

Premiums4Good:

A global leader in impact investment

Premiums4Good
total investment (US\$M)

\$400M

Invested across

16 securities

which meet QBE's investment
and impact criteria

Through the Premiums4Good (P4G) initiative, QBE is pioneering a new way for our customers to actively make a real and lasting difference to communities and the environment through their insurance premiums. We are the only global insurance company with a dedicated impact investing program directly driven by the policyholder.

Officially launched at Lloyd's of London in March 2016, participation in the Premiums4Good program is now offered to selected customers of North American Operations, European Operations and Australian & New Zealand Operations. The program increases QBE's opportunity to connect with our customers and provides them with the opportunity to invest in a better world.

Key features

Customer specific



Targeted customers have the opportunity to elect for a percentage of their premium to be invested into carefully selected securities with social or environmental benefits including Social Impact Bonds and Green Bonds



No cost/no risk

There is no cost to the customer and the investment risk is borne by QBE

Transparent reporting



We provide an annual update showing investments made and the social and environmental benefits. These reports can then be used by customers in reports to their own employees and customers



Social responsibility

Complements other social responsibility initiatives our customers and employees are involved in, such as the QBE Foundation

Current Investment List

INVESTMENT TYPE	NO. OF INVESTMENTS	SOCIAL/ENVIRONMENTAL IMPACT AREA
Green Bond	6	Renewable Energy/ Low Carbon
Forest Bond	1	Low Carbon
Corporate Credit	1	Financial Inclusion
Social Bond	1	Education & Training
Infrastructure Debt	2	Renewable Energy/ Mass Transport
Social Impact Bond	4	Social Services/Education & Training/Healthcare
Equity Fund	1	Social Services
Total Investments	16	

“QBE’s Premiums4Good initiative has helped fund our Future Shapers project which helps vulnerable young people improve their educational attainment and access to work. Without QBE’s help, more young people in Sheffield would face an uncertain future.”

Gail Gibbons
CEO, Sheffield Futures

“It is satisfying to know that this market-leading initiative is making a real difference to communities in need.”

Kerri Thomas
Sparke Helmore Lawyers

“Premiums4Good is a great opportunity and closely aligns with our corporate responsibility initiatives.”

Rod Fielding
COO & CFO, Allens

Governance

QBE’s aim is to be transparent in our commitment to invest, in line with the Premiums4Good mandate. The Classification of Social Investments Committee (COSI Co) was created to support the governance of the Premiums4Good initiative. The independent committee comprises six members; three from QBE and three from external organisations (Big Society Capital, Philanthropy Australia and Impact Investing Australia). The role of the committee is to classify and review investments as to their “Additional Social Objective” (ASO) and verify their positive impact.

QBE has been working to add appropriate exposure to our portfolios in anticipation of scaling up the Premiums4Good product offerings, seeking and co-creating securities that deliver both an attractive investment return as well as incorporating an additional social or environmental objective.

Case study:

Redefining the role of insurance

When QBE first trialled Premiums4Good in 2015, we were proud to be offering insurance customers something that had never been done before - the opportunity to direct a portion of their insurance premiums into socially responsible investments.

Since then, QBE has invested more than \$400 million in qualifying securities and the potential of the program has captured the attention of the Cambridge Institute for Sustainability Leadership (CISL).

In an article published in Insurance Business Australia, CISL’s Tom Herbstein and Andrew Voysey noted that Premiums4Good “could represent a defining moment in the role of insurance in society”, providing “an exciting example of an insurance company innovating ways to achieve a greater societal impact, via its investment activities, by integrating the client directly into the process.”

But delivering on the potential of Premiums4Good will not be straightforward. According to CISL, “Ultimately the success of Premiums4Good will depend not just on client uptake, but also on uptake by the broader insurance sector and the ability of insurers to align such investments with solutions to the challenges they face on the underwriting side of the business. This will require a shift in the way the industry approaches managing societal risk resilience, how the regulatory environment enables the growth of such investments and whether enough investment opportunities can be created.” The path to delivering on the full potential of Premiums4Good may not be smooth, but at QBE we are committed to paving the way.

