

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Insurance Australia Group

- IAG05QON:**
- CHAIR:** Right. When you say 'contact' do you mean you don't have contact details, or is that simply a process thing?
- Mr Harmer:** We have, if memory serves me right, written to them four times—I think that was the agreement with ASIC—and we have advertised on our websites et cetera. So it was 38,000 customers out of the 65,000 who received a refund. When they were contacted, some customers wanted to maintain the cover and didn't require a refund.
- CHAIR:** What share of the gap is that?
- Mr Harmer:** I don't have those numbers, I'd have to take that on notice. But I don't think it would have been significant.
- CHAIR:** Okay—can you find out and, yes, provide that on notice? It seems to me that if you have \$23 million of \$39 million refunded, there is obviously still \$16 million that hasn't been. I accept that some people may not be contactable and that others may wish to continue with the policies in some way, shape or form, but that's still quite a significant gap. What measures are being taken now to make sure that gap is filled?

- Answer:**
- As at 5 May 2020:
- 280 customers have advised Swann that they wish to keep their policy which totals \$163,867.28 of the refund pool; and
 - 22,337 customers have not responded to Swann's communication.
- Also, the cohort of customers within the refund program who have not responded to our communications formed the basis of the following two Community Benefit Payments that have been made to, and received by, the Financial Counselling Foundation, as agreed with ASIC:
1. \$1,541,443 in 2019; and
 2. \$600,161 on 7 May 2020.