

# Third Party Breach Reporting

Frequently Asked Questions (FAQs)

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**QBE Insurance**

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# Frequently Asked Questions

This document relates to the incident/breach reporting requirements for third parties acting on behalf of QBE.

## Who is considered a “third party”?

A third party is an individual or entity, that is not a QBE employee, who provides services to QBE customers on behalf of QBE. This includes, but is not limited to, the following services:

- selling or distributing QBE insurance products, including issuing, varying, or cancelling insurance policies,
- providing financial services advice (general or personal advice), as an authorised representative of QBE,
- performing underwriting activities and/or claims management/handling activities under a delegated binder authority with QBE,
- providing claims management/handling services such as claims investigation, loss assessing, loss adjusting, debt recovery etc,
- any other financial services which involves collecting, using, disclosing, accessing, and/or storing customer personal data on behalf of QBE.

## What is an incident/breach?

An incident/breach is an operational breakdown that arises from an inadequate or failed internal process, people or systems, or from an external event, that leads to financial impacts (i.e. loss or unexpected gain), and/or non-financial impacts (i.e. reputational, compliance, customer, people and business continuity and management effort).

A compliance breach is where we have failed to meet an external obligation set out in law, regulation, or industry code.

## What type of incidents/breaches need to be reported?

There are four key types of incidents/breaches that third parties have an obligation to report:

Breaches	Description	Examples
<b>Data, privacy, security</b>	An incident which involves: <ul style="list-style-type: none"><li>• unauthorised access, use or disclosure of personal information,</li><li>• loss of personal information, and/or</li><li>• a compromise of information security.</li></ul>	<ul style="list-style-type: none"><li>• Sent email containing customer personal data to the wrong person</li><li>• Cyber-attack on systems, which results in a compromise of customer data</li></ul>
<b>Dealings outside of Target Market Determination (TMD)</b>	Selling a retail product to a customer outside QBE's Target Market Determination (TMD). A TMD provides information regarding which class of customers the product is suitable for (the target market) and which customers the product is likely to be unsuitable for.	A customer is sold a private motor policy when they use their vehicle for business purposes only.

<b>Financial Services Law</b>	Failing to comply with legislative/regulatory requirements when providing financial services to customers.	<p>Obligations under:</p> <ul style="list-style-type: none"> <li>• Corporations Act 2001 (Cth)</li> <li>• ASIC Act 2001 (Cth)</li> <li>• Insurance Contracts Act 1984 (Cth)</li> <li>• National Consumer Credit Protection Act 2009 (Cth)</li> </ul> <p><i>Examples:</i></p> <ul style="list-style-type: none"> <li>• General licence obligations</li> <li>• Financial Statements</li> <li>• Authorised Representatives (ARs)</li> <li>• Disclosure requirements</li> <li>• Marketing</li> <li>• Regulator instructions/requests</li> <li>• Conduct</li> <li>• Record keeping</li> </ul>
<b>General Insurance Code of Practice (GICOP)</b>	Failing to comply with <u>GICOP</u> standards. Standards relate to conduct and customer service: training requirements, selling insurance, cancelling insurance, claims handling, claims investigations, vulnerable customers, and customers experiencing financial difficulty, etc.)	Refer to GICOP <a href="#">FAQs</a> .

### Who needs to report incidents/breaches to QBE?

Breaches	Breaches By
<b>Data, Privacy, Security</b>	Any third party who has a contract or agreement with QBE and collects, uses, accesses, discloses, stores customer personal data on behalf of QBE.
<b>Dealings outside the Target Market Determination (TMD)</b>	Intermediaries, partners and authorised representatives who sells or distributes QBE products to a retail customer.
<b>Financial Services Law</b>	Any third party who is appointed by QBE, by agreement to act on our behalf when providing financial services.
<b>General Insurance Code of Practice (GICOP)</b>	All QBE distributors and service suppliers.

#### Please note:

**QBE Distributor** means a person, company or entity, that is not a QBE employee and when acting on our behalf:

- is authorised to provide financial services, other than claims handling or settling service under our Australian Financial Services Licence, in accordance with the Corporations Act 2001; or
- has authority to issue, vary or dispose of a general insurance product covered by GICOP under a binder with us (excluding an interim contract).

**QBE Service Supplier** means an Investigator, Loss Assessor or Loss Adjuster, Collection Agent, or a person, company or entity who is not QBE's Employee but is contracted by QBE to manage a claim on QBE's behalf. This includes a broker who manages claims for QBE and any of the broker's sub-contractors who QBE has approved to act on our behalf.

## **What are the responsibilities of third parties acting on behalf of QBE in relation to incident/breach reporting?**

It is your responsibility to report incidents/breaches to QBE. It is also expected that you take steps to correct, remediate and/or resolve the matter, where applicable and appropriate.

Depending on the nature of the reported incident/breach, QBE may decide to further investigate the matter. If so, it is expected that you fully cooperate with QBE's investigation.

## **What are QBE's responsibilities in relation to incident/breach reporting?**

QBE will record all third party incidents into our internal risk management tool, Insight. This allows us to assess each incident to determine whether the incident is a compliance breach, whether it is reportable and then report to the relevant regulator as necessary. QBE is responsible for managing and monitoring our third parties on an ongoing basis, including monitoring incident/breach reporting information.

## **Why do incidents/breaches need to be reported?**

In certain circumstances, QBE is required to report breaches of our external obligations to the relevant governing body – this includes breaches by third parties who act on our behalf. For example:

- breaches of QBE's Australian Financial Services Licence (AFSL) obligations and general compliance with financial services law must be reported to Australian Securities & Investments Commission (ASIC).
- significant breaches of the General Insurance Code of Practice (GICOP) must be reported to the Code Governance Committee (CGC).
- serious data/privacy incidents must be reported to the Office of the Australian Information Commissioner (OAIC) and/or Australian Prudential Regulation Authority (APRA).

It is QBE's responsibility to determine whether a breach is a reportable – therefore, as the third party, please ensure you report all incidents/breaches for QBE to undertake this reportability assessment.

Furthermore, incident/breach information enables QBE to proactively address potential concerns before they become significant, via trends analysis.

**Note** - AFSL holders have the same obligations as QBE to ASIC directly. This means that while it may not be QBE's obligation to report, AFSL holders should consider their own reporting obligations and if necessary, report and advise QBE accordingly.

## **How do I report an incident/breach to QBE?**

Please report incidents/breaches to QBE via the [QBE Incidents and Breaches form](#), available on the Partner Portal (in the contacts section). Alternatively, you can report incidents/breaches via any existing process established with your QBE Relationship Manager.

## **How long do I have to report an incident/breach?**

All incidents/breaches must be reported to QBE as soon as reasonably practicable, no later than **two (2)** business days of it being identified (unless you have an agreement to report in an alternative period).

## **What happens once I have reported an incident/breach?**

Once you have submitted an incident/breach via the webform, you will receive an email confirming the details provided. In addition, you will be contacted by your QBE Relationship Manager should further information be required.

## **Where can I find details of the report once it's been submitted?**

Once an incident/breach is reported to QBE, the matter will be recorded in QBE's internal incident management system, Insight. Only QBE will have access to the incident/breach lodgement details. Therefore, if you need to obtain a copy of a reported incident/breach, please contact your QBE Relationship Manager.

## **Can details of an incident/breach be edited once it has been reported?**

Yes. Your QBE Relationship Manager can edit an incident/breach record, including updating remediation details. Any update in records will be done via QBE's internal incident management system, Insight.

## **Where can I go for more information?**

For all incident/breach related matters, please contact your QBE Relationship Manager.