

# Market Release

9 September 2024

## **Steadfast Group (ASX:SDF) response to ABC article published on 9 September 2024**

Please refer to the following statement issued in response to the ABC article published this morning.

This announcement is authorised by the Steadfast Board of Directors.

For more information, please contact:

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**Steadfast Group response to ABC article published on 9 September 2024**

**Steadfast Group refers to matters raised by the ABC in this morning's media. We refute the allegations made and are disappointed that important information has been selectively presented. Steadfast provided the ABC with information on 29 August and 4 September 2024, which was not included in the coverage to date.**

The ABC's coverage raises concerns around strata industry transparency. Their coverage to date makes no mention of the fact that Steadfast commissioned respected insurance expert John Trowbridge to conduct an independent review in late 2021. This review was commissioned to help identify how remuneration, transparency and disclosure practices can be improved for the benefit of customers and industry participants.

The final Trowbridge report was published in May 2023 and is available publicly at [johntrawbridge.com.au](http://johntrawbridge.com.au).

The Trowbridge reports were available to the ABC and provided to relevant government and industry bodies.

Steadfast is fully committed to a transparent and competitive marketplace that delivers the best value to customers. All of Steadfast's businesses, including brokerages and underwriting agencies, operate independently and actively compete with each other.

In addition, Steadfast refutes the ABC allegation that our brokers are "misleading" customers.

In the case of BCB-SCI the following facts provided to the ABC should be noted:

- As required by NSW law, an insurance broker is required to obtain a minimum of three quotes, which BCB did in this case.
- The SCI quote required confirmation in advance that the building did not have any defects. This was not required by the customer's existing insurer.
- Therefore on 28 February 2024, BCB requested that the customer confirm in writing "there are no known building defects to this plan".
- At the time of renewal presentation (12 March) there was no confirmation that the customer could accept conditions confirming the building contained no defects. As such at this time, BCB (the broker) did not believe it was appropriate to present quotes requiring this confirmation.

- On 26 March 2024, two weeks after renewal presentation, BCB received confirmation that there were no outstanding works / defects at the property. On the same day, SCI provided an updated quote.
- On 28 March 2024, BCB held coverage with SCI only to be instructed by the customer on 3 April 2024 to maintain coverage with their existing insurer.

The only additional clarification we can now confirm beyond the above, is that BCB on 12 March 2024 did not present alternative terms excluding coverage for defects, as the customer at that time had not confirmed this condition could be met. Therefore, BCB deemed it material to provide only quote options that matched the expiring coverage which included coverage for defects.

#### **Additional comments**

Steadfast holds itself to high professional and ethical standards. We reject any suggestion that our businesses operate unethically and, in particular, that Steadfast improperly channels any business to its related entities.

Mr Robert Kelly, MD & CEO, reiterated previous statements:

"Steadfast is naturally concerned about any case that may fall short of our standards and expectations. Should instances be raised that require further action, we will of course investigate and act to rectify any shortfalls in our processes and procedures."

Steadfast supports the New South Wales Government's strengthening of current legislation, and increased oversight over the strata industry.

Steadfast will continue to monitor developments on this matter and inform the market as appropriate.

Steadfast equity-owned strata insurance brokers contributed approximately 5% of Group FY24 EBITA, with operating margins consistent with non-strata products.