



Welcome to Burleyworld: Grant Burley with wife Kym and her stockhorse. Behind them is their weekend transport, a twin-engine Cessna 310, on their property in northern New South Wales

PREMIUM FLYING SPIRIT

Grant Burley talks about premium funding, the insurance industry and flying his plane through bad weather after a dangerous equipment failure

By Heidi Hack

Grant Burley has treated every low in his life as an opportunity, and that attitude has served him well – 20 years after entering the industry he is flying high and running his own premium funding company.

Pacific Premium Funding started in December 2001, following the purchase of Focus Premium Funding. In 2002 it acquired Integrated Commercial Premium Funding and became Australia's largest independent premium funder.

In a market that was well catered for – oversupplied some would say – it was a bit of a gamble to start a premium funding company at that time.

"I thought my mid-thirties was a good time to 'have a go' and I was spurred on by a lot of people who wanted to come and work in the new environment," Mr Burley said.

In August, Pacific Premium Funding started a joint venture with GE Commercial Finance.

"The really interesting aspect to the joint venture is that the companies had almost opposing strengths and weaknesses. In Pacific's case we had built a sound platform in a very short time with some very talented people, a strong brand and a robust systems environment. In GE's case they were somewhat

hampered by systems but had a profitable portfolio, and a very strong AAA balance sheet which Pacific could not match."

Mr Burley has seen a lot of changes in the premium funding market. When he started in 1988 the market was about \$100 million, and he estimates its current value at \$3.5 billion.

Interest rates for the facility have fallen and margins have shrunk, but premium funding has become very much a part of an insurance intermediary's offering. "The main change is the technology in the market and product sophistication versus the earlier days – in particular the growth of transactions, where many of them exceed \$10 million."

The insurance industry has also changed in the 20 years Mr Burley has been involved, and he cites consolidation and technology as the main elements.

"I remember at age 17 running around delivering quotation slips. I used to leave Little Collins Street in Melbourne and visit 20 or 30 underwriters. There were no fax machines or email and everything was manually handled."

Casting his mind back he remembers many insurers like Carlingford, Lombard, General Accident, Hartford, Monarch, NINZ,

NZI, Chamber of Manufactures, Sun Alliance and many others.

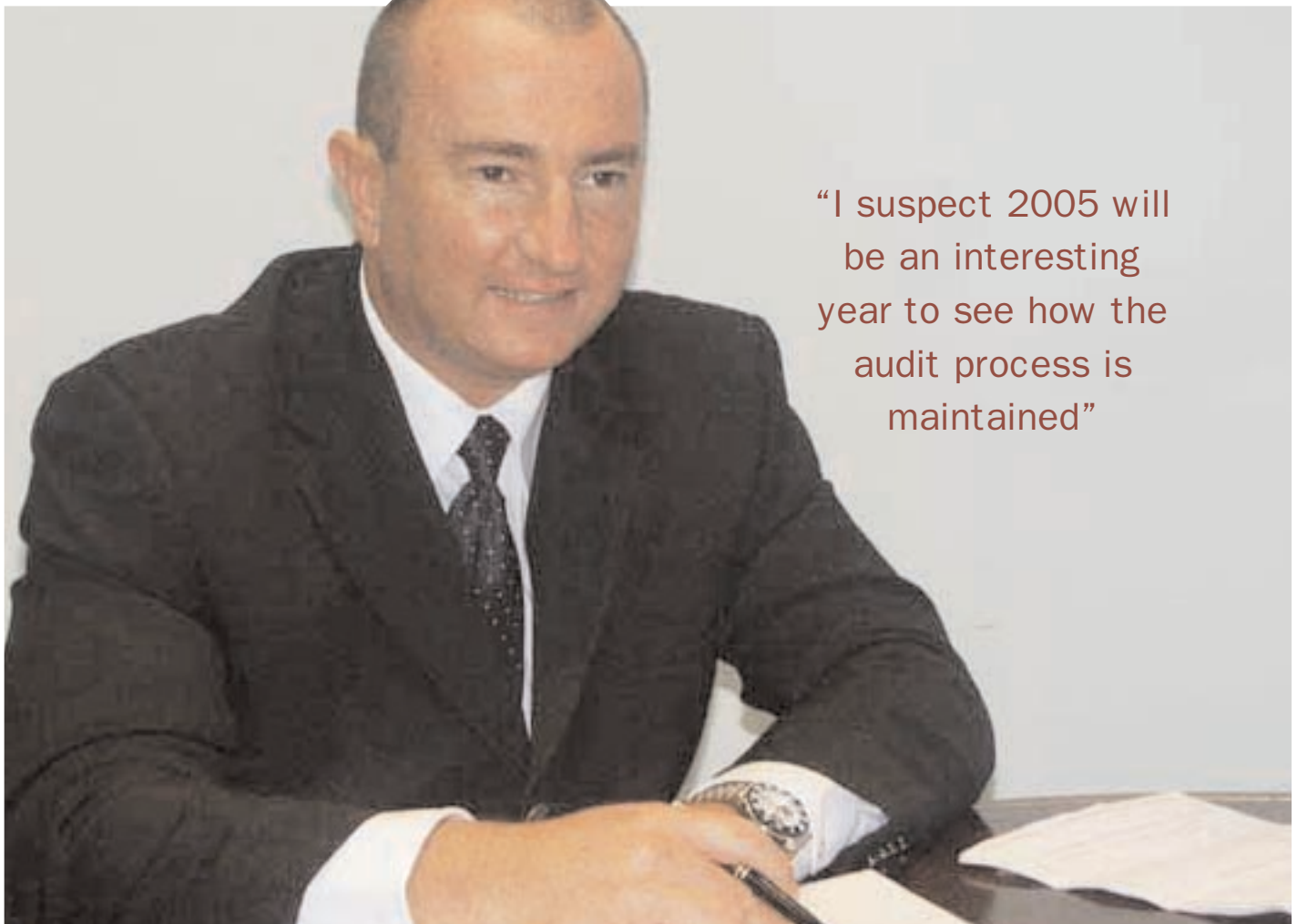
"I think QBE and Zurich are the only two big names I can remember that were there then and are still there in the original form. I joked recently that there are probably more premium funding companies around now than there are insurers, and I just might be right."

