

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
19,033	81.47%	6.19%	12.34%	n/a
	15,506	1,179	2,348	

aa: Flood insurance-related claims categories (ex. motor)

Total no. flood-related claims	% home and contents	% contents	% motor vehicle	% small business
16,685	92.93%	7.07%	0.00%	n/a
	15,506	1,179		

Data caveats:

Numbers as at 28 March 2024.

Total number of flood insurance-related claims across CAT 221, SE 222, CAT 223 and SE 224.

"Home and Contents" includes all claims with a building risk attached, including building only claims.

"Contents" includes all claims where there was only a contents risk but no building risk.

"Motor vehicle" claims numbers are included, however A&G notes that motor vehicle claims were not discussed in its submission response.

Unless otherwise stated, numbers that follow exclude motor vehicle claims.

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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	13640	2084	15.28%	26.49%	4.05%
SE 222	1321	189	14.31%	28.04%	4.01%
CAT 223	1533	303	19.77%	23.76%	4.70%
SE 224	191	17	8.90%	35.29%	3.14%
Total	16685	2593	15.60%	26.34%	4.09%

Data caveats:

Numbers as at 13 October 2023 (prepared for A&G's Submission, see 2.2.1 of the Supplement)

IDR means all complaints that were escalated to "Level 2: Customer Disputes Resolution" (see 2.1.1 of A&G's Submission)

Complaints resolved by the "Level 1: Frontline complaint handling" team are not included in the above figures (see 2.1.1 of A&G's Submission)

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

Flood event	No. claims denied	No. claims partially denied	% of denied claims due to no flood cover	% of denied claims due to other policy exclusion
CAT 221	917	n/a	0.22%	99.78%
SE 222	116	n/a	0.00%	100.00%
CAT 223	203	n/a	5.42%	94.58%
SE 224	31	n/a	6.45%	93.55%
Total	1267	n/a	1.18%	98.82%

Data caveats:

Numbers as at 13 October 2023 (prepared for A&G's Submission, see 1.3.5 of the Supplement)

A&G offers optional flood cover (see page 4 and 6.1.1 of A&G's Submission)

A&G's systems did not historically capture data on partial declines so this information is not available for these flood events

Denied claims due to "no flood cover" are claims where the claim denial reason was "no flood cover"

Denied claims due to "other policy exclusion" are claims denied for any reason but "no flood cover"

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d: Complaints to IDR, and IDR decisions (where the complaint related to a review of the claim decision)

Flood event	Total no. complaints handled	No. cases – insurer's decision upheld	No. cases resolved in full favour of policyholder.	No. cases resolved in partial favour of policyholder; whether in relation to claim or in the form of a financial or non-financial remedy	No. unresolved cases at IDR
CAT 221	552	332	220	220	3
SE 222	53	37	16	16	0
CAT 223	72	43	29	29	4
SE 224	6	2	4	4	0
Total	683	414	269	269	7

Data caveats:

Numbers as at 13 October 2023 (prepared for A&G's Submission, see 2.2.5 of the Supplement)

IDR means all complaints that were escalated to "Level 2: Customer Disputes Resolution" (see 2.1.1 of A&G's Submission)

Complaints resolved by the "Level 1: Frontline complaint handling" team are not included in the above figures (see 2.1.1 of A&G's Submission)

A&G's systems did not historically capture data on partial declines / Complaints decisions so this information is presented as both a full and partial acceptance of the claim / resolution in favour of the policyholder

Table d shows Complaints involving a review of the claims decision (see 2.2.5 of the Supplement)

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e: Referral to AFCA

Flood event	No. claims that went to AFCA	% of total claims referred to AFCA
CAT 221	225	1.65%
SE 222	21	1.59%
CAT 223	20	1.30%
SE 224	1	0.52%
Total	267	1.60%

Data caveats:

Numbers as at 13 October 2023 (prepared for A&G's Submission, see 9.1.1 of the Supplement)

Total claim numbers are those provided at Tab B, divided by the numbers at 9.1.1 of the Supplement.

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f: Decisions at AFCA

Flood event	No. cases – insurer's decision/handling upheld	No. cases – insurer's decision/handling partially upheld	No. cases – insurer's claim decision overturned/rejected in full favour of policyholder	No. of unresolved cases at AFCA	% cases to AFCA that were resolved early *
CAT 221	120	56	33	11	32%
SE 222	11	4	2	0	38.1%
CAT 223	12	4	0	4	15%
SE 224	0	0	0	0	0%
Total	143	64	35	15	49.7%

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

Data caveats:

Numbers for columns B, C, D and F as at 13 October 2023 (prepared for A&G's Submission, see 9.1.5 of the Supplement)

Numbers for column E (unresolved cases) as at 16 April 2024

Of the 267 claims referred to AFCA (Tab E), 25 claims were withdrawn or discontinued and are not included in the table above (see 9.1.4 of the Supplement)

g: Main sources of disputes referred to AFCA

	Issue	% of all complaints to AFCA
1	Inadequate communication / quality of service	13.86%
2	Exclusions / conditions of cover	27.34%
3	Quality of repairs	2.25%
4	Delays in claims processing, assessment and repairs	17.23%
5	Assessment methods	10.49%
6	Settle vs repair decision	5.24%
7	Claims process	23.60%

Data caveats:

Numbers as at 13 October 2023 (prepared for A&G's Submission, see 9.1.1 of the Supplement)

"Issue" category is the same as the "Cause" category at 2.2.2 of the Supplement

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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	94	0	18695	1 FTE to	199	1 FTE to	199
2020	104	0	31436	1 FTE to	302	1 FTE to	302
2021	113	1	38740	1 FTE to	343	1 FTE to	340
2022	262	5	58950	1 FTE to	225	1 FTE to	221
2023	289	0	42979	1 FTE to	149	1 FTE to	149
2024*	294	0	17057	1 FTE to	197	1 FTE to	197

Data caveats:

* Numbers as at 18 April 2024. FTE ratios are pro-rata for this period
FTE and claims numbers relate to Home claims only

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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	7		2266	1 to 324	1 to 324
2020	15		3272	1 to 218	1 to 218
2021	20		4169	1 to 208	1 to 208
2022	24		9404	1 to 392	1 to 392
2023	35		11533	1 to 330	1 to 330
2024*	54	1	3297	1 to 260	1 to 255

Data caveats:

*Complaints numbers as at 27 March 2024. FTE ratios are pro-rata for this period

FTE and complaints numbers in this table include both home and motor, as the majority of the IDR FTE work across both home and motor related disputes

Total cases handled reflects all complaints that were escalated to "Level 2: Customer Disputes Resolution" (see 2.1.1 of A&G's Submission).

Complaints resolved by the "Level 1: Frontline handling" teams are not included in the above figures (see 2.1.1 of A&G's Submission).