.

The Outcomes

Among the most impactful positive outcomes for the Richmond Valley Council was the response during the 2022 Northern Rivers floods. In the midst of the most significant floods the region had experienced to date, the impacts were massive for many local councils. Restoring communities took considerable recovery.

Within a few weeks, CivicRisk's CEO, broker and claims management representatives visited and Richmond Valley Council quickly received flood cover of \$5 million. "We highly value that responsiveness – no questions asked – and the benefits of that recovery support remain," Vaughan says.

While many other local councils struggled to secure ongoing flood cover following the Northern Rivers floods, CivicRisk Mutual has provided \$4 million of flood cover to Richmond Valley Council ever since. Vaughan recognises that a major damaging event could strike any of the 27 member councils – that means payments need to be made.

"The way we see it is 'This could have happened to any of us, so let's give them the support that they need, help them rebuild and get on with the job,'" he reflects.

The Bottom Line

In a partnership with CivicRisk Mutual, Vaughan is grateful to work alongside people sharing the same values and commitment to collaboration. In his view, professionalism and transparency are key factors that lead to the partnership's success.

When members know how contributions are spent, it reinforces confidence that the necessary help will be there – no matter which council needs it. "I'm extremely confident in – and satisfied with – our partnership with CivicRisk Mutual," he concludes.

If you'd like to learn more about CivicRisk Mutual's partnerships and ecosystem, reach out to our team.



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