

QBE

Contracts of Insurance Act 2024

A guide for brokers

What you need to know and how we're supporting you

Preparing together

The Contracts of Insurance Act 2024 comes into force on 15 November 2027.

The Act will change how insurers, brokers, and customers enter into, manage, and administer insurance contracts. The changes represent one of the biggest shifts in insurance law in the last 100 years.

At QBE, we're committed to making the transition as straightforward as possible for our partners and customers. We recognise the important role brokers play in helping customers understand their obligations and ensuring information is communicated clearly between customers and insurers. That's why we're focused on providing the information, guidance and tools you need to prepare with confidence.



Our obligations under the Act – Non-consumer

QBE has a duty to:

- Take reasonable steps to inform policyholders of their disclosure obligations and the consequences of failing to make a fair presentation of the risk when a policy is taken out, renewed or varied.
- Pay claims within a reasonable time, recognising that timing may be influenced by claim complexity, broker engagement, and other factors outside QBE's control.
- Implement the requirements of the Act in a way that ensures full compliance.

We've provided further guidance on the details of the Act in the appendix to this brochure.

At the heart of knowing, is understanding how we can help

What this means for your customers

The changes are intended to support clearer communication and fairer customer outcomes.

Our mutual customers are typically non-consumers. They will need to understand that arranging insurance is not simply a matter of answering the questions on a form. They must take reasonable care to identify and provide information that could influence an insurer's decision about whether to offer cover and on what terms.

If material information is missing or inaccurate, outcomes will vary. This could range from changes to policy terms, to claims being declined, to policies being avoided. The outcome will depend on the circumstances and what the insurer would have done if it had received the correct information.

Good conversations, clear explanations and reliable records will therefore continue to be important in protecting customer outcomes.

How we're preparing

Our goal is to ensure both QBE and our broker partners have the time, support and resources needed to transition successfully before the Act comes into force. We have established a dedicated programme to lead our response.

Our objective is to complete work on our policy wordings and collateral by December 2026. That means that from early 2027 our focus will shift to broker implementation and providing you with clear, practical guidance throughout the transition.



How we will support you through the transition

We'll work closely with you to make the changes clear, practical and as straightforward as possible. You can expect us to:

- Provide clear, consistent updates on what is changing and when.
- Help explain what the Act means for your business and your customers.
- Share practical guidance, resources and insights to help you prepare.
- Make it easy to find the information and support you need.
- Listen to broker feedback and work through implementation challenges together.
- Keep customer needs, fairness and transparency at the centre of our approach.
- Help you feel informed, prepared and confident throughout the transition.

Our ambition is to strengthen customer outcomes, improve the quality of risk information and create a smoother insurance experience for customers, brokers and insurers alike.

Helping brokers navigate change with confidence

How to prepare

Our ask of you:

We are making changes to all our policy wordings. Consequently, we will be reissuing revised wordings to the market in 2027, with a significant number going live in July-November 2027. We recognize that all insurers will be undertaking similar activities and this will place a practical and technical burden on broker partners. Therefore, we ask that you help us understand your timelines to enable a successful transition to CoIA-compliant wordings. To do so, you are welcome to feedback here: QBE Broker Feedback Form or contact your QBE representative.

To prepare for the changes, you may want to also consider the following practical steps:

- Review and update your own broker wordings. We can share our approach and provide guidance on how we've responded to the Act.
- Review and update customer-facing material. At QBE, we're reviewing proposals, renewal declarations, supplementary questionnaires, quotes and our disclosure question sets as part of our implementation programme. You may need to undertake a similar review.
- Help customers understand their disclosure obligations before placement, renewal and mid-term variations.
- Gather complete and accurate information from clients and establish norms for presenting that information clearly.
- Maintain robust records of advice, disclosures and client instructions.

We're happy to share relevant information about our approach, but brokers will remain responsible for their own documents and processes.

Questions?

If you would like to discuss the Contracts of Insurance Act or learn more about how QBE is preparing for implementation, please contact your QBE representative.

By working together, we can navigate these changes with confidence and continue delivering the outcomes customers expect and deserve.

Appendix

What's changing for non-consumer insurance?

The Act establishes separate requirements for consumer and non-consumer contracts of insurance. This guide focuses on non-consumer (commercial) contracts and what the changes mean for you and your customers.

1.

The Duty of Disclosure: A fair presentation of the risk

What's changing?

