

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Insurance Council of Australia

ICA07QON: Dr LEIGH: Yes, but it's one thing to say 'known event' in broad terms; it's another thing to name COVID-19.

Mr Sullivan: Most of the known-event exclusions that have been initiated do name COVID-19 or similar diseases.

Dr LEIGH: But not all?

Mr Sullivan: I'm happy to come back to you on notice about that and give you a list of those known-event exclusions.

Dr LEIGH: That would be great. Could I get from you a list of known-event exclusions by the date on which they were put into effect, the policy name, and specifically whether they named COVID-19 or whether they expected the traveller to just figure it out for themselves.

[Proof Hansard, 3 June 2020, Insurance sector, p. 15.]

Answer:

Refer to attachment **ICA07.1QON**

Travel Insurance (House of Representatives Economic Committee Inquiry into Australia's General Insurance Industry)			
Underwriter	Brand	Does your travel insurance policy include a general exclusion for pandemics/epidemics or an exclusion based on the declaration of a known event?	If your travel insurance policy operates on a known event basis, what date did you apply the known event and what was the wording used?
Tokio Marine	World2Cover	Our World2Cover Policy has subject pandemic/epidemic exclusion	<p>We utilised date 31/01/2020 @ 7am as cut off date for Known event due to WHO declaring on 30/01/20 , COVID-19 was a medical emergency of international concern</p> <p>Subject Wording exclusions:</p> <p>Under Section 1 Cancellation and Lost Deposits If You were aware of any reason, before Your period of cover commenced, that may cause Your Trip to be cancelled, abandoned or shortened</p> <p>General exclusions We will not cover You for losses, liability or expenses that are for, related to or as a result of:</p> <p>You being aware at the time of purchasing the policy of something that would give rise to You making a claim under this policy or You arrange to travel when You know of circumstances that may lead to Your Trip being disrupted or cancelled</p>
	Autoclub brands (RACV, RAA, AANT, RAC, RACQ)	Our Autoclub brand policies (5 in total) have known event and circumstances exclusions	

Suncorp	Apia, Vero, Suncorp and GIO	Suncorp offers travel insurance policies under multiple brands. The bulk of Suncorp travel insurance products do not include a pandemic exclusion. These policies do include an exclusion on the basis of a known event being declared.	<p>If customers entered into a policy after 6:00PM AEST on 31 January 2020, we would expect that this was done with an awareness of coronavirus and that it could affect travel worldwide.</p> <p>For these policies, claims that arise due to this event (for example, flight delays or cancellations) may not be covered or have reduced cover. Policy coverage and benefits vary based on individual circumstances. We encourage travellers to read their travel insurance Product Disclosure to understand what they are covered for and any limits and exclusions that apply. We will assess all claims in accordance with our Product Disclosure Statement (PDS) and Certificate of Insurance. o a policy after 6:00PM AEST on 31 January 2020, we would expect that this was done with an awareness of coronavirus and that it could affect travel worldwide.</p>
	AAMI	Travel insurance policies offered by one Suncorp brand do include a pandemic exclusion, which means it does not provide cover for claims as a consequence of a human pandemic, epidemic or any other outbreak of infectious disease.	
Allianz	Allianz +	Our policies include exclusions for pandemics as well as exclusions based on the declaration of a known event.	Depending on the destination, COVID-19 became a known event for Allianz policies from 24 January. COVID-19 was a known event for Wuhan on 24 January, China and Hong Kong on 29 January, and for all worldwide destinations on 31 January.
IAG	CGU	Yes, however cover is available if the policy was purchased prior to the pandemic becoming a known event	<p>Policies taken out on or after 23 January 2020</p> <p>International and Domestic Travel Insurance</p> <p>We don't cover any events that are widely known about before your policy starts. The coronavirus pandemic is considered a known event from 23 January 2020 onwards, following travel advice from the Australian Government and widespread media coverage.</p> <p>If your policy started on or after 23 January 2020, you're not covered for any claims relating to the coronavirus pandemic.</p>

