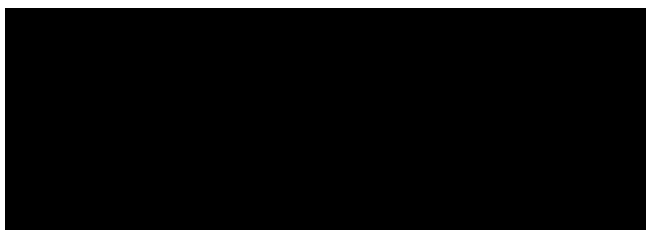




12 October 2020



ALIGNMENT OF APRA'S STANDARDS WITH COMFRAME AND CLASSIFICATION OF QBE AS AN IAIG

In November 2019, the International Association of Insurance Supervisors (IAIS) adopted the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame). This framework establishes supervisory standards and guidance focussing on the effective group-wide supervision of Internationally Active Insurance Groups (IAIGs), and forms part of the Insurance Core Principles (ICPs).

As a member of the IAIS, APRA has elected to align its prudential standards and practices with ComFrame where appropriate. APRA intends to take a measured approach to the alignment of its prudential standards with ComFrame. This approach will be iterative, with standards being aligned to ComFrame as part of more substantial updates that occur over time to APRA's prudential framework. As part of this approach, APRA intends to conduct extensive consultation with industry in changing any of its prudential standards, in line with the usual policy development process.

APRA has assessed its regulated insurers and QBE Insurance Group Limited (QBE) meets the IAIS' criteria as an IAIG. It is expected that the classification of QBE as an IAIG will enhance APRA's group-wide supervision of QBE. QBE writes insurance business across 25 jurisdictions. For most of these jurisdictions in which QBE operates, the supervisor is a member of the IAIS. Classification of QBE as an IAIG is therefore expected to promote the coordination of supervisory activities efficiently and effectively between the group-wide supervisor (APRA) and other international supervisors.

Should you have any questions on the matters discussed in this letter, please contact your responsible supervisor.

Yours sincerely,

Geoff Summerhayes
Executive Board Member