Mr Burley remembers when the first fax machine was delivered to the office in the mid 1980s. It was a nightmare for the lawyers who had to determine whether faxes were legally binding.

He says the industry has gone through an upheaval in the past four or five years with Y2K, GST and the Financial Services Reform Act, which have all imposed a cost.

"As I see it, many intermediaries now have their licences, but it's not a question of getting a licence, it is a question of keeping it. I guess what we will have are intermediaries going around with their probationary plates. I suspect 2005 will be an interesting year to see how the audit process is maintained."

Mr Burley has had several opportunities to leave the insurance industry and do something else. "While it has its frustrations from time to time, the general insurance industry is still a great place to work and learn, and most



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Man at work: Pacific Premium Funding's Grant Burley has climbed the insurance ladder to success

of all there are some real characters that co-exist in our industry.”

Having been to 12 NIBA conventions, he started to feel his age this year – he used to be the youngest person there.

“I am starting to see some of our insurance intermediaries’ sons and daughters coming to these events and moving into the businesses. But one of the concerns I have is what seems to be a lack of young people coming into our industry and moving up to senior management positions.”

Having completed school at Melbourne’s Wesley College at 17, Mr Burley went to work at Westpac Insurance Services as a claims assistant and by 20 he was running the Geelong operation. He joined Custom Credit and returned to Melbourne in 1988. In 1989 he took the business with him to Insurance Funding.

Insurance Funding began a joint venture with MMI Insurance. Only a short time later two individuals embezzled \$7 million. Mr Burley, then 23, found the going tough until the company was reborn as Hunter Premium Funding. He was its Chief Executive until 1998 when he transferred to Sydney as Chief General Manager Agency and Financial Services of MMI. He left what had become Allianz in 2001 and had a few months off before launching Pacific.

Mr Burley stresses the importance of a balance between work and personal life. “My

view is that if you have to work on weekends, then it’s probably because you can’t get your work done between Monday and Friday. Hours worked is not necessarily a measure of productive output.”

He and his wife own a property near Port Macquarie in New South Wales where they go on weekends to ride horses and fly planes. His interest in planes began when he moved to Sydney and his parents and in-laws lived in Victoria. It became difficult travelling such long distances, so he bought a plane.

“I walked into the flying school and said to them in October 2000, I have bought a plane, could someone teach me how to fly it? I didn’t think there was anything strange about it, but apparently that doesn’t happen very often.”

Mr Burley has completed his twin-engine instrument rating and has amassed about 1000 flying hours over the past four years.

In the past 12 months he has become involved in a charity organisation called Angel Flight, which ferries sick or disabled people from remote areas of Australia to receive medical treatment.

“It gives you a sense of awareness that not everybody in the world is fortunate and that you can actually make a difference, which does not involve giving much in the totality of things.”

His most memorable flight was from Faraway Bay, west of Darwin, to Port

Macquarie. On the last leg from Charleville – at night, in cloud with thunderstorms – he had a failure in a suction pump that operates the artificial horizon.

“That is usually no issue in a twin because you have two of them. Half an hour later the second one went, which meant we were flying at night in less than perfect conditions with no artificial horizons.”

He flew the plane back using a floating balance ball – a variation on a spirit level – as the sole indicator that the wings were level. He says it is good to look back on the situation and think about the decisions that were made.

“It is really quite similar to business, when you think that everything we do in life is about choice and decisions determining outcomes.”

Mr Burley is pleased with the decision to start his own business.

“It’s funny waking up in the morning having no boss, nothing to do and thinking about starting a business – with a blank piece of paper. There are no rules, no guidelines and you are really only limited by your imagination.

“I have learned that the most important thing in a career is to enjoy your job so much so that you would almost turn up for work if you were not paid.

“I have been fortunate to enjoy most of my career, and when I have not enjoyed the work environment I have sought to change it.” ■