

HOUSE OF REPRESENTATIVES

Standing Committee on Economics

Flood insurance inquiry: Additional questions, March 2024

QBE RESPONSE

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

Flood event	Total no. flood-related claims	% home and contents	% contents	% motor vehicle	% small business
CAT 221	9,070	79.00%	<i>See column c and note 3</i>	6.50%	14.50%
SE 222	720	80.60%	<i>See column c and note 3</i>	8.90%	10.60%
CAT 223	1,922	81.30%	<i>See column c and note 3</i>	5.60%	13.10%
SE 224	1,850	77.90%	<i>See column c and note 3</i>	4.10%	18.00%
Total	13,562	79.30%	<i>See column c and note 3</i>	6.20%	14.60%

Data caveats (if any):

1. As clarified for the industry by the ICA, data is as at 30/9/23 (consistent with the timeframe in which data was collected for QBE's submission). Also, as the data is provided as at the stated point in time, it is not reflective of the current position in respect of claims and complaints (e.g. there will have been additional closure and resolution and there may be slight differences from our submission due to data refreshing during the interim period).
2. Unless otherwise specified, information relates to the same products considered in the Deloitte Review (domestic property, private motor and small business insurance policies).
3. Column D "% Contents" - contents claims are not separately included as clarified for the industry by the ICA. Contents claims are included within Column C "% home and contents".

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	9,070	1034	11.40%	67.12%	9.72%
SE 222	720	68	9.44%	77.94%	8.61%
CAT 223	1,922	168	8.74%	68.45%	7.80%
SE 224	1,850	100	5.41%	59.00%	4.27%
Total	13,562	1370			

Data caveats (if any):

1. As clarified for the industry by the ICA, data is as at 30/9/23 (consistent with the timeframe in which data was collected for QBE's submission). Also, as the data is provided as at the stated point in time, it is not reflective of the current position in respect of claims and complaints (e.g. there will have been additional closure and resolution and there may be slight differences from our submission due to data refreshing during the interim period).
2. Unless otherwise specified, information relates to the same products considered in the Deloitte Review (domestic property, private motor and small business insurance policies).
3. Column C "Total number complaints" - includes complaints managed by first line business units (e.g. claims team) and complaints managed by QBE's Customer Relations & Advocacy team.
4. Columns E and F "IDR" - IDR complaints are those complaints managed by QBE's Customer Relations & Advocacy team.

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	699	349	21.9%	78.1%
SE 222	100	9	0.0%	100.0%
CAT 223	198	65	7.6%	92.4%
SE 224	119	57	10.8%	89.2%
Total	1,116	480	16.9%	83.1%

Data caveats (if any):

1. As clarified for the industry by the ICA, data is as at 30/9/23 (consistent with the timeframe in which data was collected for QBE's submission). Also, as the data is provided as at the stated point in time, it is not reflective of the current position in respect of claims and complaints (e.g. there will have been additional closure and resolution and there may be slight differences from our submission due to data refreshing during the interim period).
2. Unless otherwise specified, information relates to the same products considered in the Deloitte Review (domestic property, private motor and small business insurance policies).
3. Columns D and E "% of denied claims due to no flood cover or other policy exclusions" - calculation includes claims both fully and partially denied.

d: Complaints to IDR, and IDR decisions

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	882	550	294	<i>See column d and note 4</i>	19
SE 222	62	43	15	<i>See column d and note 4</i>	1
CAT 223	150	103	43	<i>See column d and note 4</i>	4
SE 224	79	62	16	<i>See column d and note 4</i>	1
Total	1173	758	368	<i>See column d and note 4</i>	25

Data caveats (if any):

- As clarified for the industry by the ICA, data is as at 30/9/23 (consistent with the timeframe in which data was collected for QBE's submission). Also, as the data is provided as at the stated point in time, it is not reflective of the current position in respect of claims and complaints (e.g. there will have been additional closure and resolution and there may be slight differences from our submission due to data refreshing during the interim period).
- Unless otherwise specified, information relates to the same products considered in the Deloitte Review (domestic property, private motor and small business insurance policies).
- Column B "Total no. of complaints handled" is the total of IDR complaints in accordance with the data request in this question (i.e. complaints managed by QBE's Customer Relations & Advocacy team). Accordingly, this is not the same as "total number of complaints" reported in Question 20(b) as that includes both complaints managed by first line business units (e.g. claims team) and complaints managed by QBE's Customer Relations & Advocacy team.
- Columns D and E "No. of cases resolved in full/partial favour of policyholder" - as noted in QBE's submission, we do not collect structured data about the IDR complaints that resulted in no change to the original claims decision or led to full or partial acceptance of the claim, which is held on the individual complaints files. Accordingly, all cases resolved in favour of the customer (including any financial or non-financial remedies) have been reported in column D.
- Column F "No. of unresolved cases at IDR" - are cases where a decision was not made by QBE's Customer Relations & Advocacy team as the complainant referred the case to AFCA before resolution at IDR.
- The "Total no. of complaints handled" (column B) also includes 22 IDR cases that were withdrawn or abandoned (these are not otherwise reported in columns C-F).

e: Referral to AFCA

Flood event	No. claims that went to AFCA	% of total claims referred to AFCA
CAT 221	162	1.79%
SE 222	12	1.67%
CAT 223	25	1.30%
SE 224	13	0.70%
Total	212	1.56%

Data caveats (if any):

1. As clarified for the industry by the ICA, data is as at 30/9/23 (consistent with the timeframe in which data was collected for QBE's submission). Also, as the data is provided as at the stated point in time, it is not reflective of the current position in respect of claims and complaints (e.g. there will have been additional closure and resolution and there may be slight differences from our submission due to data refreshing during the interim period).
2. Unless otherwise specified, information relates to the same products considered in the Deloitte Review (domestic property, private motor and small business insurance policies).

