

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Insurance Australia Group

IAG01QW: Can you please provide information about inclusion in insurance products in the following circumstances **prior to 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: We offer travel insurance under the following brands: NRMA Insurance, SGIO, SGIC and CGU (including travel insurance sold under our CGU partner brands). NRMA, SGIO and SGIC-branded travel insurance is arranged under authority from Cover-More Insurance Service Pty Ltd which, in turn, acts under binder authority from the insurer, Zurich Australian Insurance Limited (**Zurich**). CGU travel insurance is issued by Insurance Australia Limited. Our responses to questions IAG01QW(a) to (i) (inclusive) relate to travel insurance sold under these brands.

As the questions relates to access to insurance 'prior to a policy holder's departure' we have interpreted this to mean what cover is provided and can be claimed before a policy holder departs on his or her journey.

For the purposes of our responses to questions IAG01QW(a), (d) and (g), we have taken 'health insurance' to mean cover for overseas medical expenses (which includes costs for testing and hospital stays).

NRMA / SGIO / SGIC travel insurance

There is no coverage for costs for testing and hospital stays prior to departure. We are advised that Zurich is unable to provide such coverage under the *Health Insurance Act 1973* (Cth), the *Private Health Insurance Act 2007* (Cth) or the *National Health Act 1953* (Cth).

CGU travel insurance (including CGU travel insurance sold under partner brands)

There is no coverage for costs for testing and hospital stays prior to departure. The issuer, Insurance Australia Limited, does not provide health insurance coverage or access to health insurance benefits.

IAG01QW:

Can you please provide information about inclusion in insurance products in the following circumstances **prior to 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 Smart Traveller advisory issued against it due to the outbreak of COVID-19.

Answer:

NRMA / SGIO / SGIC travel insurance

There is no coverage for costs incurred for self-quarantine prior to a policy holder's departure from Australia. We also note that under current Government orders self-quarantining is only required upon the policy holder's return to Australia, not prior to departure.

CGU travel insurance (including CGU travel insurance sold under partner brands)

There is no coverage for costs incurred for self-quarantine prior to a policy holder's departure from Australia. We also note that under current Government orders self-quarantining is only required upon the policy holder's return to Australia, not prior to departure.

IAG01QW:

Can you please provide information about inclusion in insurance products in the following circumstances **prior to 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 Smart Traveller advisory issued against it due to the outbreak of COVID-19.

Answer:

NRMA / SGIO / SGIC travel insurance

The actual costs for rescheduling flights are not covered by Zurich.

In addition, a pandemic exclusion applies in respect of cover for amendment or cancellation costs.

CGU travel insurance (including CGU travel insurance sold under partner brands)

For policies purchased on or after 23 January 2020, CGU **will not** cover any losses or expenses that are for, relating to, or directly or indirectly caused by, the COVID-19 pandemic (including cancellation or rescheduling) regardless of whether or not that destination has a Smartraveller advisory issued against it at the time of booking.

On 21 January 2020, Smartraveller first updated its travel warning based on a situation report issued by the World Health Organisation (WHO) on that date for the outbreak in Wuhan, China. This is when an outbreak of an infectious disease was officially brought to light (i.e. presence of coronavirus).

While 21 January 2020 is the official date, CGU allowed a grace period and chose 23 January 2020 as the relevant date from which customers would reasonably be expected to be aware of the situation, post the first advice by Smartraveller on 21 January 2020.

The CGU travel insurance policy contains general exclusions around disease, government advice and mass media exposure. They are as follows:

We will not cover you for losses or expenses that are for, related to, or directly or indirectly caused by:

...

18. a human pandemic, epidemic or any other outbreak of infectious disease including any derivative or mutation of such viruses, or the threat or perceived threat or any such pandemic, epidemic or outbreak, but only if your

Certificate of insurance was issued after an alert or warning was made regarding any outbreak or possible outbreak.

Refer to www.who.int and www.smartraveller.gov.au for more information.

- 19. you did not follow advice in the mass media or any government or other official body's warning and you did not take the appropriate action to avoid or minimise any potential claims under your policy (including delay of travel to the country or part of the country referred to in the warning). Refer to www.who.int and www.smartraveller.gov.au for more information.*

Based on the above general exclusions, cover for costs for rescheduling or cancelling flights is only available for policies purchased prior to 23 January 2020.

