

HOUSE OF REPRESENTATIVES

Standing Committee on Economics

**Flood insurance inquiry: Additional questions, March 2024**

**Additional data**

20. Please complete this workbook of additional data requests, covering:
  - a. Flood-related claims categories
  - b. Complaint numbers
  - c. Number and percentage of claims initially denied or partially denied
  - d. Complaints to IDR, and IDR decisions
  - e. Referral to the Australian Financial Complaints Authority (AFCA)
  - f. Decisions at AFCA
  - g. Main sources of disputes referred to AFCA
  - h. Claims-handling staff numbers
  - i. IDR staff numbers

*If you do not collect some/all of this data, please indicate why not.*

*If alternative relevant data is available, please provide this.*

*If there are particular caveats around data interpretation, please include these.*

**a: Flood insurance-related claims categories**

Total no. flood-related claims	% home and contents	% contents	% motor vehicle	% small business
37,647	81	10	6	3

**Data caveats (if any):**

1. The data provided in this sheet includes all home building, home contents, motor and small business claims for the four events within scope of the Inquiry (CAT 221, SE 222, CAT 223 and SE 224), not just flood claims from these events (i.e. claims for storm damage is also included). Commercial property and commercial motor claims have been excluded.
2. Home building only claims have been included in the "home and contents" category in column B.
3. A customer making claims for both home building and home contents have been counted as one single claim.
4. Data as at November 2023.

**b: Complaint numbers**

Flood event	Total no. claims lodged	Total number complaints	% of claims for which complaints were lodged	% of total complaints that went to IDR	IDR cases as a % of total claims lodged
CAT 221	29,205	11,192	23%	64%	17%
SE 222	2,411	654	19%	64%	13%
CAT 223	2,857	802	17%	54%	12%
SE 224	3,174	516	10%	52%	6%
<b>Total</b>	<b>37,647</b>	<b>13,164</b>	<b>21%</b>	<b>63%</b>	<b>15%</b>

**Data caveats (if any):**

1. A single claim can have multiple complaints. A total of 13,164 complaints (noted in column C) were made in relation to 7,920 claims.
2. The numerator for column D is 7,920 claims with at least 1 complaint lodged.
3. Insurers are required to meet the Internal Dispute Resolution (**IDR**) standards in ASIC's Regulatory Guide 271 *Internal Dispute Resolution* for all complaints (i.e. there is no distinction between complaints and IDR). Given the breadth of the definition of a complaint, we understand the Committee is seeking information to distinguish complaints of a more escalated nature from complaints of a more simple nature. As such, the data provided under column E represents complaints excluding complaints resolved on the spot; this would exclude complaints resolved within the same interaction with the customer and commonly relate to complaints about service such as the time taken for us to answer a call.
4. Data as at November 2023.

**c: Number and % of claims initially denied or partially denied**

Flood event	No. claims denied	No. claims <b>partially</b> denied	% of denied claims due to no flood cover	% of denied claims due to other policy exclusion
CAT 221	3,338	2,443	2.1%	9.9%
SE 222	485	203	0.8%	20.8%
CAT 223	433	172	2.4%	13.5%
SE 224	213	97	1.3%	5.7%
<b>Total</b>	<b>4,469</b>	<b>2,915</b>	<b>2.0%</b>	<b>10.5%</b>

**Data caveats (if any):**

1. The percentages under columns D and E are the percentage of denied claims against claims lodged, and includes claims fully denied as provided under co

**d: Complaints to IDR, and IDR decisions**

Flood event	Total no. complaints handled	No. cases – insurer's decision upheld	No. cases resolved in <b>full</b> favour of policyholder.	No. cases resolved in <b>partial</b> favour of policyholder; whether in relation to claim or in the form of a financial or non-financial remedy	No. <b>unresolved</b> cases at IDR
CAT 221	11,192	837	333	159	78
SE 222	654	95	15	13	4
CAT 223	802	63	37	9	12
SE 224	516	31	25	11	4
<b>Total</b>	13,164	1,026	410	192	98

**Data caveats (if any):**

1. Not all of the 13,164 complaints (under column B) were about the claim decision. Consistent with the data sought for EDR complaints under Tab F, data under columns C, D and E reflect complaints about the claim decision.

