



Insurers to be authorised to continue relief measures for small businesses

10 June 2020

The ACCC is proposing to allow insurance companies and brokers to continue coordination and implementation of temporary COVID-19 relief measures for certain small businesses.

The authorisation will apply to Suncorp, Allianz, QBE Insurance and other insurers or insurance brokers who have notified the ACCC.

Under an urgent interim authorisation granted by the ACCC on 2 April 2020, insurers and brokers were granted temporary permission to coordinate a range of relief measures to eligible policyholders whose insurance premiums fall due before 30 June 2020.

This included allowing eligible small business customers suffering hardship due to the COVID-19 pandemic to defer their premium payments for up to six months.

The ACCC is now proposing to grant authorisation to allow insurers and brokers to continue coordination of relief measures until 30 June 2020, and to keep these relief measures in place until 31 December 2020.

The authorisation also allows collaboration on continuing to offer to eligible business customers refunds on unused premiums for any insurance policy they need to cancel as a result of the pandemic, and to not be charged administration or cancellation fees if they do.

The relief measures covered by the authorisation include an agreement that all policyholders, including consumers, eligible small businesses and larger businesses who acquired travel insurance prior to 30 June 2020 and who can no longer travel as planned due to the impact of COVID-19, will be able to get a credit or refund for any unused travel insurance premiums, again without administration or cancellation fees.

“There is clearly a need for these relief measures to continue as many small and medium-size Australian businesses continue to experience unprecedented financial hardship due to the COVID-19 pandemic,” ACCC Commissioner Stephen Ridgeway said.

“There is a public benefit in authorising cooperation about these measures until the end of June 2020, as it will provide greater transparency and consistency of relief for small businesses. There is minimal, if any, public detriment.”

“However, the ACCC will continue to monitor this authorisation to ensure it does not result in unintended consequences impacting competition in the insurance industry.”

“We also note that there is nothing to stop individual insurers from offering more relief than is agreed under the authorisation or from continuing to offer relief to policyholders after the authorisation has expired,” Mr Ridgeway said.

The ACCC has received a number of urgent formal requests for authorisations from many sectors of the Australian economy.

“The ACCC is closely assessing each of these applications to determine whether to grant them and for how long,” Mr Ridgeway said.

The ACCC will now seek feedback on the draft determination to grant the proposed authorisation and consider whether final authorisation should be granted.

The ACCC’s statement of reasons and details on how to make a submission is available at the ACCC’s [public register](#).

Background

ACCC authorisation provides statutory protection for conduct that might otherwise raise concerns under the competition provisions of the Competition and Consumer Act 2010.

Broadly, the ACCC may grant an authorisation when it is satisfied that the public benefit from the conduct outweighs any public detriment.

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