IAG01QW:

Can you please provide information about inclusion in insurance products in the following circumstances **prior to 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 Smart Traveller advisory issued against it due to the outbreak of COVID-19 at the time of booking, but has subsequently done so.

Answer:

NRMA / SGIO / SGIC travel insurance

There is no coverage for costs for testing and hospital stays prior to departure. We are advised that Zurich is unable to provide such coverage under the *Health Insurance Act 1973 (Cth)*, the *Private Health Insurance Act 2007 (Cth)* or the *National Health Act 1953 (Cth)*.

CGU travel insurance (including CGU travel insurance sold under partner brands)

There is no coverage for costs for testing and hospital stays prior to departure. The issuer, Insurance Australia Limited, does not provide health insurance coverage or access to health insurance benefits.

IAG01QW:

Can you please provide information about inclusion in insurance products in the following circumstances **prior to 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 Smart Traveller advisory issued against it due to the outbreak of COVID-19 at the time of booking, but has subsequently done so.

Answer:

NRMA / SGIO / SGIC travel insurance

There is no coverage for costs incurred for self-quarantine prior to a policy holder's departure from Australia. We also note that under current Government orders self-quarantining is only required upon the policy holder's return to Australia, not prior to departure.

CGU travel insurance (including CGU travel insurance sold under partner brands)

There is no coverage for costs incurred for self-quarantine prior to a policy holder's departure from Australia. We also note that under current Government orders self-quarantining is only required upon the policy holder's return to Australia, not prior to departure.

IAG01QW:

Can you please provide information about inclusion in insurance products in the following circumstances **prior to 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 Smart Traveller advisory issued against it due to the outbreak of COVID-19 at the time of booking, but has subsequently done so.

Answer:

NRMA / SGIO / SGIC travel insurance

The actual costs for rescheduling flights are not covered by Zurich.

In addition, a pandemic exclusion applies in respect of cover for amendment or cancellation costs.

CGU travel insurance (including CGU travel insurance sold under partner brands)

As with our response to question IAG01QW(c) (relating to general exclusions around disease, government advice and mass media exposure), cover for costs for rescheduling flights is only available for policies purchased prior to 23 January 2020.

IAG01QW:

Can you please provide information about inclusion in insurance products in the following circumstances **prior to 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 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:

NRMA / SGIO / SGIC travel insurance

There is no coverage for costs for testing and hospital stays prior to departure. We are advised that Zurich is unable to provide such coverage under the *Health Insurance Act 1973 (Cth)*, the *Private Health Insurance Act 2007 (Cth)* or the *National Health Act 1953 (Cth)*.

CGU travel insurance (including CGU travel insurance sold under partner brands)

There is no coverage for costs for testing and hospital stays prior to departure. The issuer, Insurance Australia Limited, does not provide health insurance coverage or access to health insurance benefits.

IAG01QW:

Can you please provide information about inclusion in insurance products in the following circumstances **prior to 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 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:

NRMA / SGIO / SGIC travel insurance

There is no coverage for costs incurred for self-quarantine prior to a policy holder's departure from Australia. We also note that under current Government orders self-quarantining is only required upon the policy holder's return to Australia, not prior to departure.

CGU travel insurance (including CGU travel insurance sold under partner brands)

There is no coverage for costs incurred for self-quarantine prior to a policy holder's departure from Australia. We also note that under current Government orders self-quarantining is only required upon the policy holder's return to Australia, not prior to departure.

IAG01QW:

Can you please provide information about inclusion in insurance products in the following circumstances **prior to 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 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:

NRMA / SGIO / SGIC travel insurance

The actual costs for rescheduling flights are not covered by Zurich.

In addition, a pandemic exclusion applies in respect of cover for amendment or cancellation costs.

CGU travel insurance (including CGU travel insurance sold under partner brands)

As with our response to question IAG01QW(c) (relating to general exclusions around disease, government advice and mass media exposure), cover for costs for rescheduling flights is only available for policies purchased prior to 23 January 2020.