

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Hollard Australia

HOL02QW: 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 travel advisory issued against it due to the outbreak of COVID-19.

Answer: *We acknowledge that this question seeks clarification of cover under a travel insurance policy for **medical expenses incurred following a policyholder's departure** and that the travel advisory scenario being tested is where the policy was purchased after the travel advisory was issued.*

Summary

There is no cover under Hollard-underwritten travel policies for the expenses described because exclusions apply. A 'pandemic' exclusion applies independent of the travel advisory. 'Known event' and 'prohibited destination' exclusions may also be triggered by the travel advisory.

Discussion

Hollard-underwritten travel policies would not cover the cost of **testing or hospital stays** (or other medical expenses) incurred following a policyholder's departure to a destination that already has a travel advisory issued against it due to the outbreak of COVID-19. One or more of the following exclusions may apply.

Epidemic/Pandemic Exclusion Applies

Firstly, Hollard-underwritten leisure travel policies (being distinct from our corporate travel policies) contain an exclusion related to **epidemics and pandemics**. In most Hollard-underwritten leisure policies, the epidemic/pandemic exclusion is a general exclusion relating to all benefits under the policy. Under these policies there is no cover for the costs incurred for tests, hospital stays or other medical related expenses such as air ambulance costs. The general exclusion applies to all policies, including policies purchased prior to

the outbreak, and to all destinations, even if the outbreak had not yet spread to the destination country.

Under the one corporate policy underwritten by Hollard, there is no epidemic/pandemic exclusion. In the absence of any other exclusion, the traveller's medical expenses would be covered (however refer to known event discussion below).

Known Event Exclusion Applies

Secondly, all Hollard-underwritten travel policies exclude cover related to **known events**. On the facts presented, we assume that if the traveller booked their trip at a time when their destination had a travel advisory against it, they also purchased the policy at a time when the travel advisory had been issued, and therefore did so with knowledge of the outbreak of COVID-19. On this basis the customer would not be entitled to make a claim for any loss directly or indirectly related to the outbreak of COVID-19, including for the costs incurred for tests, hospital stays or other medical related expenses such as air ambulance costs.

Prohibited Countries Exclusion Applies

Thirdly, all Hollard-underwritten travel policies contain a general exclusion related to claims incurred in a country that has a travel advisory issued against it where the travel advisory is in force prior to departure. On the facts presented, there would be no cover under any benefit under the policy if the customer travelled to such country.

However, for purposes of this third exclusion, it is important to distinguish whether the policy exclusion is triggered by a specific DFAT advice level. Some of our policies specifically invoke the general exclusion related to government travel warnings without reference to a specific DFAT advice level, whereas others invoke it specifically at Level 3 and above, and others only at Level 4.

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Hollard Australia

HOL02QW: Can you please provide information about inclusion in insurance products in the following circumstances **following a policy holder's departure:**

(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 travel advisory issued against it due to the outbreak of COVID-19.

Answer: *We acknowledge that this question seeks clarification of cover under a travel insurance policy for the costs for **self-quarantine incurred following a policyholder's departure** and that the travel advisory scenario being tested is where the policy was purchased after the travel advisory was issued.*

Summary

There is no cover under Hollard-underwritten travel policies for the expenses described because exclusions apply. A 'pandemic' exclusion applies independent of the travel advisory. 'Known event' and 'prohibited destination' exclusions may also be triggered by the travel advisory.

Discussion

Hollard-underwritten travel insurance policies would not cover the cost of **self-quarantine** incurred following a policyholder's departure to a destination that already has a travel advisory issued against it due to the outbreak of COVID-19. One or more of the following exclusions may apply.

Epidemic/Pandemic Exclusion Applies

Firstly, Hollard-underwritten leisure travel policies (being distinct from our corporate travel policies) contain an exclusion related to **epidemics and pandemics**. In most Hollard-underwritten travel policies, the epidemic/pandemic exclusion is a general exclusion relating to all benefits under the policy. Under these policies there is no cover for the costs incurred for self-quarantine. The general exclusion applies to all policies, including policies purchased prior to the outbreak, and to all destinations, even if the outbreak had not yet spread to the destination country.