2. Data as at November 2023.

**e: Referral to AFCA**

Flood event	No. claims that went to AFCA	% of total claims referred to AFCA
CAT 221	652	2.2%
SE 222	38	1.6%
CAT 223	31	1.1%
SE 224	14	0.4%
<b>Total</b>	<b>735</b>	<b>2.0%</b>

**Data caveats (if any):**

1. Data as at November 2023.

**f: Decisions at AFCA**

Flood event	No. cases – insurer's decision/handling upheld	No. cases – insurer's decision/handling <b>partially</b> upheld	No. cases – insurer's claim decision overturned/rejected in <b>full</b> favour of <b>policyholder</b>	No. of <b>unresolved</b> cases at AFCA	% cases to AFCA that were resolved <b>early*</b>
CAT 221	37	32	14	54	80%
SE 222	0	0	0	3	92%
CAT 223	1	0	0	6	78%
SE 224	0	0	0	4	73%
<b>Total</b>	<b>38</b>	<b>32</b>	<b>14</b>	<b>67</b>	<b>80%</b>

*\*AFCA cases referred early = they did not require the appointment of an adjudicator, panel or ombudsman to make determinations*

**Data caveats (if any):**

1. AFCA cases closed at the following stages were included in column F as per definition above:

- \* Registration & referral
- \* Rules review
- \* Case management 1
- \* Case management 2
- \* Preliminary view

2. AFCA cases closed in the decision stage were included in columns B, C, and D.

3. Data as at end September 2023.

**g: Main sources of disputes referred to AFCA**

	Issue	% of all complaints to AFCA
1	Denial of claim	40%
2	Delay in claim handling	38%
3	Claim amount	17%
4	Service quality	2%
5	Delay in complaint handling	1%

**Data caveats (if any):**

1. "Denial of claim" includes these AFCA categories: "Denial of claim - Exclusion/condition", "Denial of claim", "Denial of claim - No proof of loss", "Denial of claim - Fraudulent claim".

2. Data as at November 2023.

**h: Claims-handling staff numbers**

Year	Permanent FTE	Temporary FTE	Total claims lodged	Ratio of perm. FTE to claims	Ratio of total FTE to claims
2019	681	47	272,435	400	374
2020	757	104	263,748	348	306
2021	964	235	303,969	315	253
2022	1241	317	345,484	278	222
2023	1306	95	335,198	257	239
2024	1431	98	68,239	191	179

**Data caveats (if any):**

1. Staff and claims numbers for 2024 as at end March 2024.
2. The ratios provided at columns E and F for 2024 have been annualised.

**i: IDR staff numbers**

Year	Permanent FTE	Temporary FTE	Total cases (complaints) handled	Ratio of perm. FTE to complaints	Ratio of total FTE to complaints
2019	11	0	276	25	25
2020	13	2	89	102	89
2021	29	5	2,635	90	78
2022	47	7	5,615	119	104
2023	65	1	3,325	51	50
2024	70	1	1,121	64	63

**Data caveats (if any):**

1. Data provided in column D is for complaints handled by Allianz's dispute resolution team (which handles both IDR and EDR complaints), and does not include complaints resolved by our frontline teams. Column D also includes complaints handled by the dispute resolution team unrelated to a claim (e.g. complaints about purchasing a product).
2. Staff and claims numbers for 2024 as at end March 2024.
3. ASIC Regulatory Guide 271 took effect on 5 October 2021, which significantly expanded the definition of a "complaint". Therefore, data prior to and after this date cannot be compared.
4. The ratios provided at columns E and F for 2024 have been annualised.