

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS INSURANCE SECTOR

Cover-More Group

CVM07QON

Ms HAMMOND: I just want to pick up on something you said earlier, which was that you had less than a dozen disputes on claims for refunds on travel insurance. I might have misheard, but I think you said that it was to do with the wording of the pandemic coverage. My understanding is that all of your policies would use the same wording, so in what circumstances would some claims be disputed and other claims not be disputed?

Ms Crompton: It could be around the timing of when the pandemic was announced, back in March last year, or it could just be people's lack of understanding that we're working through with them.

Ms HAMMOND: Lack of understanding of what?

Ms Crompton: Of the clarity of the wording in the product disclosure statements.

Ms HAMMOND: So that would account for the dozen or so current disputes?

Ms Crompton: Yes, it would.

Ms HAMMOND: Can you give an example of one?

Ms Crompton: I don't have such an example at my fingertips, and I apologise, but I will take that on notice.

Ms HAMMOND: I'm still not clear as to why you've settled so many but then you still have a dozen that are in dispute when it's the same wording.

Ms Crompton: Yes; I do apologise, but I don't have that information.

Ms HAMMOND: Okay.

CHAIR: Just for clarity: you are seeking a response on notice for that?

Ms HAMMOND: Yes, please.

Answer: Ms Hammond's question refers to an answer provided by Cover-More in response to a question asked by the Chair about disputes concerning refunded policies. Ms Crompton stated: "The single biggest reason for any claim denials in dispute is around the pandemic clause and the fact that there was no coverage for a pandemic due to the border closures. That's mostly the reason for the disputes." (p10 of proof transcript).

While this statement is correct, Cover-More notes the Chair's question and Ms Hammond's follow-up went to disputes in relation to refunds, rather than claims denials.

The main reasons for disputes in relation to refunds were delays in receiving the refund (due to the unprecedented volume of refunds received by Cover-More for processing) or the value of the refund being returned. The latter reflected circumstances where a customer had undertaken part of a trip (and benefited from insurance coverage during it) but was seeking a larger refund than that offered.