Chubb Insurance	Chubb Insurance	<p>Although not expressly stated in the question, the insurer assumes the reference to 'travel insurance policy' is a reference to the insurer's business and leisure travel insurance policies.</p> <p>In respect of our leisure travel insurance policies including a general exclusion for pandemics/epidemics:</p> <ul style="list-style-type: none"> •Prior to 23 March 2020: <ul style="list-style-type: none"> o1 retail leisure travel insurance policy had such an exclusion. However, we made a business decision on 20 March 2020 to not apply the exclusion and we are in the process of reviewing COVID-19 claims made before that date to determine whether any claims were denied using that exclusion and whether remediation is necessary. •On 23 March 2020: <ul style="list-style-type: none"> othe following exclusion was inserted in most of Chubb's leisure travel insurance policies for all policies issued or renewed or for trips paid on and following that date: <p>"This Policy does not cover and we will not (under any sections) pay for claims of any kind directly or indirectly arising from, relating to or in any way connected with the Coronavirus Disease 19 (COVID-19) (or any mutation or variation thereof) and/or its outbreak.</p> <p>To the extent that any term or condition in the Policy may be inconsistent with this exclusion, this exclusion shall prevail."</p> <p>oDue to the variety of different leisure travel insurance policy wordings in Chubb's portfolio, the precise wording of the exclusion above was changed in some policies for legal and contractual reasons. The exclusion above represents the strongest form of the exclusion.</p>	<p>Although not expressly stated in the question, the insurer assumes the reference to 'travel insurance policy' is a reference to the insurer's business and leisure travel insurance policies. We consider both the purchase and trip dates for policies that operate on a known event basis.</p> <p>In respect of our leisure travel insurance policies that operate on a known event basis, we:</p> <p>a) issued a claims response document that deals with foreseen circumstances for the majority of such policies which outlined the known event basis for purchase and trip dates. An extract from the claims response document addressing the dates and wording used for known events for COVID-19 is copied below:</p> <p>"We encourage our customers to submit a claim for consideration as each claim received by Chubb will be investigated and assessed in accordance with the facts of each case, the policy wordings or Product Disclosure Statements (PDS) and any applicable certificate or schedule of insurance. Your cover will depend on the type of insurance cover you have and your individual circumstances.</p> <p>...</p> <p>Insurance coverage for a "foreseen circumstance" is not likely to be covered under the terms and conditions of your insurance policy/PDS. It is important that you consider this prior to the purchase of any travel insurance or new travel arrangements you make under an existing travel policy with Chubb. Chubb considers COVID-19 to be a "foreseen circumstance" for new policies/PDSs issued and/or new paid travel arrangements under an existing policy/PDS made in the following areas and after the following dates:</p> <ul style="list-style-type: none"> •5:00 pm (AEDT) on 22 January 2020 for Hubei province, China; •9:00 am (AEDT) on 2 February 2020 for mainland China; and •9:08 pm (AEDT) on 4 March 2020 for all other destinations outside Australia. <p>...</p> <p>If you have questions about whether a planned trip will be covered, please contact Chubb customer service at 1800 803 548. If you are an insured person and you require emergency assistance, please contact Chubb Assistance on +61 2 8907 5666."</p>
-----------------	-----------------	--	---

In respect of our business travel insurance policies including a general exclusion for pandemics/epidemics:

- Prior to 14 April 2020, none of Chubb's business travel insurance policies contained such an exclusion.

- On 14 April 2020:

- oDue to the variety of different business travel insurance policy wordings in Chubb's portfolio, the exclusion outlined in the leisure travel insurance policy section above was changed for legal and contractual reasons.

- oThe exclusion was applied to private leisure travel benefits in Chubb's business travel insurance policies for all policies issued or renewed on and following that date.

- oThe exclusion was applied to Cancellation and Curtailment related benefits in Chubb's business travel insurance policies for all policies issued or renewed on and following that date.

- oThe exclusion was not applied to medical costs relating to COVID-19, which are covered for business trips under our business travel insurance, subject to the terms and conditions of the policy.

In respect of our travel insurance policies including an exclusion based on the declaration of a known event (or foreseen circumstances):

- While our policies do not have a general exclusion for known events, many of our policies only provide cover for unforeseen circumstances (with the remainder of our policies providing cover for specific events only).

- As such, known events are not covered in many of our travel insurance policies as a known event changes circumstances from being unforeseen to foreseen.

To determine the final coverage position, for each travel insurance claim received by Chubb, the facts of each case will be investigated and assessed against the relevant policy wording, and other factors such as when the policy was taken out and the developing circumstances surrounding COVID-19. Any costs covered under our policies would be capped by the scope and limits pertaining to the relevant policy benefit and would need to be reasonable in the circumstances.

In respect of business travel insurance policies, we would use similar wording to the leisure travel insurance policies outlined in the preceding paragraph a) but with the following dates used for known events for COVID-19:

- 5:00 pm (AEDT) on 22 January 2020, Hubei province, China;
- 9:00 am (AEDT) 2 February 2020, Mainland China;
- 4:00 pm (AEDT) on 2 March 2020; All other destinations"

To determine the final coverage position, for each travel insurance claim received by Chubb, the facts of each case will be investigated and assessed against the relevant policy wording, and other factors such as when the policy was taken out and the developing circumstances surrounding COVID-19. Any costs covered under our policies would be capped by the scope and limits pertaining to the relevant policy benefit and would need to be reasonable in the circumstances.