Under the one corporate policy underwritten by Hollard, there is no epidemic/pandemic exclusion. In the absence of any other exclusion, the traveller's self-quarantine expenses may be covered (however refer to known event discussion below).

Known Event Exclusion Applies

Secondly, all Hollard-underwritten travel policies exclude cover related to **known events**. On the facts presented, we assume that if the traveller booked their trip at a time when their destination had a travel advisory against it, they also purchased the policy at a time when the travel advisory had been issued, and therefore did so with knowledge of the outbreak of COVID-19. On this basis the customer would not be entitled to make a claim for any loss directly or indirectly related to the outbreak of COVID-19, including for the costs incurred for self-quarantine.

Prohibited Countries Exclusion Applies

Thirdly, all Hollard-underwritten policies contain a general exclusion related to claims incurred in a country that has a travel advisory issued against it where the travel advisory is in force prior to departure. On the facts presented, there would be no cover under any benefit under the policy if the customer travelled to such country.

However, for purposes of this third exclusion, it is important to distinguish whether the policy exclusion is triggered by a specific DFAT advice level. Some of our policies specifically invoke the general exclusion related to government travel warnings without reference to a specific DFAT advice level, whereas others invoke it specifically at Level 3 and above, and others only at Level 4.

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HOL02QW: Can you please provide information about inclusion in insurance products in the following circumstances **following a policy holder's departure**:

(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 travel advisory issued against it due to the outbreak of COVID-19.

Answer: *We acknowledge that this question seeks clarification of cover under a travel insurance policy for **rescheduling flights** incurred following a policyholder's departure. We also clarify expenses related to the **amendment** and **cancellation** of a trip. The travel advisory scenario being tested is where the policy was purchased after the travel advisory was issued.*

Summary

There is no cover under Hollard-underwritten travel policies for the expenses described because exclusions apply. A 'pandemic' exclusion applies independent of the travel advisory. 'Known event' and 'prohibited destination' exclusions may also be triggered by the travel advisory.

Discussion

No Hollard-underwritten travel policies would cover the cost of **rescheduling, amending or cancellation** incurred following a policyholder's departure to a destination that already has a travel advisory issued against it due to the outbreak of COVID-19. One or more of the following exclusions may apply.

Epidemic/Pandemic Exclusion Applies

Firstly, some of our policies contain an exclusion related to **epidemics** and **pandemics**. In most Hollard-underwritten travel policies, the epidemic/pandemic exclusion is a general exclusion relating to all benefits under the policy. Under these policies there is no cover for the costs incurred for **rescheduling, amending and cancelling** a trip due to the pandemic. The general exclusion applies to all policies, including policies purchased prior to the outbreak, and to all destinations, even if the outbreak had not yet spread to the destination country.

Under the one corporate policy underwritten by Hollard, there is no epidemic/pandemic exclusion. In the absence of any other exclusion, the traveller's rescheduling, amendment or cancellation expenses would be covered (however refer to known event discussion below).

Known Event Exclusion Applies

Secondly, all Hollard-underwritten travel policies exclude cover related to **known events**. On the facts presented, we assume that if the traveller booked their trip at a time when their destination had a travel advisory against it, they also purchased the policy at a time when the travel advisory had been issued, and therefore did so with knowledge of the outbreak of COVID-19. On this basis the customer would not be entitled to make a claim for any loss directly or indirectly related to the outbreak of COVID-19, including for the costs incurred for **rescheduling, amending** and **cancelling** a trip.

Prohibited Countries Exclusion Applies

Thirdly, all Hollard-underwritten travel policies contain a general exclusion related to claims incurred in a country that has a travel advisory issued against it where the travel advisory is in force prior to departure. On the facts presented, there would be no cover under any benefit under the policy if the customer travelled to such country.

