

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.

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"

Auto & General

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)

Auto & General

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.

Auto & General

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)

Auto & General

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

Auto & General

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

Auto & General

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).