

Chapter 6: Allianz and AGA

6.1 Summary

- From 1 July 2017 to 19 April 2018 (Investigation Period), Allianz and AGA provided travel insurance and issued travel insurance policies that excluded payment for claims arising on the basis of a person having a mental health condition (blanket exclusion term).
- Allianz and AGA unlawfully discriminated against people with a mental health condition because they were not able to demonstrate a sufficient basis to offer the blanket exclusion term under the *Equal Opportunity Act 2010* (Vic).
- Allianz and AGA produced a large volume of documents to the Commission and claimed that the blanket exclusion term was based on reasonable actuarial or statistical data. However, they were unable to demonstrate they had considered or sufficiently analysed the documents when they decided to offer policies with the blanket exclusion term.
- Allianz and AGA did not comply with their positive duty to “eliminate discrimination as far as possible”. Rather than removing blanket exclusion terms in their policies, Allianz and AGA made voluntary or ex gratia payments for mental health claims.
- Allianz and AGA have acknowledged the Commission’s recommendations and told the Commission they changed their policies in November 2017 to stop providing blanket exclusion terms relating to mental health. The Commission observes they have begun offering limited cover to people with a pre-existing mental health condition.

6.2 About Allianz and AGA

Allianz Australia Insurance Limited (Allianz) is an Australian subsidiary of the international company Allianz SE and Allianz Group. Allianz is one of Australia’s largest providers of travel insurance, with an estimated 25 per cent of the travel insurance market.

While Allianz does not issue and distribute travel insurance directly to the retail market in Australia, Allianz underwrites travel insurance policies that are issued and distributed by its related body corporate, AWP Australia Pty Ltd, trading as Allianz Global Assistance (AGA). AGA acts as an agent of Allianz.

In the 2017–18 financial year, Allianz collected approximately \$257 million in travel insurance premiums.¹ It sold more than 770,000 travel insurance policies.² Premiums paid for travel insurance have increased by more than 35 per cent from five years ago.³

A more detailed summary of Allianz and AGA is provided in Chapter 2.

6.3 What did we investigate?

6.3.1 ALLIANZ AND AGA'S PRODUCT DISCLOSURE STATEMENT

The use of a blanket exclusion term

For the purposes of the Investigation, the Commission identified travel insurance policies sold by Allianz, which included contracts of insurance sold to Australian consumers under a publicly available Product Disclosure Statement (PDS). This included the NAB Supplementary PDS (NAB SPDS) which was sold under an Allianz and AGA PDS.⁴ Both these documents included the following clauses:

We will not pay under any circumstances if:

- (23) Your claim Arises from or is in any way related to depression, anxiety, stress, mental or nervous conditions⁵ (the blanket exclusion term).

A similar blanket exclusion term was included in Allianz and AGA's most commonly sold travel insurance product at the same time, the Allianz Travel Insurance (Direct) policy (ATID PDS).⁶

The use of a pre-existing condition term

The NAB SPDS also stated that it would provide "no cover for medical expenses, cancellation costs or additional expenses arising from or related to" particular pre-existing conditions (pre-existing condition term) including:

- 10) Any mental illness as defined by DSM-IV including:
- a) Dementia, depression, anxiety, stress or other nervous condition; or
 - b) Behavioural diagnoses such as but not limited to autism; or
 - c) A therapeutic or illicit drug or alcohol addiction

DSM-IV is the *Diagnostic and Statistical Manual of Mental Disorders*, a handbook published by the American Psychiatric Association. It is used by clinicians worldwide to diagnose a range of mental health disorders in both adults and children based on standardised criteria and objective testing. Mental illnesses defined in the DSM-IV include dementia, depression, anxiety, stress or other nervous conditions, behavioural diagnoses, and therapeutic or illicit drug and alcohol addictions.

Under the terms of reference for the Investigation, the Commission considered whether the use of the blanket exclusion term and the pre-existing condition term were discriminatory. This included whether an exception to unlawful discrimination applied under the Equal Opportunity Act. The Commission considered that both terms had the potential to significantly impact on people with a mental health condition.

6.3.2 WHAT DID WE ASK ALLIANZ AND AGA?

The Commission requested Allianz and AGA to provide the following information to assist in assessing its compliance with the Equal Opportunity Act:

- All information that was considered by it or relied on to include the blanket exclusion terms in the identified PDSs.
- Its explanation of how any such information was relied upon in formulating the terms on which the insurance would be offered.
- Its explanation of how it assessed the statistical robustness of any data and conclusions, any analytical assumptions

used to decline to provide insurance or offer alternate terms and conditions of insurance for people who have, or have had, a mental health condition.

- The number of contracts sold and the number of rejections or additional indemnities for both the policies identified, as well as its most commonly sold contract of travel insurance.
- Measures it had taken in compliance with section 15(2) of the Equal Opportunity Act (positive duty).
- Details regarding its claims and dispute resolution processes in relation to people that have or have had a mental health condition.

6.4 Allianz and AGA's response to the Investigation

Allianz and AGA participated in the Investigation and assisted the Commission by providing written responses and supporting documents.⁷ The Commission acknowledges Allianz and AGA's open and cooperative engagement.

Relevant information provided by Allianz and AGA is discussed below. Responses were received jointly by Allianz and AGA.