However, for purposes of this third exclusion, it is important to distinguish whether the policy exclusion is triggered by a specific DFAT advice level. Some of our policies specifically invoke the general exclusion related to government travel warnings without reference to a specific DFAT advice level, whereas others invoke it specifically at Level 3 and above, and others only at Level 4.

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HOL02QW: Can you please provide information about inclusion in insurance products in the following circumstances **following a policy holder's departure**:

(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 travel advisory issued against it due to the outbreak of COVID-19 at the time of booking, but has subsequently done so.

Answer: *We acknowledge that this question seeks clarification of cover under a travel insurance policy for **medical expenses incurred following a policyholder's departure** and that the travel advisory scenario being tested is the where the travel advisory was issued only after policy purchase. purchase.*

Summary

There is no cover under Hollard-underwritten travel policies for the expenses described because exclusions apply. A 'pandemic' exclusion applies independent of the travel advisory. 'Known event' and 'prohibited destination' exclusions may apply on the facts in this question.

Discussion

Where a policy holder purchased a Hollard-underwritten travel policy before travel issued a travel advisory related to COVID-19, and the travel advisory was issued after, one or more of the following exclusions may apply to claims related to the cost of **testing** or **hospital stays** (or other medical expenses, such as air ambulance costs) related to COVID-19.

Epidemic/Pandemic Exclusion May Apply

Firstly, some of our policies contain an exclusion related to **epidemics and pandemics**. In most Hollard-underwritten travel policies, the epidemic/pandemic exclusion is a general exclusion relating to all benefits under the policy. Under these policies there is no cover for the costs incurred for tests, hospital stays or other medical related expenses such as air ambulance costs.

The general exclusion applies to all policies, including policies purchased prior to the outbreak, and to all destinations, even if the outbreak had not yet spread to the destination country. Thus, it does not matter that the travel advisory only issued after the policy was purchased.

In certain other policies the epidemic/pandemic exclusion does not apply to medical expenses and additional expense benefits, or there is no epidemic/pandemic exclusion (such as the one corporate policy underwritten by Hollard). Under these policies, COVID-19-related medical expenses such as tests, hospital stays, or air ambulance costs would be covered unless another exclusion applies (however refer to known event discussion below).

Known Event Exclusion Applies

Secondly, all Hollard-underwritten travel policies exclude cover related to known events. In the case of COVID-19 (or other events), for purpose of applying a known event exclusion we would look to public reporting of the outbreak and its spread rather than to the travel advisory for a specific country. The outbreak in Wuhan, China and the subsequent spread to other countries was widely reported in the media during the week of 20 January 2020. We regard it as a known event applying to travel to all destinations for policies purchased on or after 24 January 2020, even to destinations that only subsequently had a travel advisory issued against them.

Applying this position to the facts presented in the question, if the policy was purchased on or after 24 January 2020 then we would regard the outbreak, including its potential to spread, as a known event excluding cover for medical related expenses. This would be the case even if the destination did not have a travel advisory issued against it at the time the policy was purchased.

If the policy was purchased before 24 January 2020, which would also necessarily mean there was no travel advisory issued against it at the time, this exclusion would not apply.

Prohibited Countries Exclusion Applies

Thirdly, all Hollard-underwritten travel policies contain an exclusion related to claims incurred in a country that has a travel advisory issued against it. The expectation is that travellers abide by government travel warnings. That includes not travelling to countries that the government issues advisories against and leaving countries quickly if the government's advisory changes while they are there.

On the facts presented, it is not clear whether the travel advisory referred to was issued prior to the customer's departure or after. Depending on the policy, the distinction is important.

Under all policies, if an advisory is in place before the traveller departs for the country, the traveller will not be covered for claims in the country.

Under certain policies, if the traveller travels to a country before the advisory is issued and the travel advisory changes while they are there, the exclusion will still apply, and they are expected to leave the affected country promptly.