Cover More	Cover More	<p>Position unknown - According to PDS We will not pay for claims (under Section 2.3 or 2.5) caused by: 1. an Epidemic, Pandemic or outbreak of an infectious disease or any derivative or mutation of such viruses (or arising directly or indirectly from these) or the threat, or perceived threat, of any of these.</p> <p>"We will not pay for claims caused by or arising from an Epidemic, Pandemic or outbreak of an infectious disease or any derivative or mutation of such viruses, or the threat or perceived threat of any of these."</p> <p>However, if you have purchased the Cancel-For-Any-Reason option (available on some of our products) and wish to cancel your trip, you can claim the non-refundable portion of the prepaid travel costs according to the terms and conditions of the policy.</p>	<p>Position unconfirmed - according to website: On 23 January 2020, it was first reported in the media that hundreds of people across the Hubei province in Central China had been taken to hospital with breathing difficulties, with numerous deaths reported since.</p> <p>The Australian Government's Department Of Foreign Affairs and Trade (DFAT) have confirmed an active outbreak of the coronavirus originating from Wuhan City, where there have subsequently been confirmed cases of individuals outside China, and the World Health Organization (WHO) declaring the outbreak as a Public Health Emergency of International Concern.</p> <p>DFAT travel advice for China was updated 2 February 2020 stating 'Do not travel', with further recommendations regarding the coronavirus detailed on their website (www.smartraveller.gov.au). This advice and recommendations may continue to be updated for other nations as this epidemic continues.</p>
NIB	NIB Travel	<p>Unconfirmed position - PDS wording states Section 18 of the General Exclusion states: There is no cover under any section of this policy for any claim arising directly or indirectly because of any of the following: 18: A loss caused by, or in anyway connected with an epidemic or a pandemic 21: a loss caused by, or in anyway connected with any government intervention, prohibition, or regulation except as provided for "cancellation and additional expenses", event 5 under "What are the events that will be covered under this section."</p>	

<p>AIG</p>	<p>AIG Travel Good2Go Travel</p>	<p>Save for the one cover detailed below, all of AIG's leisure travel insurance policies do not include a general exclusion for Pandemics/Epidemics. All our policies however do have a condition to the effect that "cover may be restricted or excluded if (i) at the time of taking out the travel insurance policy you were aware of or could be expected to be aware of an event which may give rise to a claim under the policy; or (ii) you do not take precautions to avoid a claim after a warning about the event has become publically known."</p>	<p>The date at which COVID-19 coverage restrictions were applied depend on when the alert/notification was placed within our purchase paths / booking flows.</p> <p>The reason for the application of different travel restriction dates specified below is as a result of when our travel distribution partners were able to load the alert/notification within their respective purchase paths/booking flows.</p> <p>For the websites that AIG operates/managers, the alert notification was placed within purchase paths / booking flows on the 24 January 2020. Accordingly, this was the known and foreseen effective date of COVID-19 in respect of travel insurance policies purchased via the AIG websites</p> <p>For the distribution partner's websites the dates on which the alert/notification was placed within the booking flow path varies from 4th March to 11th March 2020. Accordingly, these were the known and foreseen effective dates of COVID-19 in respect of the applicable travel insurance policies purchased via our partners websites.</p> <p>Please however also note that (i) all of the dates specified above, are dates subsequent to which either the Australian government or the WHO issued an advice or alert in relation to Covid -10; and (ii) AIG suspended the sale of all travel polices via AIG websites or partner websites with effect from 6th April 2020 for Good2Go and AIG along with Jetstar Insurance Program sales as of 24th March 2020.</p> <p>All of AIG's and travel partners alerts/notifications link through to the AIG Australia Travel Alerts page here - https://www.aig.com.au/travelalerts which provide further details on all of the above as well as how AIG will assess claims.</p>
<p>Mitsui Sumitomo</p>	<p>Insure & Go</p>	<p>Prior to COVID-19 our products did not include a general exclusion for pandemics/epidemics. From early March, a specific COVID-19 exclusion was added to our product "Any claim arising from or in any way related to Novel Coronavirus (Covid-19) or mutations of Novel Coronavirus (Covid-19)."</p> <p>Our products include exclusions for known-events: "Any claim relating to an incident which you were aware of at the time you took out this insurance and which could reasonably be expected to lead to a claim."</p>	<p>The 31/01/2020.</p> <p>"On 31st January 2020, the World Health Organisation (WHO) has deemed this event an international health emergency. As of 31st January 2020 (4:00pm AEDT), we consider this to be a known event globally. If you bought your policy after 4:00pm AEDT on 31st January 2020, you will not be covered for claims related to the Coronavirus (2019-nCoV). It would be expected a policy was entered into with awareness of the virus and its developments."</p>

<p>Hollard Insurance</p>	<p>Woolworths Travel Insurance Fast Cover Australian Seniors Travel Real Travel Kogan Travel Holiday Rescue Travel Huddle Travel Insurance Travel Card Leisure Travel Card Corporate</p>	<p>We have several different policies. All policies other than our Holiday Rescue policy contain a pandemic general exclusion. The Holiday Rescue policies contains a pandemic exclusion specific to cancellation, and also contains a general exclusion or known events.</p>	<p>The known event exclusion applies to all policies purchased on or after 24 Jan 2020 to all destinations. On January 23, we published an event advice on the Holiday Rescue website as follows: For policies purchased on or after 24th January 2020 For policies purchased on or after 24th January 2020 there is no cover for Coronavirus (COVID-19) related claims under any section of the policy. We regard the Coronavirus (COVID-19) outbreak as an epidemic event known from 24 January 2020. If you purchased your policy on or after 24th January 2020, we assume you did so with an awareness of the Coronavirus (COVID-19) outbreak and the possibility that your travel arrangements could be affected. This applies to all countries, even if DFAT has not yet issued a Coronavirus (COVID-19) travel warning for the country you are travelling to in the future.</p>
--------------------------	--	---	--