



# News release

Insurance Council  
of Australia

Friday, 8 October 2021

## Insurance Council responds to Federal Court judgment

The Insurance Council of Australia notes the judgment today of the Federal Court of Australia in the business interruption test case.

The ruling upheld the arguments advanced by insurers in eight of the nine matters in the test case.

In one matter the court found that the cover had been triggered but held that there were substantial issues as to whether the policyholder could prove any relevant business interruption.

In a separate case the Federal Court also ruled that insurers could not rely on a section of Victorian property legislation to exclude liability.

The Insurance Council and its members are reviewing the reasons delivered by the court and will provide a further statement early next week.

The Federal Court has anticipated and planned for this decision to be appealed given the complex nature of the matter and the need to provide clarity to both insurers and policyholders as quickly as possible.

As such the Federal Court has already set aside time in the second week of November 2021 for the Full Court to hear any appeal that may be filed by insurers or policyholders. The industry will meet the costs of policyholders in any appeal process.

Comment attributable to Andrew Hall, CEO Insurance Council of Australia:

We welcome today's judgment of the Federal Court which provides an important step towards finalising these matters.

Insurers, including those not directly involved in the court proceedings, are committed to applying the principles of the courts' final ruling consistently and efficiently to all business interruption claims.