Under other policies, the exclusion does not apply if the traveller travels to a country before the advisory is issued and the travel advisory changes while they are there they are there.

A final point, for purposes of this exclusion, it is important to consider the specific clause of each policy. Certain policies specifically invoke the general exclusion related to government travel warnings without reference to a specific DFAT advice level, whereas others invoke it specifically at Level 3 and above, and others only at Level 4.

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HOL02QW: Can you please provide information about inclusion in insurance products in the following circumstances **following a policy holder's departure**:

(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 travel advisory issued against it due to the outbreak of COVID-19 at the time of booking, but has subsequently done so.

Answer: *We acknowledge that this question seeks clarification of cover under a travel insurance policy for the cost for **self-quarantine incurred following a policyholder's departure** and that the travel advisory scenario being tested is the where the travel advisory was issued only after the policy was purchased.*

Summary

There is no cover under Hollard-underwritten travel policies for the expenses described because exclusions apply. A 'pandemic' exclusion applies independent of the travel advisory. 'Known event' and 'prohibited destination' exclusions may apply on the facts in this question.

Discussion

Where a policy holder purchased a Hollard-underwritten travel policy before travel issued a travel advisory related to COVID-19, and the travel advisory was issued after, one or more of the following exclusions may apply to claims related to the cost of **self-quarantine**.

Epidemic/Pandemic Exclusion May Apply

Firstly, some of our policies contain an exclusion related to **epidemics and pandemics**. In most Hollard-underwritten travel policies, the epidemic/pandemic exclusion is a general exclusion relating to all benefits under the policy. Under these policies there is no cover for the costs for **self-quarantine**.

The general exclusion applies to all policies, including policies purchased prior to the outbreak, and to all destinations, even if the outbreak had not yet spread to the destination country. Thus, it does

not matter that the travel advisory only issued after the policy was purchased.

Under the one corporate policy underwritten by Hollard, there is no epidemic/pandemic exclusion. In the absence of any other exclusion, the traveller's self-quarantine expenses may be covered (however refer to known event discussion below).

Known Event Exclusion Applies

Secondly, all Hollard-underwritten travel policies exclude cover related to known events. In the case of COVID-19 (or other events), for purpose of applying a known event exclusion we would look to public reporting of the outbreak and its spread rather than to the travel advisory for a specific country. The outbreak in Wuhan, China and the subsequent spread to other countries was widely reported in the media during the week of 20 January 2020. We regard it as a known event applying to travel to all destinations for policies purchased on or after 24 January 2020, even to destinations that only subsequently had a travel advisory issued against them.

Applying this position to the facts presented in the question, if the policy was purchased on or after 24 January 2020 then we would regard the outbreak, including its potential to spread, as a known event excluding cover for the costs of self-quarantine. This would be the case even if the destination did not have a travel advisory issued against it at the time the policy was purchased.

If the policy was purchased before 24 January 2020, which would also necessarily mean there was no travel advisory issued against it at the time, this exclusion would not apply.

Prohibited Countries Exclusion Applies

Thirdly, all Hollard-underwritten travel policies contain an exclusion related to claims incurred in a country that has a travel advisory issued against. The expectation is that travellers abide by government travel warnings. That includes not travelling to countries that the government issues advisories against and leaving countries quickly if the government's advisory changes while they are there.

On the facts presented, it is not clear whether the travel advisory referred to was issued prior to the customer's departure or after. Depending on the policy, the distinction is important.

Under all policies, if an advisory is in place before the traveller departs for the country, the traveller will not be covered for claims in the country.

Under certain policies, if the traveller travels to a country before the advisory is issued and the travel advisory changes while they are there, the exclusion will still apply, and they are expected to leave the affected country promptly.

Under other policies, the exclusion does not apply if the traveller travels to a country before the advisory is issued and the travel advisory changes while they are there they are there.

