

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

#### Allianz Australia

**ALZ02QW:** Can you please provide information about inclusion in insurance products in the following circumstances **following 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.

**Answer (a):** Allianz Australia Insurance Limited (**Allianz**) issues a large number of different travel insurance policies. Some customers purchase their travel insurance directly from Allianz whilst other customers are given access to complementary travel insurance provided by Allianz through their credit cards.

Allianz travel insurance policies provide cover for a wide range of events that can cause financial loss while the customer is travelling overseas, such as travel changes, cancellation or interruption, medical expenses, baggage loss, damage or theft.

Allianz travel insurance policies vary in their level of cover. Therefore, our responses to the questions vary depending on the policy and a customer's individual circumstances.

Most travel insurance products issued by Allianz contain an exclusion for claims arising from an actual or likely epidemic or pandemic. For these policies, there would be no cover for customers incurring costs for medical expenses due to COVID-19 following their departure, regardless of whether a Smart Traveller advisory had been issued.

Travel insurance policies, including those issued by Allianz, also generally have an exclusion that applies when, at the time of purchasing, the customer was aware of something that would give rise to a claim. This awareness may arise from the media or advice from governments. A Smart Traveller advisory cautioning against travel to a particular destination due to the existence of an infectious disease would be regarded by an insurer as providing customer awareness that would trigger this exclusion. As such, this exclusion would apply to any destination that a Smart Traveller advisory was issued for in respect of COVID-19.

On that basis, there would be no cover under Allianz travel insurance policies for a customer incurring medical costs due to COVID-19 who has travelled to a destination that has a Smart Traveller advisory issued against it.

Recognising the unprecedented event that COVID-19 represents, Allianz made the decision to pay for the medical costs incurred by policyholders who had contracted the virus overseas immediately following the outbreak of COVID-19.

**(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.

**Answer (b):** The relevant exclusions referred to in response to Question (a) also apply to travel insurance benefits associated with the costs incurred for self-quarantine. On that basis, there would be no cover under Allianz travel insurance policies for a customer incurring costs for self-quarantine due to COVID-19 who has travelled to a destination that has a Smart Traveller advisory issued against it.

**(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.

**Answer (c):** The relevant exclusions referred to in response to Question (a) also apply to travel insurance benefits associated with the costs incurred for rescheduling flights. On that basis, there would be no cover under Allianz travel insurance policies for a customer incurring costs for rescheduling flights due to COVID-19 who has travelled to a destination that has a Smart Traveller advisory issued against it.

Recognising the unprecedented nature of COVID-19, Allianz made the decision to pay for the costs incurred by policyholders in leaving impacted destinations immediately following the outbreak of COVID-19. Allianz has also supported its customers in obtaining refunds of airfares from airlines and making alternative travel arrangements.

**(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.

**Answer (d):** Most travel insurance products issued by Allianz contain an exclusion for claims arising from an actual or likely epidemic or pandemic. For these policies, there would be no cover for customers incurring costs for medical expenses (including costs for testing and hospital stays) due to COVID-19 following their departure, regardless of whether a Smart Traveller advisory had been issued.

Some policies do not contain a pandemic exclusion, but a customer's eligibility to make a claim may be impacted if the claim arises because they did not take appropriate action to protect their own safety (such as not following Smart Traveller advice by delaying travel).

On that basis, whether cover for medical expenses is available would depend on the customer's individual circumstances. Allianz always encourages all customers to lodge a claim and all claims are assessed having regard to the particular circumstances of each individual customer.

Recognising the unprecedented event that COVID-19 represents, Allianz made the decision to pay for the medical costs incurred by policyholders who had contracted the virus overseas immediately following the outbreak of COVID-19.

**(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.

**Answer (e):** The relevant exclusions referred to in response to Question (d) also apply to travel insurance benefits associated with the costs incurred for self-quarantine.

On that basis, whether cover for costs incurred for self-quarantine is available would depend on the customer's individual circumstances. Allianz always encourages all customers to lodge a claim and all claims are assessed having regard to the particular circumstances of each individual customer.

**(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.

**Answer (f):** The relevant exclusions referred to in response to Question (d) also apply to travel insurance benefits associated with the costs incurred for rescheduling flights.

On that basis, whether cover for costs incurred for rescheduling flights is available would depend on the customer's individual circumstances. Allianz always encourages all customers to lodge a claim and all claims are assessed having regard to the particular circumstances of each individual customer.

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**(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.

**Answer (g):** Most travel insurance products issued by Allianz contain an exclusion for claims arising from an actual or likely epidemic or pandemic. For these policies, there would be no cover for customers incurring costs for medical expenses due to COVID-19 (including costs for testing and hospital stays) following their departure, regardless of whether a Smart Traveller advisory had been issued.

Some policies do not contain a pandemic exclusion, but a customer's eligibility to make a claim may be impacted if the claim arises because they did not take appropriate action to protect their own safety (such as undertaking travel despite knowing of an outbreak of COVID-19 affecting or threatening their intended destination).

On that basis, whether cover for medical expenses is available would depend on the customer's individual circumstances. Allianz always encourages all customers to lodge a claim and all claims are assessed having regard to the particular circumstances of each individual customer.

Recognising the unprecedented event that COVID-19 represents, Allianz made the decision to pay for the medical costs incurred by policyholders who had contracted the virus overseas immediately following the outbreak of COVID-19.

**(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.

**Answer (h):** The relevant exclusions referred to in response to Question (d) also apply to travel insurance benefits associated with the costs incurred for self-quarantine.

On that basis, whether cover for costs incurred for self-quarantine is available would depend on the customer's individual circumstances. Allianz always encourages all customers to lodge a claim and all claims are assessed having regard to the particular circumstances of each individual customer.

**(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.

**Answer (i):** The relevant exclusions referred to in response to Question (g) also apply to travel insurance benefits associated with the costs incurred for rescheduling flights.

On that basis, whether cover for costs incurred for rescheduling flights is available would depend on the customer's individual circumstances. Allianz always encourages

all customers to lodge a claim and all claims are assessed having regard to the particular circumstances of each individual customer.

Recognising the unprecedented nature of COVID-19, Allianz made the decision to pay for the costs incurred by policyholders in leaving impacted destinations immediately following the outbreak of COVID-19. Allianz has also supported its customers in obtaining refunds of airfares from airlines and making alternative travel arrangements.