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**From:** Tatyana Virgara [REDACTED]  
**Sent:** Friday, 15 May 2020 4:46 PM  
**To:** Adjudication  
**Cc:** Maybury, Kobi  
**Subject:** Suncorp Group Limited's application for authorisation AA1000485 – QBE Response to Request for Update

Dear Gennady

I refer to your letter dated 30 April 2020 requesting an update in respect of the how the interim authorisation of the Suncorp Group Limited application AA1000485 is working so far. I provide the following update on behalf of QBE Insurance (Australia) Limited (**QBE**), a Participating Insurer.

### **Background**

QBE's SME support measures were communicated to the market and QBE's network on 3 April 2020 (see [SME customer support](#)). The SME support measures include some of the Conduct approved by the ACCC and other additional measures. The full package of measures includes:

- maintaining the expiring premium where the sum insured hasn't changed (or Business Packages, Commercial Motor and Individual Personal Accident renewals)
- deferred premium payments for SME customers experiencing financial hardship (excluding Workers Compensation and Accident & Health)
- continued full insurance cover for vacant business premises
- 'laid up' cover for Commercial Motor policies where vehicles are no longer on the road
- workers compensation premium support, including premium instalments for SME customers and mid-term wage adjustments for businesses that have material changes in estimated wages
- an accelerated cash-settlement process for customers who have a natural disaster claim underway and would prefer to manage their own repairs
- changes to claims processes to mitigate against infection between suppliers and customers, and
- faster supplier payment times

To support the QBE network, we have provide guidance on how customers can access the SME support measures (see [SME support FAQs](#)).

### **Q1 Is the Conduct working as expected?**

Those aspects of the Conduct implemented by QBE appear to be working. The relief measures have been received well by our network, [REDACTED] and there is evident uptake of the measures by SME customers in financial hardship across the various network channels.

In relation to premium deferral, we note premium deferral grants range in duration based on individual customer circumstances and QBE is granting deferrals without requiring documentation evidencing financial hardship. Despite the support measures, cancellations are still being requested. Where a cancellation is preferred by a customer over a support measure or measures, we are providing pro-rata premium refunds without charging cancellation or administration fees. We have continued cover for premises that have become unoccupied due to Covid-19 government directions with no change to cover or additional premium. While QBE no longer provides leisure travel insurance since the sale of that its leisure travel insurance business to NIB, we are working with NIB to proactively contact and offer refunds to customers who remain in the runoff book of business.

### **Q2 Is the Conduct taking place as described in the application and the interim authorisation decision.**

To the best QBE's knowledge and belief – yes.

**Q3 Are there any particular benefits or detriments that the Conduct is result in?**

At this stage, we have not identified any unintended consequences (either benefits or detriments) from the SME support measures. However, we note that it is early days and we are mindful of the possibility and prepared to address any such consequences should they arise.

**Q4 Has your organisation engaged in the Conduct, and if so, what has been your experience in doing so?**

QBE refers to and repeats the matters set out in answer to Q1 above. In addition, overall our experience has been that these are challenging times for many people including our network partners who deal directly with customers going through a difficult and stressful period. In light of that experience in implementing the Conduct we have extended our employee wellbeing program to our network partners. This service provides free confidential counselling and wellbeing support. We are also facilitating free professional coaching sessions for our network partners to help them navigate the Covid-19 situation. Coaching subjects include virtual team leadership, mental health and resilience and leading through change.

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**Tatyana Virgara**

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*I acknowledge the Traditional Owners and Custodians of the lands on which I live, work and travel. I pay my respects to Elders both past and present and acknowledge the contribution and sacrifice Elders have made to better our communities and future.*