A final point, for purposes of this exclusion, it is important to consider the specific clause of each policy. Some of our policies specifically invoke the general exclusion related to government travel warnings without reference to a specific DFAT advice level, whereas others invoke it specifically at Level 3 and above, and others only at Level 4.

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HOL02QW: Can you please provide information about inclusion in insurance products in the following circumstances **following a policy holder's departure:**

(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 travel advisory issued against it due to the outbreak of COVID-19 at the time of booking, but has subsequently done so.

Answer: *We acknowledge that this question seeks clarification of cover under a travel insurance policy for **rescheduling flights** incurred following a policyholder's departure. We also clarify expenses related to the **amendment** and **cancellation** of a trip. The travel advisory scenario being tested is that the travel advisory was only issued after the policy was purchased.*

Summary

There is no cover under Hollard-underwritten travel policies for the expenses described because exclusions apply. A 'pandemic' exclusion applies independent of the travel advisory. 'Known event' and 'prohibited destination' exclusions also may apply on the facts in this question.

Discussion

Where a policy holder purchased a Hollard-underwritten travel policy before travel issued a travel advisory related to COVID-19, and the travel advisory was issued after, one or more of the following exclusions may apply to claims related to the cost of **rescheduling, amending** and **cancelling** a trip.

Epidemic/Pandemic Exclusion May Apply

Firstly, some of our policies contain an exclusion related to **epidemics** and **pandemics**. In most Hollard-underwritten travel policies, the epidemic/pandemic exclusion is a general exclusion relating to all benefits under the policy. Under these policies there is no cover for the costs incurred for **rescheduling, amending** and **cancelling** a trip due to the pandemic. The general exclusion applies to all policies, including policies purchased prior to the outbreak, and to all

destinations, even if the outbreak had not yet spread to the destination country. Thus, it does not matter that the travel advisory only issued after the policy was purchased.

Under the one corporate policy underwritten by Hollard, there is no epidemic/pandemic exclusion. In the absence of any other exclusion, the traveller's rescheduling, amendment and cancellation expenses would be covered (however refer to known event discussion below).

Known Event Exclusion Applies

Secondly, all Hollard-underwritten travel policies exclude cover related to known events. In the case of COVID-19 (or other events), for purpose of applying a known event exclusion we would look to public reporting of the outbreak and its spread rather than to the travel advisory for a specific country. The outbreak in Wuhan, China and the subsequent spread to other countries was widely reported in the media during the week of 20 January 2020. We regard it as a known event applying to travel to all destinations for policies purchased on or after 24 January 2020, even to destinations that only subsequently had a travel advisory issued against them.

Applying this position to the facts presented in the question, if the policy was purchased on or after 24 January 2020 then we would regard the outbreak, including its potential to spread, as a known event excluding cover for **rescheduling flights** and **cancellation**. This would be the case even if the destination did not have a travel advisory issued against it at the time the policy was purchased.

If the policy was purchased before 24 January 2020, which would also necessarily mean there was no travel advisory issued against it at the time, this exclusion would not apply.

Prohibited Countries Exclusion Applies

Thirdly, all Hollard-underwritten travel policies contain an exclusion related to claims incurred in a country that has a travel advisory issued against. The expectation is that travellers abide by government travel warnings. That includes not travelling to countries that the government issues advisories against and leaving countries quickly if the government's advisory changes while they are there.

On the facts presented, it is not clear whether the travel advisory referred to was issued prior to the customer's departure or after. Depending on the policy, the distinction is important.

Under all policies, if an advisory is in place before the traveller departs for the country, the traveller will not be covered for claims in the country.

Under certain policies, if the traveller travels to a country before the advisory is issued and the travel advisory changes while they are there, the exclusion will still apply, and they are expected to leave the affected country promptly.

Under other policies, the exclusion does not apply if the traveller travels to a country before the advisory is issued and the travel advisory changes while they are there they are there.

A final point, for purposes of this exclusion, it is important to consider the specific clause of each policy. Some of our policies specifically invoke the general exclusion related to government travel warnings without reference to a specific DFAT advice level, whereas others invoke it specifically at Level 3 and above, and others only at Level 4.

