

House of Representatives Standing Committee on Economics - Review of the four major banks and other financial institutions insurance sector

nib response

NIB01QW: 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.

For our Australian Residents Health Insurance (arhi) cover members, there is no impact on their health insurance. nib arhi members with a current, valid nib policy will still be covered for procedures and hospital stays as per their policy, within Australia.

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.

Travel Insurance provides consumers protection against common unexpected individual losses. Insured events by their nature must be accidental, unexpected or unforeseen events.

nib Travel insurance provides two kinds of cover:

- i) Pre-trip cancellation cover for certain events (**NIB01QW relevant prior to a policy holders departure**); and
- ii) Cover for certain events while on trip (**NIB02QW relevant following a policy holders departure**).

Prior to departure, nib Travel policies only offer cover for costs relating to the cancellation or rearrangement of non-refundable travel arrangements. There would be no cover available for self-quarantine expenses related to COVID-19 before a trip commences.

We do recognise the extraordinary impact of COVID-19 on travellers. We are contacting eligible policyholders who have been unable to travel as a result of travel bans and advising them of their options which may include entitlement to a refund for the unused portion of their policy.

(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.

If there are ongoing circumstances that may impact a policyholder's ability to travel at the time of booking travel or purchasing a policy, such as an ongoing pandemic event, or a Do Not Travel advisory, there would be no cover available for subsequently rescheduling a trip due to that event.

nib Travel insurance policies contain exclusions that apply to losses arising from events that, at time of purchase or making travel arrangements, a traveller was, or should have been aware (through for example, media, government alerts and other advice by authorities), may impact their travel plans. The available information relating to the impact of COVID-19 on travel, along with the known risk to traveller health would mean that a person would not have access to cover for loss relating to COVID-19.



In addition, many travel insurance policies issued by nib Travel contain exclusions for a loss arising from an epidemic or pandemic. For any policy containing this exclusion, there would be no cover for costs incurred as a result of COVID-19, regardless of Smart Traveller advice.

Where a policyholder has incurred a loss, we continue to encourage submission of claims for individual assessment.

(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.

For our Australian Residents Health Insurance (arhi) cover members, there is no impact on their health insurance. nib arhi members with a current, valid nib policy will still be covered for procedures and hospital stays as per their policy, within Australia.

(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.

As for (b) above, prior to departure, nib Travel policies may offer cover for certain costs relating to the cancellation or rearrangement of non-refundable travel arrangements if travel has been booked prior to a Do Not Travel advisory being issued, depending on the policy type and individual circumstances of the policyholder.

There would be no cover available for self-quarantine expenses related to COVID-19 before a trip commences.

(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.

A consumer may have cancellation cover, and a right to claim for losses if a trip is cancelled as a result of an unforeseen insured event.

This will vary based on the policy wording and the individual facts and circumstances that give rise to the consumer's loss. Some nib policies have offered cover for the cancellation or rescheduling of trips relating to COVID-19 in these circumstances.

As for (c) above, under many policies, a loss relating to COVID-19 would not be covered regardless of the level of advice at the time of booking, if for example, there is a policy exclusion relating to an epidemic or pandemic; or where a claim arises from an event that is known at the time a policy is purchased.

However, where no exclusion applies and terms of cover are satisfied, policies have responded to the cancellation or rescheduling of trips relating to COVID-19.

(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.

For our Australian Residents Health Insurance (arhi) cover members, there is no impact on their health insurance. nib arhi members with a current, valid nib policy will still be covered for procedures and hospital stays as per their policy, within Australia.

(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.

As noted in (b) and (e), above, prior to departure, nib Travel policies only offer cover for costs relating to the cancellation or rearrangement of non-refundable travel arrangements.

There would be no cover available for self-quarantine expenses related to COVID-19 before a trip commences.

(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.

As noted in (f), where no exclusion applies and terms of cover are satisfied, policies have responded to the cancellation or rescheduling of trips relating to COVID-19.

As for (c) above, under many nib travel insurance policies, a loss relating to COVID-19 would not be covered regardless of the level of advice at the time of booking, due to, for example, policy exclusions relating to an epidemic or pandemic; or where a claim arises from an event that was known at the time a policy is purchased, or that travel arrangements were made.