

**E**llie Comerford was in her 20s when she managed to scrape together enough finance to buy her first home. It was late 1987 and the feverish run up in property prices had well and truly begun after the October sharemarket crash.

Comerford, then fresh in the newly deregulated banking sector, had what they would call a high loan-to-value ratio. "I got one loan from the bank – and they didn't believe in offering terribly reduced rates. I also got an unsecured loan at 23 per cent for five years and deferred all the stamp duty." After cobbling together the finance, she swapped a nice Sydney harbourside apartment where she caught the ferry to work for her own piece of real estate in the inner west. "That first year was extremely difficult," she recalls. "I had to pay an astronomical rate of interest over a short time."

But, like many of the baby boomer generation, timing was with her. When she sold it a few years later, it set her up financially.

Nearly 25 years down the track, Comerford is chief executive of Australia's largest mortgage insurer, Genworth Financial, and a big advocate of something she didn't have when she bought her first home – mortgage insurance.

Mortgage insurance helps protect the lenders

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#### ELLIE COMERFORD CV

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- Grew up near Goondiwindi, in southern Queensland, the third of eight children.
- Education: bachelor of economics, double major in finance and econometrics, Macquarie University, Sydney.
- Joined Genworth Australia as CEO in November 2010 after 25 years in banking, much spent offshore.
- Worked most recently at global first title and speciality insurance company First American Financial Corporation. Roles there included chief operating officer, international division, and managing director Australian and New Zealand operations.
- Worked at Citigroup for nearly 14 years, in roles including director of strategy and business development, head of capital markets, origination and syndication.
- Earlier roles in futures markets and a merchant bank.
- Married to Chris; two sons.

# A BIT OF INSURANCE

**GENWORTH CEO ELLIE COMERFORD SAYS THE MORTGAGE INDUSTRY HAS RHYTHMS AND CYCLES OF ITS OWN**

STORY NARELLE HOOPER PHOTOGRAPHY ANDREW QUILTY

in case the borrower can't pay. It is required by lenders if a borrower has less than a 20 per cent deposit saved. First-home buyers, stretched with affordability, are the most likely group to need it.

"It's something I care about deeply, for something which equates to no more than [the price of] a cup of coffee," she says.

The Sydney-based Genworth is a subsidiary of insurance and wealth management group Genworth Financial Inc, which is based in the US state of Virginia and has 6500 staff, more than 15 million customers and operates in more than 25 countries.

In Australia, Genworth has been in the market since 1964, providing mortgage insurance and services. Its customers include the big four banks and about 120 lenders in all. It has about 320 staff.

Since a restructure by its stressed parent in 2011, Comerford has been busy working up to the float of about 40 percent of the Australian business, expected soon.

Since she became CEO in 2010, she has begun a refresh of the company and has been gaining a name as an innovator and thought leader in the sector. "I think it goes hand in hand with what they call the 'new normal'," she says. The mortgage industry is in a new phase, post GFC. Credit



Ellie Comerford  
all benefits



growth isn't going to be what we've seen before. "What I've learned over time is you always have cycles." She says there is lots to be learned from the incumbents if you are able to step back with a fresh view.

Comerford grew up in rural southern Queensland, in a family with eight children. A country upbringing helped breed in her a resilience and preparedness to make her own circumstances, she believes. "It do think it gives some sort of backbone, a real work ethic," she says. Her parents were encouraging, and at high school in Goondiwindi, she discovered she had a strong maths and English bent. She sees similarities in the two. "There is a rhythm about how you write and also how you solve maths equations," she says. She recalls her maths and English teachers were also important influences. "I had particularly inspiring English and maths teachers. That changed my life.

"The English teacher would send me on short story writing forums. The maths teacher would feed me more work when I asked for it. I remem-

ber my teacher telling my dad down at the club that I'd got 100 per cent in an exam. Dad said, 'That's impossible'. He thought surely they must have taken marks off for neatness or something."

She very nearly became an actuary, receiving a scholarship to do actuarial studies at Sydney's Macquarie University. She later switched to economics. Part way through the course she came down with glandular fever. She took time to recover at home with her parents and later deferred her studies and did some travel. She then started work in the Australian finance market, just as it came to life in the wake of 1984 deregulation. She later went to work for Citigroup and years offshore have given her a depth of experience and perspective.

Aside from lending and mortgage origination, she has worked in areas including insurance risk, structured finance and capital markets and relationship management.

Her move to Genworth followed eight years at First American Financial Corporation. The last three she worked as chief operating officer for

| REPORT CARD: GENWORTH FINANCIAL AUSTRALIA          |      |      |      |
|--|------|------|------|
|  | 2011 | 2010 | 2009 |
| REVENUE (\$USm)                                    | 612  | 496  | 442  |
| NET PREMIUMS WRITTEN (\$USm)                       | 347  | 257  | 392  |
| NET OPERATING INCOME AVAIL TO STOCKHOLDERS (\$USm) | 200  | 205  | 148  |

SOURCE: GENWORTH FINANCIAL ANNUAL REPORT TO DECEMBER 2011.

the international business. Comerford loved the work but with a young family, the offshore travel was wearing.

Genworth has an estimated 50 per cent of the market. Its major rival, QBE Insurance, has about 30 per cent.

The company has been working hard to lift engagement and motivate staff since Comerford came on board, as well as work at the relationships it has with its mortgage clients.

Genworth has also stepped up the communications with consumer real estate reports. Internally, it has introduced regular town hall briefings with staff and programs to recognise performance to help lift levels of engagement. It has also supported the "strive for five" program to encourage staff to get at least 30 minutes of exercise five times a week. Another hallmark of Comerford's tenure has been a strong level of diversity in her management team, which includes a mix of longer serving and new staff.

"We work on the premise we all want a good mortgage – consumers, lenders," she says. "It behoves us to try to make sure we bring the credit skills and the smarts to the equation."

Genworth has lined up its investment banking advisers to help steer the float. And ahead of the IPO, the company has made some fresh board appointments. Richard Grellman, chairman of accounting company WHK, has become chairman for Genworth's Australian operations. Grellman is a former chairman of AMP and Mission Australia, and a former KPMG partner. The board also includes Gayle Tollifson, a director of Munich Reinsurance Australasia and former chief risk officer at QBE Insurance and Tony Gill, a former head of banking and securitisation at Macquarie Group.

Genworth Financial's 2011 annual report noted that in Australia, "the housing market has remained fairly stable, with home prices and unemployment remaining consistent with the third quarter of 2011.

"Consumers in Australia remained cautious, given higher interest rates, higher costs of living, general concerns about the global economy and slow recovery in regions impacted by the recent natural disasters." **B**

Feedback to [boss@afri.com.au](mailto:boss@afri.com.au)

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