



19 February 2018

The Hon Kenneth Hayne AC QC  
Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry

By email: [FSRCSolicitor@royalcommission.gov.au](mailto:FSRCSolicitor@royalcommission.gov.au)

Dear Commissioner,

**Submission by The Hollard Insurance Company Pty Ltd in response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Commission)**

Thank you for the opportunity of enabling this early written submission to be made to the Commission.

**Introduction**

This submission is made by The Hollard Insurance Company Pty Ltd (**Hollard**) in response to questions directed to it by the Solicitor assisting the Royal Commission by letter of 11 January 2018 (received on 15 January 2018). As requested, the responses made in this submission are given in respect of Hollard, its associated entities, and any person or entity acting on their behalf (**relevant entities**). In relation to Greenstone Financial Services Pty Ltd (**GFS**), which was an associated entity of Hollard until 22 August 2016, our response covers activities of GFS when acting on behalf of Hollard, but does not cover conduct of GFS when acting on behalf of life insurers which are not associated with Hollard. We understand that these life insurers are responding to the Commission directly in relation to GFS conduct when GFS was acting on their behalf.

Having regard to the Commission's Terms of Reference, the enquiries undertaken to inform this submission have been directed to the conduct, practice, behaviour and business activities of each relevant entity in its capacity as a *financial services entity* (as defined in the Letters Patent), or when acting on behalf of a *financial services entity*, during the period since 1 January 2008.

**About Hollard**

Hollard commenced business as a registered general insurer in Australia in 2001. At 30 June 2008, Hollard's gross written premium was \$109m, which was then about 0.35% of the Australian general insurance market. Hollard is growing its gross written premium to an expected \$921m (at 30 June 2018), representing approximately 2% of this market. Through its unique distribution model, Hollard believes it has contributed to improved consumer choice and competition.

**Culture**

Being a relatively new player in the market has enabled Hollard's culture to respond to risk management developments and changing community standards.

We strive to be customer focussed and, while we do not always get it right, we do look to course correct quickly on the basis of fairness - to “do the right thing”.

With the strong leadership of our Board, as a good corporate citizen, we have cemented strong, constructive and open relationships with APRA, ASIC and FOS and industry bodies.

Where we see our behaviour has fallen short of the standards we wish to maintain, these matters are quickly escalated internally and resolved expeditiously.

### **Question 1**

Question 1 is directed to *misconduct* which is defined in the Letters Patent. Although paragraph (a) of the definition refers to an “offence” against a Commonwealth, State or Territory law, the definition is framed in inclusive terms and extends, in paragraph (d), to breaches of a professional standard.

In framing this submission, Hollard has taken a broad, purposive view of conduct on the part of a relevant entity which could potentially be regarded as *misconduct* however, in doing so, it has identified infractions of a code standard, or administrative errors, which Hollard has determined fall short of *misconduct* which should be reported in this submission. This is because the infraction does not indicate any significant governance or cultural issue and, importantly, has not materially impacted any customer.

On the basis explained above, each incidence of *misconduct* identified, and the additional detail required under question 3 in respect of each such incidence, is set out in the Excel spreadsheet attached as **Appendix A**. As requested, the spreadsheet is in machine-readable and word-searchable PDF format.

### **Question 2**

Question 2 requires Hollard to identify incidences of behaviour on the part of a relevant entity which it considers falls below community standards and expectations. This is the language used in the Terms of Reference and is not defined.

We have endeavoured to look at each relevant entity’s behaviour from the customer’s perspective and, in every case, have indicated remedial action that has either been taken or that is proposed.

On the basis explained above, each incidence of behaviour which might not meet community standards and expectations identified, and the additional detail required under question 3 in respect of each such incidence, is set out in the Excel spreadsheet attached as **Appendix B** (also in machine-readable and word-searchable PDF format).

Hollard was one of the first Australian insurers to offer specialised insurance for dogs and cats in 2001. Notwithstanding our overall industry market share, our wholly owned partner, PetSure (Australia) Pty Ltd (PetSure), is the leading pet insurance administrator in this category, operating under a binder arrangement with Hollard. Hollard, in conjunction with PetSure, provides cover to more than 418,000 pets, and provides a wholesale offering to a number of independent brands. PetSure currently processes and pays 70,000 pet insurance claims per month in Australia.

As pet insurance is a unique product class, we have separately designated PetSure conduct in each Appendix.

**Question 4**

No relevant entity has a connection to an RSE Licensee of a registrable superannuation entity. Accordingly, no response is given to question 4.

Every effort has been made to identify all disclosable incidences from available sources and records in the time available and it is hoped that the information provided in this submission assists the Commissioner in the conduct of this Commission of inquiry.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'R. Enthoven', written in a cursive style.

**Richard Enthoven**  
Chief Executive Officer