

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.*

**The parameters of this data request differ from data IAG has previously supplied to the Committee.**

**Based on the Committee's guidance via the ICA, the date ranges and scope for the responses are as below:**

**Tabs a-g: data is from 20 February 2022 to 31 October 2023, and only four events are covered (i.e. CAT221, CAT223, SE222, SE224). Responses are provided for Home (personal lines), Motor (personal lines) and SME, excluding Travel, Industrial Special Risks, Crop, Commercial Strata, Construction and Engineering and Boat.**

**Tabs h-i: data is for calendar year, from 1 January 2019 to 31 March 2024.**

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

Total no. flood-related claims	% home and contents	% contents	% motor vehicle	% small business
16,986	53%	13%	31%	3%

**Data caveats (if any):**

Based on the Committee's guidance via the ICA, Flood insurance related claims and lodgements are counted where cause of loss was either Flood or Storm Water Run-Off or Storm Surge.

The response to "% of Home and Contents" includes claims with either building and contents damage or building damage only, excluding contents only damage.

The response to "% Contents" includes claims with only contents damage and no building damage.

**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	44,093	6,245	10.60%	47.14%	6.68%
CAT 223	6,797	710	8.09%	37.46%	3.91%
SE 222	6,803	813	9.22%	51.17%	6.11%
SE 224	4,831	455	7.16%	38.02%	3.58%
<b>Total</b>	62,524	8,223	9.91%	46.20%	6.08%

**Data caveats (if any):**

Complaints that went to IDR excludes “resolved on the spot” complaints.  
 For the total number of Claims, volume is calculated at Claim level, including multiple coverage components of a Claim (e.g. Home – Building and Contents).

**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	3,374	12,097	28%	72%
CAT223	563	1,101	6%	94%
SE222	821	2,321	5%	95%
SE224	273	703	29%	71%
<b>Total</b>	5,031	16,222	22%	78%

**Data caveats (if any):**

For Claims declined, a view on partially or fully declined claims out of the total lodgement volume is provided rather than partially or fully declined claims within a timeframe (i.e. ignoring “initially” in the definition).

Total claim volume is calculated at Claim level, including multiple coverage components of a Claim (e.g. Home – Building and Contents). The number of claims denied represent number of claims with a full denial decision.

The proportion of denied claims due to no Flood cover is calculated as a percentage of number of fully declined claims due to no flood cover to number of claims denied.

**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
CAT221	6,245	1,875	933	2,661	29
CAT223	710	217	109	301	10
SE222	813	222	95	404	3
SE224	455	123	70	223	1
<b>Total</b>	<b>8,223</b>	<b>2,437</b>	<b>1,207</b>	<b>3,589</b>	<b>43</b>

**Data caveats (if any):**

The total number of complaints includes unique count of complaints ID's (e.g. if a customer has made a Level 0 and Level 1 complaint, this is counted as 1 complaint). Unresolved complaints include complaints where a decision has not been made (i.e. the complaint is still open) as of October 31, 2023.

The number of complaints resulting in partial favour includes ex-gratia and commercial decisions. The total number of complaints include 947 Complaints withdrawn prior to outcome being provided.

**e: Referral to AFCA**

Flood event	No. claims that went to AFCA	% of total claims referred to AFCA
CAT221	658	1.05%
CAT223	67	0.11%
SE222	61	0.10%
SE224	38	0.06%
<b>Total</b>	<b>824</b>	<b>1.32%</b>

**Data caveats (if any):**

The total number of unique claims are linked to complaint(s) that went to AFCA as some Claims may have multiple Complaints. The data used to classify the Flood events is based on IAG Catastrophe code.

**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	19	44	17	13	86.77%
CAT 223	5	3	0	5	82.19%
SE 222	2	2	0	3	89.06%
SE 224	2	1	0	2	87.80%
<b>Total</b>	28	50	17	23	86.61%

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

**Data caveats (if any):**

For the total number of unique complaints registered at AFCA, the number of unique complaints is counted where IAG complaints data matches the Flood Event Code at AFCA. AFCA closure status for each complaint has been used to determine decision outcome at AFCA.

AFCA data was retrieved from their portal on March 25, 2024 using the time flags from February 20,2022 to October 31, 2023.

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

	Issue	% of all complaints to AFCA
1	Delay - Claim Processing & Repairs	31.00%
2	Claim Settlements - Other	22.80%
3	Claims Denial - Exclusion Applied	21.30%
4	Repair Quality or Method	7.40%
5	Claims Denial - No Policy Coverage	4.80%

**Data caveats (if any):**

For complaints registered at AFCA that match the IAG CAT code, IAG's internal complaints categorisation is used to provide the response. AFCA data was retrieved from their portal on March 25, 2024 using the time flags from February 20,2022 to October 31, 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	3829	71	901415	1:235	1:231
2020	3788	316	828023	1:219	1:202
2021	3434	369	786532	1:229	1:207
2022	3073	582	832460	1:271	1:228
2023	3061	578	775131	1:253	1:213
2024	2897	528	225280	1:78	1:66

**Data caveats (if any):**

Based on the Committee's guidance via the ICA, responses are not limited to CAT events

During 2020 and 2021, our permanent offshore resources were impaired due to COVID which led us to revising processes and introducing new technology to reduce reliance on partners and diversifying our panel to incorporate another supplier.

During a natural disaster IAG scales resources through our partnering strategy, and because of this, FTE counts fluctuate throughout each year.

In addition, IAG has processes in place during a natural disaster to leverage scale from our internal workforce. Our broad physical presence is complimented by digital technology which provides a self-service digital claims platform for customers, enabling customers to progress their claim online.

The FTE numbers are provided as a monthly average across the calendar year. For 2024 data, total claims lodged is over the first three months of the calendar year.

**i: IDR staff numbers**

Year (FY?)	Permanent FTE	Temporary FTE	Total cases (complaints) handled	Ratio of perm. FTE to complaints	Ratio of total FTE to complaints
2019	152.5	1.1	48,987	1:321	1:318
2020	163.8	1.2	44,272	1:270	1:268
2021	180.3	1.1	42,045	1:233	1:231
2022	189.7	1.1	49,658	1:261	1:260
2023	190.4	16.1	44,232	1:232	1:214
2024	200.3	11.1	10,879	1:54	1:51

**Data caveats (if any):**

Based on the Committee's guidance via the ICA, responses are not limited to CAT events, and total complaints handled excludes those resolved on the spot.

IDR FTE excludes FTE responsible for resolving complaints on the spot. For 2024 data, total complaints handled are complaints closed from January 1, 2024 to March 31, 2024.