

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Auto & General Insurance Company

AGI04QW:

For home and contents claims in general over the last 5 years, please provide:

- (a) the average length of time between registering a claim and payout;
- (b) the most common length of time between registering a claim and payout; and
- (c) the average percentage, across all claim pay outs, of the value of these pay outs as a percentage of the insured value of the policy.

Answer:

As AGIC offers both home and contents insurance, for the purposes of responding to the questions, where a customer has made a claim under both the home and contents benefits of their policy, AGIC has classified this as one claim. Data from claims withdrawn at lodgement have not been included in the analysis.

In responding to the request for data, AGIC has incorporated claims from the 2015 to 2020 financial years.

(a) A 'payout' may occur across multiple dates depending on the individual circumstances of a claim. For the purposes of responding to the question, AGIC has adopted the date of the last payment under the policy as the 'payout' date.

In the last five (5) years, AGIC's average length of time between the initial claim lodgement date and the payout date was 75 days.

(b) In responding to this question, AGIC has calculated the most frequent day value between claim lodgement and any payment to customers under their policy. In the last five years the most common length of time was fourteen (14) days.

(c) In responding to this question, AGIC has calculated the percentage based on the total sum of gross payments made divided by the total sum insured at the time of the claim. On average, payments were 2% of the insured value of a home and contents policy. Please note, customers may have multiple claims across the period of insurance.