

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

#### Insurance Australia Group

**IAG08QON:** **Dr MULINO:** Thanks for giving evidence today. How many disputes have already arisen in relation to COVID-19 claims?

**Mr Harmer:** I do have some numbers here. At the moment, across our travel insurance claims, which is where we've seen the early activity, we have two quite different products in market—one through the CGU brand, which is underwritten by ourselves, and another through our NRMA, SGIO and SGIC brands, which is underwritten by Zurich Insurance through their agency Cover-More; we distribute that product on their behalf. We are not large travel insurers, in the first instance. We have something in the order of 4½ thousand claims to date: about 2½ thousand of those have already been paid; I think there are about 400 to 500—I will take that on notice and make sure I'm giving you accurate information—that have been declined; and the remainder are still working their way through the system. I think it would be safe to assume that some of those, at least—I wouldn't hazard a guess as to percentage—will be for cancellation cover where, in fact, the policy was taken out after COVID-19 becoming a known event; therefore, they won't be covered.

**Dr MULINO:** It'd be great to get an update on that in a couple of months as well, please.

**Mr Harmer:** Yes.

**Answer:** Our updated travel insurance claims data is as follows:

For CGU travel insurance (as at 24 June 2020):

- claims received: 5049 (up from 4631 as at 28 April 2020)
- claims accepted: 2953 (up from 2594 as at 28 April 2020)
- claims declined: 269 (up from 183 as at 28 April 2020)
- claims pending: 788 (down from 1844 as at 28 April 2020)
- complaints received: 72 (up from 30 as at 6 May 2020)

For NRMA / SGIO / SGIC travel insurance (as at 25 June 2020):

- claims received: 411 (up from 220 as at 6 May 2020)
- claims accepted: 71 (up from 28 as at 6 May 2020)
- claims declined: 236 (up from 114 as at 6 May 2020)
- claims pending: 104 (up from 78 as at 6 May 2020)
- complaints received (from January 2020 to May 2020): 53 (up from 39 for the period January 2020 to April 2020)