

House of Representatives Standing Committee on Economics - Review of the four major banks and other financial institutions insurance sector

nib response

NIB02QW: Can you please provide information about inclusion in insurance products in the following circumstances following a policyholder'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.

For our Australian Residents Health Insurance (arhi) cover members, we are only able to pay a benefit for health-related services performed within Australia. As such, there would be no health insurance cover available under their arhi policy while they are travelling internationally.

(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.

Travel Insurance provides consumers protection against common unexpected individual losses. Insured events by their nature must be accidental, unexpected or unforeseen events.

The cover available in all circumstances will depend on the type of policy purchased, and the individual facts and circumstances of any loss.

If there are ongoing circumstances that may impact a policyholder's ability to travel at the time of booking travel or purchasing a policy, such as an ongoing pandemic event, or a Do Not Travel advisory, there would be no cover available for a loss that arises due to that event.

In general, travel policies, including those issued by nib, contain exclusions that apply to losses arising from events that, at time of purchase or making travel arrangements, a traveller was, or should have been aware (through for example, media, government alerts and other advice by authorities), may impact their travel plans. The available information relating to the impact of COVID-19 on travel, along with the known risk to traveller health would mean that a person would not have access to cover for loss relating to COVID-19.

In addition, many travel insurance policies issued by nib Travel contain exclusions for:

1. A loss arising from an epidemic or pandemic;
2. Losses arising from any government regulation.

It is unlikely that a loss arising from mandatory quarantine due to COVID-19 would be covered.

In circumstances where there is no exclusion applicable, a policyholder may have cover for necessary medical treatment overseas, or additional expenses.

We recognise the extraordinary impact of COVID-19 on traveller health and safety. Where a policyholder has incurred a loss, we continue to encourage submission of claims for individual assessment.

(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.



As per b) above, in most instances due to applicable exclusions, it is likely there would be no cover available for the cost of rescheduling a trip due to COVID-19 for a policy holder that books international travel to a destination that already has a Smart Traveller advisory issued against it.

We continue to encourage submission of claims for individual assessment.

(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.

For our Australian Residents Health Insurance (arhi) cover members, we are only able to pay a benefit for health-related services performed within Australia. As such, there would be no health insurance cover available under their arhi policy while they are travelling internationally.

(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.

In circumstances where there is no exclusion applicable, a policyholder may have cover as per the terms of the policy, including cover for necessary medical treatment overseas, or additional expenses for accommodation following a sudden illness.

As per (b) and (c) above, there may be exclusions that apply regardless of the level of travel advice at the time of booking, or if a policy holder subsequently decides to travel against a Smart Traveller advisory.

Many policies offered by nib exclude losses arising from any government regulation; this would mean a loss arising from a mandatory quarantine would not be covered.

(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.

Where no exclusion applies and terms of cover are satisfied, nib Travel policies have responded to the cancellation or rescheduling of trips relating to COVID-19.

As for (b) and (c) above, in many instances, a loss relating to COVID-19 would not be covered regardless of the level of advice at the time of booking as a result of applicable exclusions.

(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.

For our Australian Residents Health Insurance (arhi) cover members, we are only able to pay a benefit for health-related services performed within Australia. As such, there would be no health insurance cover available under their arhi policy while they are travelling internationally.

(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.

Per (e) above; in circumstances where there is no exclusion applicable, a policy holder may have cover as per the terms of the policy, this may include cover for necessary medical treatment overseas, or additional expenses for accommodation following a sudden illness.

As per (b), (c), above, there may be exclusions that apply regardless of the level of travel advice at the time of booking, or if a policyholder subsequently neglects to follow a Smart Traveller advisory.

(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.

As noted in (f) where no exclusion applies and terms of cover are satisfied, nib Travel policies have responded to provide cover for the cost of rescheduling trips relating to COVID-19.

As for (b) and (c) above, in many instances, a loss relating to COVID-19 would not be covered regardless of the level of advice at the time of booking as a result of applicable exclusions.

In response to COVID-19, we are contacting eligible policyholders unable to travel as a result of travel bans who may be entitled to a refund for the unused portion of their policy.

We have also implemented a travel credit system, which allows policyholders to obtain a credit for the value of their original policy to be used for travel as far ahead as 30 June 2022.