

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS INSURANCE SECTOR

Allianz Australia

ALZ01QW: Can you please provide information about inclusion in insurance products in the following circumstances **prior to a policy holder's departure**:

(a) The impact on accessing health insurance (i.e. costs for testing and hospital stays) for a policy holder that books international travel to a destination that already has a Smart Traveller advisory issued against it due to the outbreak of COVID-19.

Answer (a): Allianz Australia Insurance Limited (**Allianz**) issues a large number of different travel insurance policies. Allianz is not licenced to provide Private Health Insurance (PHI) in Australia. Legislation prohibits travel insurers from providing cover for medical services that are covered by Medicare or PHI, which includes the costs for medical testing and hospital stays in Australia.

In relation to Allianz travel insurance, some customers purchase their travel insurance directly from Allianz whilst other customers are given access to complementary travel insurance provided by Allianz through their credit cards.

Allianz travel insurance policies provide cover for a wide range of events that can cause financial loss, such as travel changes, cancellation or interruption, overseas medical expenses, baggage loss, damage or theft. Customers are covered for the cost of travel cancellations or rescheduling prior to their departure.

As noted above, Allianz travel insurance policies only provide cover for medical expenses when the customer is overseas, including hospital stays and costs for testing. No cover is provided for medical expenses incurred in Australia.

On that basis, there would be no cover under Allianz travel insurance policies for a customer incurring medical costs in Australia (including costs for testing and hospital stays) prior to their departure, regardless of whether those medical costs related to COVID-19 and regardless of the existence or status of any Smart Traveller advisory.

(b): The impact on accessing travel insurance (i.e. costs incurred for self-quarantine) for a policy holder that books international travel to a destination that already has a Smart Traveller advisory issued against it due to the outbreak of COVID-19.

Answer (b): Except for cover provided for travel cancellations and rescheduling, all other Allianz travel insurance policy benefits commence upon departure.

On that basis, there would be no cover under Allianz travel insurance policies for a customer incurring costs for self-quarantine prior to their departure, regardless of whether those costs related to COVID-19 and regardless of the existence or status of any Smart Traveller advisory.

(c) The impact on accessing travel insurance (i.e. costs for rescheduling flights) for a policy holder that books international travel to a destination that already has a Smart Traveller advisory issued against it due to the outbreak of COVID-19.

Answer (c): Most travel insurance products issued by Allianz contain an exclusion for claims arising from an actual or likely epidemic or pandemic. For these policies, there would be no cover for customers incurring costs for rescheduling flights due to COVID-19 prior to their departure, regardless of whether a Smart Traveller advisory had been issued.

Travel insurance policies, including those issued by Allianz, also generally have an exclusion that applies when, at the time of purchasing, the customer was aware of something that would give rise to a claim. This awareness may arise from the media or advice from governments. A Smart Traveller advisory cautioning against travel to a particular destination due to the existence of an infectious disease would be regarded by an insurer as providing customer awareness that would trigger this exclusion. As such, this exclusion would apply to any destination that a Smart Traveller advisory was issued for in respect of COVID-19.

On that basis, there would be no cover under Allianz travel insurance policies for a customer incurring costs for rescheduling flights prior to their departure.

Recognising the impact COVID-19 is having on our customers, Allianz is processing refunds for the unused portion of premium for customers who have purchased travel insurance but are no longer able to travel.

(d) The impact on accessing health insurance (i.e. costs for testing and hospital stays) for a policy holder that books international travel to a destination that did not have a Smart Traveller advisory issued against it due to the outbreak of COVID-19 at the time of booking, but has subsequently done so.

Answer (d): As indicated in response to Question (a), travel insurers are not able to provide cover for medical expenses incurred in Australia.

On that basis, there would be no cover under Allianz travel insurance policies for a customer incurring medical costs in Australia (including costs for testing and hospital stays) prior to their departure, regardless of whether those medical costs related to COVID-19 and regardless of the existence or status of any Smart Traveller advisory.

