

# COMMINSURE INDEPENDENT REVIEWS

A range of reviews commissioned by the Comminsure Board (the Board) to investigate concerns raised in the media are now complete. We have taken these concerns about our business seriously, commissioning thorough reviews and investigations led by independent experts, Deloitte, DLA Piper and Ernst & Young.

Having regard to all of the work that has been completed, including the independent expert reviews, the Board concludes there is nothing to support the concerns of wilful or widespread misconduct.

The Deloitte report “...did not identify any systemic issues relating to historically declined claims” and “did not identify any evidence that the current and planned improvements to the claims handling processes are designed in a way that could systemically deliver poor customer outcomes.”



## Does Comminsure deliberately avoid payouts to customers?

- ◆ Comminsure does not deliberately avoid payouts to customers — Deloitte’s review of a substantial sample of previously declined claims<sup>1</sup> did not identify any systemic issues with decline of claims.
- ◆ The Deloitte report did not find any evidence that current and planned claims handling processes are designed to systemically deliver poor customer outcomes.
- ◆ More than 800 declined claims<sup>2</sup> were independently reviewed by Deloitte. The report states that nine customers (around 1 per cent) had benefits paid or increased, with 11 cases under reassessment.
- ◆ The review also found examples of good customer advocacy during claims assessments.
- ◆ We are implementing the recommendations suggested by Deloitte and are investing to ensure a better and more consistent customer experience.



## Does Comminsure delay payments to terminally ill customers?

- ◆ Comminsure does not deliberately delay payments to terminally ill customers - Deloitte reviewed 100% of declined terminal illness claims over the past three years and found no systemic delays.



## Did claims staff bully Comminsure doctors or pressure them to change opinions?

- ◆ Having regard to all the reviews that have been carried out, the Board is satisfied that
  - ◆ there is nothing to suggest a culture where doctors are pressured or bullied by claims staff to change medical opinions.
  - ◆ there is no evidence employees ‘cherry-pick’ doctors to provide medical opinions for the purposes of declining claims.
  - ◆ there is proper regard for medical practitioners’ professional opinions and ethical obligations.
  - ◆ Comminsure doctors’ medical opinions reflect the doctors’ genuine views and were not changed to support declining claims.



## Is it part of Comminsure’s culture to avoid and delay claims?

- ◆ Having considered all of the work, the Board is reaffirmed in its confidence in the business and the values of our people, and is satisfied that there is not a culture of avoiding or wilfully denying claims.
- ◆ We are satisfied that surveillance practices adopted in 2013 were consistent with industry practice, and that assertions in the media that Comminsure massively increased surveillance in the second half of 2013 are incorrect — there was no material change in the number of cases under surveillance.
- ◆ We pay claims to help customers in their time of need — in 2016, Comminsure paid more than \$1 billion to around 20,000 customers.



## Were thousands of customers affected by an out-of-date heart attack definition?

- ◆ In May 2014, Comminsure’s heart attack definitions were consistent with a number of competitors but the majority had changed their definitions.
- ◆ In March 2016, we accelerated a planned update to our heart attack definition, backdated to May 2014. We then wrote to advise 600,000 current and former customers of this update.
- ◆ We actively searched for previously declined trauma claims and have paid \$2.5 million to 17 eligible customers based on the changed definition.
- ◆ We will regularly review medical definitions in consultation with relevant medical professionals. When we change our definitions, we let our policyholders know. Our most recent update was in November 2016.
- ◆ We support the use of standard medical definitions, under the Life Insurance Code of Practice.

<sup>1</sup>Deloitte reviewed a substantial number of retail advice and group past declined life, terminal illness, TPD and trauma claims over the five years to 30 April 2016. Retail advice policies are generally provided to clients of financial advisers. Group policies are provided by Comminsure to entities like industry superannuation funds, corporate superannuation funds and master trusts.

<sup>2</sup>This includes both the substantial sample in Deloitte’s report and a small pilot.

Updated on 28 February 2017.



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Life insurance supports customers and their families at some of the most difficult times in their lives. Commonwealth Bank and Comminsure take that responsibility very seriously. In 2016, Comminsure paid over \$1 billion in life and income protection payments to around 20,000 customers – that's \$2.7 million every day.



## Are Comminsure claims staff incentivised to decline claims?

- ◆ Claims staff do not receive financial incentives for declining claims or delaying claims assessments.



## Were medical files maliciously deleted or tampered with?

- ◆ Having regard to both the previous 2015 internal review and subsequent independent investigations, the Board is satisfied there is no evidence to support the allegation that medical opinions were maliciously deleted or tampered with.



## Were concerns raised by employees ignored?

- ◆ As we have said in the past, assertions that Comminsure was not responsive to employees' concerns are incorrect.
- ◆ All Commonwealth Bank employees are encouraged to speak up if they see activities or behaviours that concern them or are inconsistent with our values.
- ◆ Employees can openly express concerns and we provide a safe environment for them to do this confidentially.
- ◆ Concerns raised in good faith are taken seriously and fully investigated.

The Deloitte report "...Given the level of coverage obtained by our sample we believe that the work performed is sufficient to have reasonably identified any matters that may systemically affect the declined claims population; and the claims review did not identify any systemic concerns relating to historically declined claims."

## Scale of our review



More than  
**5 million**  
emails & documents



Conducted around  
**80**  
independent interviews



Manually reviewed around  
**200,000**  
email documents



Over **150**  
people involved in  
these reviews

## Continuing to improve

At Comminsure's request, Deloitte identified a number of recommendations to enhance elements of the claims handling process. We have accepted these and work was already under way to implement the recommendations. The main themes include:

- ◆ Staff training to update claims staff on the review findings and changes to policies and procedures
- ◆ A detailed analysis of the claims with a customer impact with a view to improving our processes
- ◆ Enhancing our claims data quality framework to ensure better classification of all claims
- ◆ Streamlining and standardising the claims assessment process, including customer correspondence, to deliver a better experience for our customers.