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Hollard Australia

HOL02QW: Can you please provide information about inclusion in insurance products in the following circumstances **following a policy holder's departure**:

(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 travel advisory issued against it due to the outbreak of COVID-19 at the time of booking, and may do so in the future.

Answer: *We acknowledge that this question seeks clarification of cover under a travel insurance policy for **medical expenses incurred following a policyholder's departure** and that the scenario being tested is where the travel advisory was not in place at the time the policy was purchased, however the travel advisory may change in the future.*

Summary

There is no cover under Hollard-underwritten travel policies for the expenses described because exclusions apply. A 'pandemic' exclusion applies independent of the travel advisory. 'Known event' and 'prohibited destination' exclusions may apply on the facts in this question.

Discussion

Where a policy holder purchased a Hollard-underwritten travel policy before travel issued a travel advisory related to COVID-19, and the travel advisory was issued after, one or more of the following exclusions may apply to claims related to the cost of **testing or hospital stays** (or other medical expenses, such as air ambulance costs) related to COVID-19.

Epidemic/Pandemic Exclusion May Apply

Firstly, some of our policies contain an exclusion related to **epidemics and pandemics**. In most Hollard-underwritten travel policies, the epidemic/pandemic exclusion is a general exclusion relating to all benefits under the policy. Under these policies there is no cover for the costs incurred for tests, hospital stays or other medical related expenses such as air ambulance costs.

The general exclusion applies to all policies, including policies purchased prior to the outbreak, and to all destinations, even if the outbreak had not yet spread to the destination country. Thus, it does not matter that the travel advisory may only be issued after the policy was purchased.

In certain other policies the epidemic/pandemic exclusion does not apply to medical expenses and additional expense benefits (such as Holiday Rescue), or there is no epidemic/pandemic exclusion (such as the one corporate policy). Under these policies, COVID-19-related medical expenses such as tests, hospital stays, or air ambulance costs would be covered unless another exclusion applies (refer to the known event discussion below).

Known Event Exclusion Applies

Secondly, all Hollard-underwritten travel policies exclude cover related to known events. In the case of COVID-19 (or other events), for purpose of applying a known event exclusion we would look to public reporting of the outbreak and its spread rather than to the travel advisory for a specific country. The outbreak in Wuhan, China and the subsequent spread to other countries was widely reported in the media during the week of 20 January 2020. We regard it as a known event applying to travel to all destinations for policies purchased on or after 24 January 2020, even to destinations that only subsequently had a travel advisory issued against them.

Applying this position to the facts presented in the question, if the policy was purchased on or after 24 January 2020 then we would regard the outbreak, including its potential to spread, as a known event excluding cover for medical related expenses. This would be the case even if the destination did not have a travel advisory issued against it at the time the policy was purchased.

If the policy was purchased before 24 January 2020, which would also necessarily mean there was no travel advisory issued against it at the time, this exclusion would not apply.

Prohibited Countries Exclusion Applies

Thirdly, all Hollard-underwritten travel policies contain an exclusion related to claims incurred in a country that has a travel advisory issued against. The expectation is that travellers abide by government travel warnings. That includes not travelling to countries that the government issues advisories against and leaving countries quickly if the government's advisory changes while they are there.

On the facts presented, it is assumed the travel advisory that may issue in the future could do so either before or after the

policyholder's departure. Depending on the policy, the distinction is important.

Under all policies, if an advisory is in place before the traveller departs for the country, the traveller will not be covered for claims in the country.

Under certain policies, if the traveller travels to a country before the advisory is issued and the travel advisory changes while they are there, the exclusion will still apply, and they are expected to leave the affected country promptly.

Under other policies, the exclusion does not apply if the traveller travels to a country before the advisory is issued and the travel advisory changes while they are there they are there.

