

19 November 2020

Business Interruption Insurance Update

Suncorp (ASX: SUN | ADR: SNMCY) today provided an update in relation to the NSW Court of Appeal's decision on the Insurance Council of Australia's (ICA) Business Interruption (BI) industry test case on behalf of insurers.

The NSW Court of Appeal has ruled in favour of policyholders. The Court held that certain policy exclusions referencing the "Quarantine Act and subsequent amendments" cannot be read as references to the Biosecurity Act and cannot be relied on in relation to COVID-19 BI claims.

The decision does not mean that business interruption policies referencing the Quarantine Act will automatically respond to COVID-19 related claims. When assessing whether a business interruption claim may be triggered, each policyholder's individual circumstances will need to be considered against the various other clauses relevant to their policy.

The ICA has indicated it is considering whether there are grounds for an appeal to be lodged. The NSW Court of Appeal judgement remains open for parties to appeal until 16 December 2020.

As previously disclosed, the Group's expected provision of \$195 million for potential BI claims in relation to COVID-19 allowed for an unfavourable test case judgement. While the Group continues to review the judgement, the test case outcome is not expected to affect the total BI provision. The Group's provision does not allow for any further material COVID-19 outbreaks or shutdowns.

Authorised for lodgement with the ASX by the Suncorp Disclosure Committee.

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