

Allianz Australia Insurance Limited

ABN 15 000 122 850

5 May 2020

Mr Tim Wilson MP
Chairman
House of Representatives Standing Committee on Economics
Parliament House
Canberra ACT 2600

Dear Chairman

Economics Committee Hearing – 28 April 2020

I am writing to clarify responses that I provided to some questions you asked about travel insurance. You will recall that there were quite a few questions asked about travel insurance coverage, which appear on pages 26 to 28 of the transcript. The questions related to coverage under travel insurance policies in the context of the COVID-19 pandemic under a range of different hypothetical scenarios.

There was a number of questions towards the end of page 28 where you asked whether a traveller would be covered if they were overseas after the pandemic became a known event (eg in February 2020) and suffered a loss (eg a flight cancellation) that was unrelated to the pandemic. I inadvertently responded that a pandemic and/or known event exclusion would apply to such claims. However, Allianz's travel insurance *would* cover such claims, and any other type of claim that was unrelated to the pandemic. Indeed, the scenario you described was essentially the same as the one I outlined in a response to one of your earlier questions that is at the bottom of page 26 of the transcript, which I quote below:

*“...Many of our products clearly have exclusions in them for a pandemic style event. If we go to travel as an example, travel policies have a pandemic exclusion, but they also have a known event exclusion. I could use one of the more recent events from a travel perspective: customers travelled to Bali when we had the volcanic ash eruptions. People could still make their choice to travel and they could still purchase their travel insurance product, but at the time of taking out that travel insurance product there would be warnings on our website, and our call centre staff would make it very clear that **you would still be covered for elements of your travel insurance, but you would not be covered for the known event—that is, any claims arising out of the event of the volcanic ash. If you were hit by a moped when you were crossing a road and you had a personal injury claim, of course those medical costs would be covered.**”¹[Emphasis added]*

I apologise for any confusion caused and would appreciate it if you could circulate this letter to the other Committee members.

Yours sincerely

Richard Feledy
Managing Director
Allianz Australia Limited

¹ Commonwealth of Australia, Proof Committee Hansard, House of Representatives Standing Committee on Economics, Australia's four major banks and other financial institutions: Insurance Sector, Tuesday, 28 April, 2020, page 26.