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	16	<i>See column b and note 3</i>	9	16	57%
SE 222	1	<i>See column b and note 3</i>	2	2	3%
CAT 223	1	<i>See column b and note 3</i>	3	1	9%
SE 224		<i>See column b and note 3</i>		3	5%
Total	18	<i>See column b and note 3</i>	14	22	75%

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

Data caveats (if any):

1. As clarified for the industry by the ICA, data is as at 30/9/23 (consistent with the timeframe in which data was collected for QBE's submission). Also, as the data is provided as at the stated point in time, it is not reflective of the current position in respect of claims and complaints (e.g. there will have been additional closure and resolution and there may be slight differences from our submission due to data refreshing during the interim period).
2. Unless otherwise specified, information relates to the same products considered in the Deloitte Review (domestic property, private motor and small business insurance policies).
3. Columns B and C "No. of cases insurer's decision/handling upheld/partially upheld" - as outlined in QBE's submission, information on outcomes (decisions at AFCA) is based on AFCA's data as we do not collect structured data about EDR complaints that result in no change to the original claims decision, or lead to full or partial acceptance of the claim. This information is held on the individual complaint files. Accordingly, all cases resolved in favour of the insurer are reported in column B.
4. Column D "No. of cases in favour of policyholder" - as per note 3 above, information on outcomes is based on AFCA data.
5. Column F "% cases to AFCA that were resolved early" - this includes matters that were discontinued, resolved by negotiation or by other resolution indicating QBE may have found a way to resolve the matter without the need for an AFCA determination.

g: Main sources of disputes referred to AFCA

	Issue	% of all complaints to AFCA
1	Claims Denial Part Denial (Exclusion\Condition)	30.66%
2	Claims Denial Full Denial (Exclusion\Condition)	26.89%
3	Claims Service Delay (Processing)	10.85%
4	Claims Settlement Amount Basis of Settlement (Quote)	7.55%
5	Claims Service Claim Process (General)	5.66%

Data caveats (if any):

1. As clarified for the industry by the ICA, data is as at 30/9/23 (consistent with the timeframe in which data was collected for QBE's submission). Also, as the data is provided as at the stated point in time, it is not reflective of the current position in respect of claims and complaints (e.g. there will have been additional closure and resolution and there may be slight differences from our submission due to data refreshing during the interim period).
2. Unless otherwise specified, information relates to the same products considered in the Deloitte Review (domestic property, private motor and small business insurance policies).

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	566	2	119610	1 to 211	1 to 211
2020	520	10	115603	1 to 222	1 to 218
2021	486	15	116,851	1 to 240	1 to 233
2022	519	116	125,582	1 to 242	1 to 197
2023	559	104	111,478	1 to 199	1 to 168
2024	569	0	26,763	N/A	N/A

Data caveats (if any):

1. Columns B and C "Permanent and temporary FTE" - includes people directly engaged in processing property and motor claims. This does not include people within QBE's broader claims function that have responsibilities relating to our property supply chain (including supplier relationship management, repair quality management, and partner management), motor supply chain (including motor assessing and partner relationship management), delivery and performance (including workforce planning, performance coaches, trainers, risk and compliance) or governance, quality assurance teams and other supporting teams. This also does not include external suppliers and providers, third party agents and intermediary partners who are involved in QBE's claims management process and may have delegated authority from QBE to manage claims. Data is reported as at 31 December for each year (excluding 2024), therefore will not reflect fluctuations in FTEs to support time of higher (or surge) claims volumes such as in a catastrophe event.
2. Column B "Permanent FTE" - is reported as at 31 December for each year (excluding 2024).
3. Column C "Temporary FTE" - is reported as the number employed during the year (not as at 31 December) as an indication of fluctuations in resourcing to support periods of higher (or surge) claims volumes (e.g. during a catastrophe event).
4. Columns B and C "Permanent and temporary FTE" - there are a range of factors that can influence resourcing at any given point in time (e.g. claims volumes, operating models, process efficiencies and automation, regulatory and compliance requirements).
5. Columns E and F "Ratios" - these are not reported for 2024 given the FTE are currently managing claims from both 2024 and open claims from previous period.
6. As outlined in QBE's submission, in 2023 QBE established a dedicated National Claims Response Team, with 25 people to assist in more effectively addressing surge capacity requirements for future extreme weather events.

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	39	2	3048	1:78	1:74
2020	44	0	3068	1:70	1:70
2021	47	12	4460	1:95	1:76
2022	61	0	9546	1:156	1:156
2023	66	0	10592	1:160	1:160
2024	68	0	2622	1:39	1:39

Data caveats (if any):

1. Columns B and C "Permanent and temporary FTE" - includes people in QBE's Customer Relations & Advocacy team engaged in managing and supporting IDR cases.
2. Column B "Permanent FTE" - is reported as at 31 December for each year (excluding 2024 - as at 31 March).
3. Column C "Temporary FTE" - is reported as the number employed during the year (not as at 31 December) as an indication of fluctuations in resourcing (e.g. to support periods of higher complaints volumes such as during a catastrophe event).