

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	% building	% contents	% motor vehicle	% small business
8,547	12.7%	57.5%	10.5%	19.1%	0.2%

Data caveats (if any):

Relating to CAT 221, SE 222, CAT 223, SE224

Motor vehicle excludes Youi's leisure products (Motorcycle, Trailer, Caravan and Watercraft)

% of Leisure products is 3.5%

% of home and contents refers to a combined building and contents policy for the same risk address

Data effective to date 31 October 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	7256	975	11.20%	886	12.21%
SE 222	501	76	13.17%	68	13.57%
CAT 223	669	83	11.51%	78	11.65%
SE 224	121	20	14.05%	19	15.70%
Total	8547	1154	11.38%	1051	12.29%

Data caveats (if any):

% of total complaints that went to IDR = any complaint that is handled by anyone outside the frontline resolved team (outside of the 48hr rule)

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	657	476	0%	9%
SE 222	57	33	0%	11%
CAT 223	119	35	0%	18%
SE 224	16	8	0%	13%
Total	849	552	0%	10%

Data caveats (if any):

For a building and content combined policy, a claim is considered denied if at least one part was rejected.

10% total relates to 856 claims denied out of 8,559 claims reported

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	975	427	289	143	17
SE 222	76	31	23	14	0
CAT 223	83	43	22	6	7
SE 224	20	11	8	0	0
Total	1154	512	342	163	8

Data caveats (if any):

Settled in full does not include any settlement made under a commercial decision

Youi

e: Referral to AFCA

Flood event	No. claims that went to AFCA	% of total claims referred to AFCA
CAT 221	93	1.28%
SE 222	2	0.39%
CAT 223	13	1.94%
SE 224	0	0
Total	110	1.29%

Data caveats (if any):

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	28	22	28	13	38.70%
SE 222	1	0	1	0	100.00%
CAT 223	5	1	1	6	15.38%
SE 224	0	0	0	0	N/A
Total	34	23	30	19	37.04%

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

Data caveats (if any):

Commercial decisions are not included in this data

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.

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

g: Main sources of disputes referred to AFCA

	Issue	% of all complaints to AFCA
1	Claim Decision	64.81%
2	Claim Delay	15.74%
3	Claim Settlement	14.81%
4	Claims Process/Service	11.11%
5	Service Provider	3.70%

Data caveats (if any):

IMPORTANT: We don't have historical records of complaint categories in ReadNow, and as such, I can't say for sure that the below categories are what was on the complaints as of the end of October. The complaints included in the below table are all EDR complaints that we had in the system on 31/10/2023, but the categories are current (as at 22/04/2024)

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	86.6	0.0	99112	1143.8	1143.8
2020	94.1	4.1	96370	1024.0	980.87
2021	103.1	1.3	100822	978.1	965.95
2022	117.5	3.7	107646	915.8	887.61
2023	111.8	0.0	104977	939.1	939.1
2024	123.3	0.0	33293	1029.5	1029.5

Data caveats (if any):

2024 Ratio of permanent FTE to claims is based off an annualised claims lodged value (126,976)

Temporary FTE staff is based over 12 months, e.g. 40 people working 6 weeks = 4.6 over 12 months

Ratio of total claims due to temporary staff excluded due to minimal use of said staff

Claims handling staff is based off staff role (advisor level) in front line roles. This excludes claims assist, assessing and third party care.

Total claims lodged = all claims excluding assist (not just CAT event)

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	9	0	6255	0.00	695
2020	9	0	5710	0.00	634
2021	13	0	6597	0.00	507
2022	19	0	9453	0.00	497
2023	21	0	9022	0.00	429
2024**	27	0	2716	0.00	100

Data caveats (if any):

Total cases (Complaints) handled is equal to all complaints captured and handled in the distinct Customer Support and IDR teams.

During 2019 and 2020, complaints were handled across all business front line teams and managers. The IDRS team handled escalated complaints that went to Internal Disputes and External Disputes (AFCA) only.

** Data here is as at and to 29 April 2024.

Youi's complaint per policy ratio is in decline and that is due to Youi's pricing model and specifically reflected as a result of our reduction in price related complaints.