

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Insurance Australia Group

IAG08QON: **Dr MULINO:** Thanks for giving evidence today. How many disputes have already arisen in relation to COVID-19 claims?

Mr Harmer: I do have some numbers here. At the moment, across our travel insurance claims, which is where we've seen the early activity, we have two quite different products in market—one through the CGU brand, which is underwritten by ourselves, and another through our NRMA, SGIO and SGIC brands, which is underwritten by Zurich Insurance through their agency Cover-More; we distribute that product on their behalf. We are not large travel insurers, in the first instance. We have something in the order of 4½ thousand claims to date: about 2½ thousand of those have already been paid; I think there are about 400 to 500—I will take that on notice and make sure I'm giving you accurate information—that have been declined; and the remainder are still working their way through the system. I think it would be safe to assume that some of those, at least—I wouldn't hazard a guess as to percentage—will be for cancellation cover where, in fact, the policy was taken out after COVID-19 becoming a known event; therefore, they won't be covered.

Dr MULINO: It'd be great to get an update on that in a couple of months as well, please.

Mr Harmer: Yes.

Answer: Our travel insurance claims data is as follows:

For CGU travel insurance (as at 28 April 2020, except for complaints):

- claims received: 4631
- claims accepted: 2594
- claims declined: 183
- claims pending: 1844
- complaints received (as at 6 May 2020): 30

For NRMA / SGIO / SGIC travel insurance (as at 6 May 2020, except for complaints):

- claims received: 220
- claims accepted: 28
- claims declined: 114
- claims pending: 78
- complaints received (from January 2020 to April 2020): 39

We will provide the Committee with updated claims data on 29 June 2020.