(e) The impact on accessing travel insurance (i.e. costs incurred for self-quarantine) for a policy holder that books international travel to a destination that did not have a Smart Traveller advisory issued against it due to the outbreak of COVID-19 at the time of booking, but has subsequently done so.

Answer (e): As indicated in response to Question (b), except for cover provided for travel cancellations and rescheduling, all other Allianz travel insurance policy benefits commence upon departure.

On that basis, there would be no cover under Allianz travel insurance policies for a customer incurring costs for self-quarantine prior to their departure, regardless of whether those costs related to COVID-19 and regardless of the existence or status of any Smart Traveller advisory.

(f) The impact on accessing travel insurance (i.e. costs for rescheduling flights) for a policy holder that books international travel to a destination that did not have a Smart Traveller advisory issued against it due to the outbreak of COVID-19 at the time of booking, but has subsequently done so.

Answer (f): Most travel insurance products issued by Allianz contain an exclusion for claims arising from an actual or likely epidemic or pandemic. For these policies, there would be no cover for customers incurring costs for rescheduling flights due to COVID-19 prior to their departure, regardless of whether a Smart Traveller advisory had been issued.

Some policies do not contain a pandemic exclusion, but a customer's eligibility to make a claim may be impacted if, when they purchased the policy or travel, they were aware of something that would give rise to a claim. On that basis, where a Smart Traveller advisory had not been issued when the customer booked their international travel and the existence of COVID-19 was not widely known, cover for the cost of rescheduling flights prior to their departure may be available. Allianz always encourages all

customers to lodge a claim and all claims are assessed having regard to the particular circumstances of each individual customer.

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(g) The impact on accessing health insurance (i.e. costs for testing and hospital stays) for a policy holder that books international travel to a destination that did not have a Smart Traveller advisory issued against it due to the outbreak of COVID-19 at the time of booking, and may do so in the future.

Answer (g): As indicated in response to Questions (a) and (d), travel insurers are legally prevented from providing cover for health services in Australia, including medical testing and hospital stays.

On that basis, there would be no cover under Allianz travel insurance policies for a customer incurring medical costs in Australia (including costs for testing and hospital stays) prior to their departure, regardless of whether those medical costs related to COVID-19 and regardless of the existence or status of any Smart Traveller advisory.

(h) The impact on accessing travel insurance (i.e. costs incurred for self-quarantine) for a policy holder that books international travel to a destination that did not have a Smart Traveller advisory issued against it due to the outbreak of COVID-19 at the time of booking, and may do so in the future.

Answer (h): As indicated in response to Questions (b) and (e), except for cover provided for travel cancellations and rescheduling, all other Allianz travel insurance policy benefits commence upon departure.

On that basis, there would be no cover under Allianz travel insurance policies for a customer incurring costs for self-quarantine prior to their departure, regardless of whether those costs related to COVID-19 and regardless of the existence or status of any Smart Traveller advisory.

(i) The impact on accessing travel insurance (i.e. costs for rescheduling flights) for a policy holder that books international travel to a destination that did not have a Smart Traveller advisory issued against it due to the outbreak of COVID-19 at the time of booking, and may do so in the future.

Answer (i): Most travel insurance products issued by Allianz contain an exclusion for claims arising from an actual or likely epidemic or pandemic. For these policies, there would be no cover for customers incurring costs for rescheduling flights due to COVID-19 prior to their departure, regardless of whether a Smart Traveller advisory had been issued.

Some policies do not contain a pandemic exclusion, but a customer's eligibility to make a claim may be impacted if, when they purchased the policy or travel, they were aware of something that would give rise to a claim. On that basis, where a Smart Traveller advisory had not been issued when the customer booked their international travel and the existence of COVID-19 was not widely known, cover for the cost of rescheduling flights prior to their departure may be available. Allianz always encourages all customers to lodge a claim and all claims are assessed having regard to the particular circumstances of each individual customer.

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