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Research Director
Communities, Disability Services and Domestic and Family Violence Prevention Committee
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INQUIRY INTO FINANCIAL PROTECTIONS FOR QUEENSLAND'S SENIORS

Thank you for the opportunity to provide the inquiry with details about the information and support provided by the Insurance Council of Australia (ICA), to assist seniors with their financial decision-making.

The ICA is the industry association for the general insurance industry. Our members provide consumers with a range of retail insurance products, including home and contents, motor vehicle and travel insurance.

The ICA strongly supports financial literacy. Australians are better able to access and choose financial products that are fit for purpose if they have clear, relevant and accessible information to enable them to understand and identify their financial product needs.

This has led the ICA to launch the *Understand Insurance* website, which features videos, factsheets, calculators and checklists, to assist consumers to make informed decisions about their insurance needs.

The ICA has a Financial Inclusion Committee made up of representatives from Australia's largest insurance companies, which is focused on understanding and meeting the insurance information needs of specific community sectors.

The ICA's Financial Inclusion Strategy is as follows:

- Focus on particular community sectors within Australia that require tailored general insurance information in order to make informed decisions about insurance access.
- Work with stakeholders including relevant members, regulators and consumer advocates to prepare tailored insurance information.
- Disseminate information effectively to those who require it, using the ICA's *Understand Insurance* website as the central source of information.

In terms of information specific to seniors, the ICA has worked alongside the Age and Disability Discrimination Commissioner and COTA to prepare travel information for older

Australians. This two-page fact sheet can be found on *Understand Insurance*, and we are pleased to append it to this submission for your information.

The ICA works closely with consumer advocacy groups such as COTA to discuss insurance issues of importance to their constituents, through our National Consumer Reference Group. This group holds an Annual Forum, which is an opportunity for consumer advocates and community organisations to raise issues of insurance access and affordability, and for the ICA to provide briefings on current insurance initiatives. In 2014, the Annual Forum was held prior to the natural disaster season, so that the ICA could stress the importance of ensuring consumers are adequately informed and insured.

The ICA also hosts the *Find an Insurer* website, which is a referral service designed to help consumers access a list of general insurers who offer particular products. *Find an Insurer* allows consumers to search for contact details for insurers who will cover specific needs, such as travel insurance for pre-existing medical conditions.

Finally, the ICA is responsible for the General Insurance Code of Practice, which commits insurers to high standards of service and promotes better and more informed relationships between insurers and their customers. The Code of Practice contains standards relevant to buying insurance, making claims, dealing with catastrophic events, and assistance for customers experiencing financial hardship. The Code of Practice website provides consumers with plain-English information about their rights under the Code.

If you would like to discuss the contents of this submission further, please contact Vicki Mullen, General Manager, Consumer Directorate on (02) 9253 5120 or vmullen@insurancecouncil.com.au.

Yours faithfully



Robert Whelan
Executive Director and CEO

Quick tips for senior Australian travellers



Before buying a travel insurance policy:

- Shop around for the policy that best suits your specific needs
- Compare products and features, not just prices, between a few insurers
- Check that you will be covered for full medical evacuation in case you need to be transported home in a medical emergency

Travel insurance



- Organise travel insurance as soon as you have paid for your trip. That way you may be covered for unused travel and accommodation if you need to cancel your trip due to illness or natural disaster
- For international journeys, travel insurance is as important as a passport, regardless of your destination. If you incur medical expenses overseas and you don't have travel insurance, you are personally liable for the costs, as these cannot be paid by the Government, Medicare or your domestic private health insurance
- Australia's Reciprocal Health Care Agreement with certain countries is not designed to replace travel insurance. This is because it doesn't provide full coverage for all health services, nor the costs of medical evacuation back to Australia, which can be hugely expensive. Also, reciprocal health care agreements generally only cover treatment provided in public hospitals, and not private medical centres
- To find an insurer that offers travel insurance, visit **www.findaninsurer.com.au/category/I2014**

Did you know?

More than one in five Australian travellers (23 per cent) risk not having the insurance they need because they don't read their policy document



Need more information on travel insurance?

Visit **www.understandinsurance.com.au** for more tips

What to look for when choosing a travel insurance policy

Things to consider:

- What is included in the policy
- What is excluded, and how this compares with your intended activities
- The number of people covered by the insurance policy
- The coverage provided on specific pre-existing conditions
- Any age limits that may apply to you and any other person covered by the policy - different insurers may insure to different age limits, so it is important to shop around
- The dollar limits for claims on individual items and as a whole - if you're taking expensive items with you on your trip, you might need to list them separately
- The cost of your insurance premium
- The excess amount you would pay on a claim, including any additional excess you will pay to make a claim on a pre-existing medical condition

What to do if you have a pre-existing medical condition:

- Before you purchase insurance, it is important to know whether your pre-existing medical condition is covered or not. The Product Disclosure Statement (PDS) (the document that describes the cover provided by an insurer) will detail the conditions that your insurer won't cover, or may cover for a higher premium
- If you're unsure about whether you have a medical condition that needs to be declared, you should contact your insurer to discuss the issue
- Discuss your travel plans with your doctor before before making any bookings
- If you are taking large amounts of medication you should take a letter of explanation from your doctor, in case you require medical treatment while overseas
- If your health circumstances change between the time you have purchased your policy and the time you leave for your trip, you should check your policy to ensure you still have appropriate coverage

- Read the Policy Document and Product Disclosure Statement (PDS) carefully to make sure that the risks that are important to you and your family are covered — and how much they are covered for
- For up-to-date travel advice, news, guidance and important information for Australian travelling overseas, visit www.smarttraveller.gov.au



Need more information on travel insurance?

Visit www.understandinsurance.com.au for more useful tips