

Insurers to offer deferred payments, refunds under small business relief package

2 April 2020

Insurance companies and brokers will be able to work together to implement COVID-19 relief measures for certain small businesses following the ACCC's granting of interim authorisation today.

The authorisation applies to Suncorp, Allianz, and QBE Insurance, as well as any other insurers or insurance brokers who choose to take part, as long as they notify the ACCC.

The package includes a range of measures, including that existing eligible business customers suffering hardship as a result of the COVID-19 pandemic are able to defer their insurance premium payments for up to six months. The package will apply to insurance premiums that fall due up until 30 June 2020.

Eligible business customers will also be refunded unused premiums for any insurance policy they need to cancel as a result of the pandemic, and will not be charged administration or cancellation fees if they do.

All policyholders, including consumers, eligible small businesses and larger businesses, who cancel travel plans will be able to get a credit or refund for any unused travel insurance premiums, again without administration or cancellation fees.

"Many small and medium-size Australian businesses are experiencing unprecedented financial hardship due to the COVID-19 pandemic, but need to maintain essential insurance protections, in some cases in order to be able to continue to operate. There is a clear and urgent need for these measures," ACCC Chair Rod Sims said.

"We have received a number of urgent formal requests for authorisations from many sectors of the Australian economy. The ACCC stands ready to grant interim authorisations quickly when they are in the public interest."

The ACCC will now seek feedback on the application 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 Authorisations 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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ACCC Infocentre:

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