A final point, for purposes of this exclusion, it is important to consider the specific clause of each policy. Some of our policies specifically invoke the general exclusion related to government travel warnings without reference to a specific DFAT advice level, whereas others invoke it specifically at Level 3 and above, and others only at Level 4.

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HOL02QW: Can you please provide information about inclusion in insurance products in the following circumstances **following a policy holder's departure:**

(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 travel advisory issued against it due to the outbreak of COVID-19 at the time of booking, and may do so in the future.

Answer: *We acknowledge that this question seeks clarification of cover under a travel insurance policy for costs for **self-quarantine** incurred following a policyholder's departure and that the scenario being tested is where the travel advisory was not in place at the time the policy was purchased, however the travel advisory may change in the future.*

Summary

There is no cover under Hollard-underwritten travel policies for the expenses described because exclusions apply. A 'pandemic' exclusion applies independent of the travel advisory. 'Known event' and 'prohibited destination' exclusions may apply on the facts in this question.

Discussion

Where a policy holder purchased a Hollard-underwritten travel policy before travel issued a travel advisory related to COVID-19, and the travel advisory was issued after, one or more of the following exclusions may apply to claims related to the cost of self-quarantine related to COVID-19.

Epidemic/Pandemic Exclusion May Apply

Firstly, some of our policies contain an exclusion related to **epidemics and pandemics**. In most Hollard-underwritten travel policies, the epidemic/pandemic exclusion is a general exclusion relating to all benefits under the policy. Under these policies there is no cover for the costs incurred for the costs of **self-quarantine**.

The general exclusion applies to all policies, including policies purchased prior to the outbreak, and to all destinations, even if the

outbreak had not yet spread to the destination country. Thus it does not matter that the travel advisory may only be issued after the policy was purchased.

Under the one corporate policy underwritten by Hollard, there is no epidemic/pandemic exclusion. In the absence of any other exclusion, the traveller's self-quarantine expenses may be covered (however refer to known event discussion below).

Known Event Exclusion Applies

Secondly, all Hollard-underwritten travel policies exclude cover related to known events. In the case of COVID-19 (or other events), for purpose of applying a known event exclusion we would look to public reporting of the outbreak and its spread rather than to the travel advisory for a specific country. The outbreak in Wuhan, China and the subsequent spread to other countries was widely reported in the media during the week of 20 January 2020. We regard it as a known event applying to travel to all destinations for policies purchased on or after 24 January 2020, even to destinations that only subsequently had a travel advisory issued against them.

Applying this position to the facts presented in the question, if the policy was purchased on or after 24 January 2020 then we would regard the outbreak, including its potential to spread, as a known event excluding cover for self-quarantine. This would be the case even if the destination did not have a travel advisory issued against it at the time the policy was purchased.

If the policy was purchased before 24 January 2020, which would also necessarily mean there was no travel advisory issued against it at the time, this exclusion would not apply.

Prohibited Countries Exclusion Applies

Thirdly, all Hollard-underwritten travel policies contain an exclusion related to claims incurred in a country that has a travel advisory issued against. The expectation is that travellers abide by government travel warnings. That includes not travelling to countries that the government issues advisories against and leaving countries quickly if the government's advisory changes while they are there.

On the facts presented, it is assumed the travel advisory that may issue in the future could do so either before or after the policyholder's departure. Depending on the policy, the distinction is important.

Under all policies, if an advisory is in place before the traveller departs for the country, the traveller will not be covered for claims in the country.

Under certain policies, if the traveller travels to a country before the advisory is issued and the travel advisory changes while they are there, the exclusion will still apply, and they are expected to leave the affected country promptly.

Under other policies, the exclusion does not apply if the traveller travels to a country before the advisory is issued and the travel advisory changes while they are there they are there.

A final point, for purposes of this exclusion, it is important to consider the specific clause of each policy. Some of our policies specifically invoke the general exclusion related to government travel warnings without reference to a specific DFAT advice level, whereas others invoke it specifically at Level 3 and above, and others only at Level 4.

