

Dear Policyholder,

A positive change for Realcover and you

As you know, Realcover Insurances Pty Ltd (RI) is a wholly-owned subsidiary of the Real Estate Institute of NSW and is endorsed by several REIs around the country. Following a review of RI's Professional Indemnity insurance offering, I am delighted to advise that we have negotiated a facility with QBE which will bring added depth and expertise to our relationship with you.

The enclosed letter from the Realcover Chairman explains the details of the changes.

Importantly:

1. the major terms and premium pricing will be comparable.
2. JLT, the current distributors, will continue to manage the relationship with policyholders.

Going forward, you can continue to feel confident that you have a leading Professional Indemnity policy backed by people with real estate and insurance expertise.

Yours sincerely,



Tim McKibbin
CEO
REINSW



Important Notice about Realcover and your PI Insurance

Dear Policyholder,

Realcover Insurances Pty Ltd (RI) was formed in 2004 following the collapse of HIH Insurance to provide real estate agents with fully featured, competitively priced Professional Indemnity insurance. Since then, many highly credentialed insurers have entered the market and are now providing similarly affordable, feature-rich Professional Indemnity insurance cover for real estate agents.

In this changed environment, the Real Estate Institute of NSW (REINSW), the owner of RI, has decided that it no longer wishes to be an insurance risk capital provider. Consequently, RI will not be offering to renew your current policy where the policy expiry date is after 29 June 2017, as it will cease accepting new and renewal business from that date.

Instead all policyholders will be offered Professional Indemnity insurance under a new facility arranged with QBE Insurance (Australia) Ltd (QBE) that will ensure you retain easy access to affordable, fully-featured Professional Indemnity insurance. All insurance policies issued and renewed after 29 June 2017 will be issued by QBE as the REI-endorsed insurance provider of Realcover-branded Professional Indemnity insurance.

This will be the only change to your Professional Indemnity insurance arrangements. JLT remains the contact for all aspects of your insurance policy, the RI team will continue to manage and settle existing or new claims associated with policies issued by RI, and your contact people remain unchanged.

RI will continue to operate as an APRA-authorized insurance company until all claims on RI policies issued up until 29 June 2017 are settled and paid. REINSW as the sole shareholder will continue to support RI until all of its obligations to policyholders have been discharged.

I encourage you to read the enclosed information pack. If you have any questions or concerns regarding your insurance cover, please feel to contact us on 1800 990 312 for clarification.

Yours sincerely

A handwritten signature in black ink, appearing to read "Tony Brasier".

Tony Brasier
Chairman
Realcover Insurances Pty Ltd



QUESTION AND ANSWERS

Realcover Insurances Pty Ltd (Realcover) - May 2017

Further detail in respect of changes to Realcover Insurances Pty Ltd (RI) and your insurance policy:

What happens with my existing cover with RI as the insurer?

RI will continue to manage all policies and claims that may arise from in-force policies up to and including 29 June 2017 or claims that arise in respect of policies where RI was the named Insurer.

What happens if I have a claim on or after 30th June 2017?

There is no change. You will continue to call via the claims hotline on 1800 559 450.

Who should I contact for any policy information post 30 June 2017?

There is no change. You should contact JLT on 1800 990 312 as you currently do for any policy queries.

What is happening with the Realcover brand?

The Realcover brand will be maintained. However, the insurer who issues the policy will be QBE from 30 June 2017 onwards.

Will my current RI policy meet any claims that arise on and after 30 June 2017?

Yes. RI will respond to any claim arising on any policy issued by Realcover with a commencement date on or before 29 June 2017. RI maintains its capital base in line with APRA requirements and has comprehensive reinsurance that together allow it to meet all claims that arise from any RI-issued policies.

Will my new QBE policy provide the same coverage and conditions as my current policy?

QBE will be issuing a policy that provides substantially the same terms and conditions. You should discuss your PI insurance needs with JLT in the first instance or alternatively your own insurance advisor.

What if I have just received my invitation to renew my RI Professional Indemnity insurance and this renewal starts prior to 30 June 2017?

RI will be accepting business up to and including 29 June 2017 and there will be no change to your cover on your current policy nor your renewal policy, nor will there be a change in the handling of any claims. You should discuss your Professional Indemnity insurance requirements with JLT in the first instance on 1800 990 312.