

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Genworth

GEN03QON:

CHAIR: Sure, I understand that. On one hand, you've said that you have made a projection based on a five per cent reduction in the fourth quarter of this year. On the other hand, you're saying that you can't really do an assessment on your own impact, because you don't know who is going to be impacted because of loan deferrals and JobKeeper. Can you see why it's difficult for me to understand how you can feel confident in either of the assessments. I agree with your assessment that loan deferrals and JobKeeper make it difficult to assess your policy holders, but doesn't it make it harder for exactly the same reasons on the other side of the ledger about the number of people likely to be impacted and, therefore, the likely reduction in house prices?

Mr Dean: Let me clarify: through the modelling work that we have done, we have formed a view on the potential impact on the people that we have insured—so on our insured portfolio. So we do have that today as part of our analysis. That is obviously based on our assumptions for how we think the environment will play out in the future, and that will obviously evolve over time as we get more information and we start to see more trends in the economic environment in the coming weeks and months. So we do have a view.

CHAIR: Would you then be prepared to take it on notice for us, knowing that you don't have the information? When it comes forward, would you provide to the committee an analysis of what you think the likely impact is going to be when JobKeeper is finished and you've done that analysis?

Mr Dean: Yes, certainly.

CHAIR: Okay, take that on notice then.

Answer:

As the Chair acknowledged, more time will be needed to correctly assess the impact of the current crisis. When we have sufficient data, Genworth will be in a position to share a more meaningful assessment with the Committee. We have alerted the Committee Secretariat to this and will be in touch again later in the year.