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Hollard Australia

HOL02QW: Can you please provide information about inclusion in insurance products in the following circumstances **following a policy holder's departure**:

(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 travel advisory issued against it due to the outbreak of COVID-19 at the time of booking, and may do so in the future.

Answer: *We acknowledge that this question seeks clarification of cover under a travel insurance policy for **rescheduling flights incurred following a policyholder's departure**. We also clarify expenses related to the **amendment** and **cancellation** of a trip. The scenario being tested is where the travel advisory was not in place at the time the policy was purchased, however the travel advisory may change in the future.*

Summary

There is no cover under Hollard-underwritten travel policies for the expenses described because exclusions apply. A 'pandemic' exclusion applies independent of the travel advisory. 'Known event' and 'prohibited destination' exclusions may apply on the facts in this question.

Discussion

Where a policy holder purchased a Hollard-underwritten travel policy before travel issued a travel advisory related to COVID-19, and the travel advisory was issued after, one or more of the following exclusions may apply to claims related to the cost of **rescheduling flights** and **cancellation**.

Epidemic/Pandemic Exclusion May Apply

Firstly, some of our policies contain an exclusion related to **epidemics and pandemics**. In most Hollard-underwritten travel policies, the epidemic/pandemic exclusion is a general exclusion relating to all benefits under the policy. Under these policies there is no cover for the costs incurred for **rescheduling, amending** and **cancelling** a trip due to the pandemic. The general exclusion applies to all policies, including policies purchased prior to the outbreak, and to all

destinations, even if the outbreak had not yet spread to the destination country. Thus it does not matter that the travel advisory only issued after the policy was purchased.

Under the one corporate policy underwritten by Hollard, there is no epidemic/pandemic exclusion. In the absence of any other exclusion, the traveller's rescheduling, amendment and cancellation expenses would be covered (however refer to known event discussion below).

Known Event Exclusion Applies

Secondly, all Hollard-underwritten travel policies exclude cover related to known events. In the case of COVID-19 (or other events), for purpose of applying a known event exclusion we would look to public reporting of the outbreak and its spread rather than to the travel advisory for a specific country. The outbreak in Wuhan, China and the subsequent spread to other countries was widely reported in the media during the week of 20 January 2020. We regard it as a known event applying to travel to all destinations for policies purchased on or after 24 January 2020, even to destinations that only subsequently had a travel advisory issued against them.

Applying this position to the facts presented in the question, if the policy was purchased on or after 24 January 2020 then we would regard the outbreak, including its potential to spread, as a known event excluding cover for **rescheduling, amending or cancelling** a trip. This would be the case even if the destination did not have a travel advisory issued against it at the time the policy was purchased.

If the policy was purchased before 24 January 2020, which would also necessarily mean there was no travel advisory issued against it at the time, this exclusion would not apply.

Prohibited Countries Exclusion Applies

Thirdly, all Hollard-underwritten travel policies contain an exclusion related to claims incurred in a country that has a travel advisory issued against. The expectation is that travellers abide by government travel warnings. That includes not travelling to countries that the government issues advisories against and leaving countries quickly if the government's advisory changes while they are there.

On the facts presented, it is assumed the travel advisory that may issue in the future could do so either before or after the policyholder's departure. Depending on the policy, the distinction is important.

Under all policies, if an advisory is in place before the traveller departs for the country, the traveller will not be covered for claims in the country.

Under certain policies, if the traveller travels to a country before the advisory is issued and the travel advisory changes while they are there, the exclusion will still apply, and they are expected to leave the affected country promptly.

Under other policies, the exclusion does not apply if the traveller travels to a country before the advisory is issued and the travel advisory changes while they are there they are there.

A final point, for purposes of this exclusion, it is important to consider the specific clause of each policy. Some of our policies specifically invoke the general exclusion related to government travel warnings without reference to a specific DFAT advice level, whereas others invoke it specifically at Level 3 and above, and others only at Level 4.