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State confirms branch closures

Insurance company State has confirmed that it will close 21 of its 22 branches around the country by the end of next month - but says it has identified around 70 job opportunities for the 91 staff impacted by the closures.

The decision to close the bulk of the State branch network is in response to changing patterns of customer interactions, with fewer of the insurer's customers visiting branches, instead choosing to call or connect via the internet.

State's executive general manager, Craig Olsen, said State already excelled in servicing customers online and over the phone, and it was the intention of the business to invest further in people and technology to develop this capability as a way of differentiating itself.

"Our customers' needs and their expectations of us are changing, and we need to change with them," Mr Olsen said.

State's Riccarton branch in Christchurch will remain open as it's been identified that specific customer needs related to earthquake-related insurance claims justify a different approach.

The decision follows a period of consultation with State employees after the proposal was put forward in September.

Mr Olsen said it was a tough decision to make but he believed strongly that it was the right move for the brand.

State is part of insurance group IAG's direct insurance division, which includes AMI and employs around 1,400 people.

AMI has 65 stores across the country, the most extensive network of any general insurer, and Mr Olsen said State customers who still had a strong desire to transact through a branch or store could have that experience provided by AMI.

"We are investing in new-look AMI stores that reflect that brand's close connections into local communities. State's branch network is less extensive, and it makes sense to consolidate our overall High St presence and differentiate the brands by the approach they take," Mr Olsen said.

Having made the decision, State will now focus on communicating with customers about potential impacts and options.

State branches to close: Whangarei, Auckland – Botany, Auckland – New Lynn, Hamilton, Tauranga, Rotorua, Gisborne, Hastings, New Plymouth, Wanganui, Palmerston North, Levin, Masterton, Wellington – Lower Hutt, Wellington – City, Wellington – Porirua, Nelson, Blenheim, Timaru, Dunedin, Invercargill.

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