

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Insurance Australia Group

IAG06QON: **CHAIR:** Yesterday, when we were speaking to some other insurance groups, questions or examples were raised where people were looking at the consequences directly associated with suicide risk, particularly as a result of people with life insurance understanding whether they are covered by their life insurance policies. Unfortunately, the assumption was that, in part, people were making sure that they checked before potentially taking one course of action or another. Have you detected any examples of that through your processes to identify people who are at risk or vulnerable?

Mr Harmer: We would have. I don't have specifics now. I can take that on notice. If your question is about how we've been able to identify customers with mental health issues who need a tailored solution, the answer is yes, but I don't have any examples with me today.

CHAIR: If you could get me data on that on notice that would be good, but it was also whether there were any inquiries about coverage, which is what was raised with us yesterday: people calling up about their life insurance policy and asking whether they were covered in the event of suicide. If so, how were those responded to as an organisation to make sure that was appropriately addressed?

Answer: In connection with IAG's Customer Equity Framework (referred to in Mr Peter Harmer's testimony), we are currently rolling out training for customer facing employees on how to recognise customers experiencing vulnerability, and how to respond with care and empathy. In addition, our specific long tail businesses are supporting customers who may have mental health diagnosis included in their compensation claim.

This training was escalated in response to Covid-19. Initially, the focus was on family and domestic violence (due to the requirements in the new General Insurance Code of Practice); however, the content of the training now covers vulnerability more broadly, including those impacted by mental health issues.

The current training phase (which commenced in April 2020) will be completed by July 2020.

The second phase will be rolled out between April 2020 and September 2020. In this phase, we will look to embed a consistent

group Vulnerability Support Model (VSM) for each of our business units. The VSM consists of how we recognise and identify vulnerability, record the information of the customer experiencing vulnerability, review our capability of self and the customer's status (this process gives our employees the opportunity to transfer the call to an internal specialist team or an external expert (e.g. Lifeline) if they do not feel comfortable dealing with a particular query or if they lack the expertise to help the customer), respond to the customer experiencing vulnerability, and lastly, the 'reflect stage' will support staff through this process.

The third phase, to be rolled out by 1 January 2021, will look to define how we respond to mental health vulnerabilities and the type of responses we can offer, including any underwriting requirements.