

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (SECOND REPORT)

Commonwealth Bank of Australia

CBA71QW:

Why was a small sample picked for years 1-2 of terminal illness, but the full population for years 3-5?

Answer:

CommInsure considered that a comprehensive approach to terminal illness claims was appropriate having regard to the particularly sensitive and time critical nature of the customers' prognosis. Rather than reviewing a sample of claims, the CMLA Board requested that Deloitte review every terminal illness claim that was declined by CommInsure in the three years ended 30 April 2016 (referred to as years 3, 4 and 5).

In addition, the CMLA Board requested that Deloitte conduct a random sample of terminal illness declined claims for the two years ended 30 April 2012.