

## **NATIONAL MEDIA RELEASE**

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# **AAMI URGES INSURERS TO PUBLISH CLAIMS PERFORMANCE**

Leading insurer AAMI today called on insurers to publish information on how well they manage claims.

"Today it is relatively easy for customers to compare policies, benefits and premiums," said AAMI Chief Executive Robert Belleville, speaking at the Australian Consumer Movement's national conference 'A Vision for Consumers' in Melbourne.

"However, people have no way of knowing how well an insurer is doing in the real business of looking after its customers when they claim on their policies, which is indeed the time when a customer needs their insurance company most."

Mr Belleville praised the Insurance Enquiries and Complaints Scheme (IEC Ltd) but argued it should go one step further by providing information on insurers' claims performance to consumers.

"While the IEC undoubtedly provides an excellent service as an alternative dispute resolution system, it fails to provide the information that would arguably be of greatest interest and advantage to general insurance customers," said Mr Belleville.

"When the IEC publishes its annual tabulation of the disputes it has heard and resolved, it doesn't name names. However, we believe this information should be made available to consumers."

Since 1997, AAMI has published annually the results of its internal and external claims dispute resolutions. AAMI's figures for the 2003 calendar year show that 971 customer disputes went to AAMI's consumer appeals service. They related to both policy issues and claims (which totaled approximately 250,000 that year). Of the disputes, 166 (or 17 per cent) were found in the consumer's favour and 50 were withdrawn either at the consumer's request or were resolved within AAMI's State operations.

During 2003, the IEC received 149 appeals from AAMI policyholders and made 37 determinations in the consumer's favour. Some of the determinations were related to appeals received by the IEC in the previous year.

Mr Belleville also called for the introduction of an independently researched annual scorecard revealing customers' levels of satisfaction with the claims service performance of each licensed general insurer.

"This would bring about not only transparency and accountability but an incentive for companies that fall short of their promises to improve their performance," said Mr Belleville.

Mr Belleville cautioned the insurance industry that it should be prepared for legislation similar to the Financial Services Reform Act 2001 to be introduced for claims, if it did not place simple and easily comparable information about individual insurers' claims performance in the hands of consumers.



“The challenge is whether or not insurers will have the necessary desire or leadership to publish the range and detail of customers’ satisfaction with their claims performance information.”

**Media information:** please contact **Christine Elmer, AAMI Public Relations Manager**

Ph 03 8520 1944 or 0408 381 883.