

Travel Daily

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Insurer fined \$1.5 million

INSURANCE company Allianz and its related arm AWP Australia have been slapped with a \$1.5 million penalty by the Federal Court for “misleading and deceptive conduct” in relation to travel insurance policies sold through Expedia websites.

The deceptive actions, which duped around 35,000 clients, were detailed under a settlement secured by the Australian Securities and Investments Commission (ASIC) last year (**TD** 04 Nov 2020), and included Allianz failing to correctly disclose how premiums were calculated in product disclosure statements so that travellers were not given accurate details on the type of insurance they were purchasing.

In some cases, customers who bought travel insurance on Expedia’s websites were ineligible to make claims under the policies.

In handing down his verdict, Chief Justice James Allsop said

the \$1.5 million penalty would deter the sector and Allianz from adopting a lax attitude towards compliance in the future.

ASIC Deputy Chair Sarah Court added that it was imperative for travellers that there are consequences for unscrupulous conduct in the travel insurance space so that consumers have “peace of mind” on holidays.

“The value of an insurance policy is in the promise - that a consumer can feel confident and secure that they will be looked after if something goes wrong,” Court said.

“The community expects that the insurance industry will promote and sell products in a transparent way... ASIC remains committed to ensuring that consumers’ experience matches that expectation,” she added.

AWP was ordered to pay a fine of \$1.14 million, while Allianz will have to pay \$360,000.