Under the new duty of disclosure framework, non-consumer policyholders must make 'a fair presentation of the risk' to their insurer. This means disclosing every material circumstance they know, or ought to know, in a manner which is reasonably clear and accessible.

Importantly, knowledge is not limited to what an individual policyholder knows. It also includes knowledge or information held by senior management, anyone responsible for arranging the insurance, and information which would be revealed by a reasonable search of the information available to the policyholder.

Why this is important

The quality and completeness of information provided to insurers is fundamental to underwriting decisions. For brokers, this reinforces the importance of effective customer engagement, fact-finding and robust record keeping throughout the placement and renewal process.

2.

A proportionate approach to remedies for non-disclosure

Currently, insurers' remedy for a breach of the duty of good faith is to avoid a policy from inception. The Act introduces a more proportionate framework of remedies where a policyholder breaches their duty of disclosure. What remedy is available to insurers will depend on factors including:

- the nature of the non-disclosure or misrepresentation;
- whether the breach was deliberate, including reckless, or innocent; and
- what the insurer would have done had the correct information been known.

This means that accurate documentation and a clear audit trail become increasingly important throughout the placement process.

Remedies for insurers: Non-consumer

Qualifying breach is made	Breach was deliberate or reckless	Breach was neither deliberate nor reckless and the insurer would not have entered into the contract (or agreed to the variation) on any terms	Breach was neither deliberate nor reckless and the insurer would have entered into the contract (or agreed to the variation) on different terms
Before the contract is entered into	Insurer may avoid the contract and refuse all claims and need not return the premium.	Insurer may avoid the contract and refuse all claims but must return the premium.	The contract must be treated as if it had been entered into on those different terms, including increasing the premium and/or reducing proportionately the amount paid on a claim.
Before the contract is varied	Insurer may treat the contract as having been terminated with effect from the time when the variation was made and need not return any of the premium paid.	Insurer may treat the contract as if the variation was never made but must return any extra premium paid.	Insurers may treat the variation as if it had been entered into on those different terms, including increasing the premium and/or reduce proportionately the amount paid on a claim.

3.

Late notifications in claims-made policies

Presently, insurers on claims-made policies may only decline claims for late notification where there is prejudice to the insurer arising out of the late notification. Under the Act, insurers will be able to decline claims notified more than 90 days after the period of insurance, regardless of whether there is prejudice to the insurer.

This is a material departure from the law as it stands. Brokers and policyholders will need to ensure claims are notified in time.

4.

Third-party claims

Under section 9 of the Law Reform Act 1936, when a policyholder holds liability insurance and an event occurs which gives rise to a liability to a third party, a statutory charge is imposed on insurance money payable in respect of that liability. This has implications where multiple claims are competing for the same limit of indemnity, or for defence costs cover where a policy has a single limit of indemnity.

Where a policyholder becomes insolvent or otherwise unavailable to meet a liability and such a charge exists, third parties may seek leave of the Court to bring a claim directly against an insurer.

The Act abolishes the statutory charge, while introducing a new regime to allow third parties to recover from insurers where policyholders are unable to meet a liability. This change will simplify payment of competing claims, while protecting the interests of third-party claimants.

5.

Increased risk exclusions

Existing legislation prevents an insurer from declining a claim in reliance on an exclusion, unless the insurer can demonstrate the excluded circumstances were causative of a loss.

The Act will largely preserve that position, but introduces exceptions for certain categories of exclusions such as those which relate to:

- the age, identity, qualifications or experience of a driver, pilot, ship-master, or another person in a similar position
- geographical limits on where loss may or may not occur
- commercial-use restrictions where a vehicle or craft is used outside its permitted purposes.

6.

Unfair contract terms

The Fair Trading Act 1986 prohibits unfair contract terms in standard form consumer and specified trade contracts. Although contracts of insurance are nominally subject to the regime, carve-outs in the Fair Trading Act effectively preclude its application.

The Contracts of Insurance (Repeals and Amendments) Act reduces the breadth of those exceptions, bringing contracts of insurance within the unfair contract terms framework. Some parts of a contract of insurance will remain exempt, such as provisions relating to the insuring clause, payment of premiums and excesses, and exclusions. Otherwise, this means standard-form policy terms must not cause a detrimental and significant imbalance in the parties' rights and obligations, unless that term is reasonably necessary to protect the legitimate interests of the advantaged party.

At QBE, we're reviewing our policy wordings to ensure they remain fair, easy to understand and fit for purpose.

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