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22 February 2022

The Manager
Market Announcements Office
ASX Limited
Level 4
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

QBE RESPONSE TO AFCA TEST CASE APPEAL DECISION

Please find attached an announcement for release to the market.

This release has been authorised by the Group Chief Executive Officer.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Carolyn Scobie", followed by a period.

Carolyn Scobie
Company Secretary

Attachment



MARKET RELEASE

22 February 2022

QBE RESPONSE TO AFCA TEST CASE APPEAL DECISION

The Full Federal Court of Australia yesterday handed down its appeal decision in relation to the second business interruption test case which was commenced under the rules of the Australian Financial Complaints Authority (AFCA) in February 2021, and QBE's own case, commenced in March 2021 (second industry test cases).

The second industry test cases were commenced to obtain clarity on legal issues concerning the operation of coverage triggers for business interruption cover in common commercial property policy wordings. The cases also considered how policies are affected by government financial support and other third party payments to insureds, including JobKeeper.

The appeal judgment substantially upheld the first instance Federal Court judgment delivered in October 2021 finding that the insuring clause in 4 out of the 5 cases appealed, including QBE's case, did not apply and in the 5th case finding that the insured peril did not cause the loss. The appeal judgment did depart from the first instance Federal Court judgment on the subsidiary issues of third party payments and entitlement to interest.

The parties to the Full Court proceedings have a period of 28 days in which they may apply for special leave to appeal to the High Court. QBE is committed to applying the principles of the Courts' final ruling, consistently and efficiently to all business interruption claims.

In light of the appeal judgment and the emergence of information supporting lower exposure and claims costs, QBE remains comfortable with its Australian business interruption claims provisions.

- ENDS -

For further information, please contact:

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IMPORTANT DISCLAIMER

Any forward-looking statements assume: large individual risk and catastrophe claims do not exceed the significant allowance in our business plans; no overall reduction in renewal premium rates in excess of business plans; no significant fall in equity markets and interest rates; no major movement in budgeted foreign exchange rates; no material change to key inflation and economic growth forecasts; recoveries from our reinsurance panel; no significant asset sales and no substantial change in regulation. Should one or more of these assumptions prove incorrect, actual results may differ materially from the expectations described in this market release.