

24 February 2023

RACQ acknowledges ASIC proceedings

RACQ acknowledges the legal proceedings launched in the Federal Court by the Australian Securities and Investments Commission (ASIC) against wholly owned subsidiary RACQ Insurance (RACQI).

ASIC is alleging that RACQI's product disclosure statements for insurance policies were misleading in their description as to how insurance premiums were to be calculated, in contravention of the ASIC Act. This relates to the description of the application of certain policy discounts to the premium for optional insurance covers.

The proceedings follow RACQI's self-identification and self-reporting of these matters to ASIC, and the outcome of RACQI's broader pricing promises review in 2022.

The disclosure statements were revised in March 2022 to address the issue.

RACQI is issuing refunds to eligible members and is working closely with ASIC through the remediation program. The majority of refunds for this matter are expected to be issued by June.

As a member-owned Club, we take our responsibilities and obligations seriously and will use this opportunity to ensure our members are better served as we move forward.

RACQ apologises for these errors as they are not in keeping with our high standards and values.

The Club has been undertaking a significant investment in its systems and processes that will deliver improved outcomes for members and result in stronger risk management, simplified products, and easier processes for its people.

Given the matter is before the court we are unable to comment any further.

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RACQ is Queensland's largest club and peak independent motoring organisation. We were formed in 1905 to represent the interests of the State's first motorists and today campaign for safer drivers, vehicles and roads on behalf of more than 1.7 million members who own the Club. We offer those members a vast range of motoring, insurance, banking, entertainment and travel services and benefits, and each year respond to more than a million calls for roadside assistance.