6.4.1 POLICIES SOLD

During the Investigation Period, Allianz and AGA advised that:

- 94,510 people entered into contracts of travel insurance under the NAB SPDS and the ATID PDS (of which 24,409 were Victorian customers)
- in respect of both policies, Allianz and AGA refused to indemnify eight customers (including three Victorian customers) on the basis of a mental health condition⁸
- In respect of both policies, Allianz and AGA indemnified some people with a mental health condition on a different and detrimental basis to other customers, in accordance with the blanket exclusion term in its policies.⁹

Allianz and AGA told the Commission that, from 6 November 2017 to the end of the Investigation Period, they changed their policies for claims by people with a mental health condition and did not refuse to indemnify any customers for claims arising from a 'first-presentation' mental health condition.¹⁰

Allianz and AGA did not change their policies in relation to pre-existing conditions during the Investigation Period, but have confirmed that changes were made to begin offering limited cover from 1 November 2018.

6.4.2 ALLIANZ AND AGA'S POSITION

Allianz and AGA acknowledged that, up to 6 November 2017, its travel insurance policies excluded all claims arising from mental health conditions.¹¹ Allianz and AGA argued that they had not discriminated unlawfully against people with a mental health condition because the decision to offer policies with the blanket exclusion terms was based on actuarial and statistical data on which it was reasonable for them to rely in accordance with the exception to discrimination in section 47(1)(b) of the Equal Opportunity Act.¹²

The decision to offer the blanket exclusion terms

Allianz and AGA advised the Commission that a preliminary internal review was conducted in 2013–14 (the 2013–14 review) to consider the feasibility of introducing cover for pre-existing and first-presentation mental health conditions.

In the absence of any direct internal data relating to mental health conditions, Allianz and AGA said they relied on internal claims data for physical injuries as a starting basis for analysis of potential claims arising out of a mental health condition.¹³ This information was then used in the 2013–14 review to analyse and estimate the cost of cancellation and medical claims arising for pre-existing mental health conditions.

In addition, Allianz and AGA advised that they “considered Australian and overseas incidence data reflecting the rate of new cases of mental illness in the population”,¹⁴ which was classified by the type of mental health condition in order to assess “the likelihood of first-presentation mental illness claims”.¹⁵

Allianz and AGA said the 2013–14 review determined that there were certain mental health conditions that demonstrated “a likelihood of experiencing a significant number of sizable claims”¹⁶ and made the decision to include the blanket exclusion terms on this basis. Allianz and AGA did not consider that this constituted discrimination because Allianz and AGA, “like all other insurers, and consistent with the operation of a prudent insurer, excludes risks in respect of claims unrelated to mental illness, where there is a high likelihood of a number of sizable claims that exceed its risk tolerance”.¹⁷

Allianz and AGA provided supporting documents, which they claimed to have relied on in deciding to offer the blanket exclusion terms (discussed below).

The decision to retain the blanket exclusion term

The NAB SPDS and the ATID PDS were offered for sale in July 2016 and March 2017 respectively. While the 2013–14 review was crucial to determining the terms to offer in these policies, Allianz and AGA advised the

Commission that they chose to maintain the blanket exclusion term in policies they offered because:

- data, statistics and information demonstrated that “based on AGA’s analysis during the relevant period, 2014 to 2017, the introduction of cover for mental illness would ... [have] introduced a high severity risk”¹⁸
- if they removed the blanket exclusion term there “was a real probability” of a material adverse impact on the profitability and sustainability of the business and there was “a high likelihood it would experience a significant number of sizable medical claims”¹⁹
- it would be inconsistent with AGA’s business model to extend the terms of the policy to include cover for mental health conditions.²⁰

Allianz provided the Commission with documents outlining the decision to maintain the blanket exclusion term in their travel insurance policies (discussed below).

The decision to remove the blanket exclusion terms

From November 2017, Allianz and AGA changed their policies to remove the blanket exclusion terms (approximately halfway through the Investigation Period).

Allianz advised the Commission that it now:

[P]rovides first presentation [sic] mental illness cover for all its travel insurance policies and is well advanced in the process of introducing cover for pre-existing mental illness, to be assessed on a case by case basis, and consistent with its risk tolerance outlined above.²¹

The Commission understands that offering to cover people with a pre-existing mental health condition is an important step by Allianz and AGA, and recognises the important shift towards better business practices.

6.4.3 ALLIANZ AND AGA'S DOCUMENTATION

In support of their position, Allianz and AGA provided the Investigation with a large number of documents that they claimed to have relied on:

- to consider whether and on what terms to offer coverage to people with a mental health condition in their travel insurance policies
- as background material that they continued to collect and hold to consider in their assessment of whether to maintain the blanket exclusion term.

The Commission reviewed these documents to assess whether they were sufficient to rely on the exception in section 47 of the Equal Opportunity Act. In particular, the Commission considered if, at the relevant time the NAB SPDS and ATID PDS were offered, the actuarial or statistical data was reasonable to rely upon to discriminate. The Commission's analysis of these documents is provided below.

The documents can be broadly divided into two categories:

1. external documents (sources created outside of Allianz and AGA)
2. internal documents (material created by Allianz and AGA).

The documents produced by Allianz and AGA greatly assisted the Investigation.

The external documents

Allianz and AGA provided 173 external documents in support of the claim that any discrimination by Allianz and AGA was based on actuarial and statistical data.²² The external documents included publicly available reports, health statistics, data and studies that related to mental health conditions and insurance at a general level.

Given the significant number of external documents provided to the Investigation, the Commission requested that Allianz and AGA:

- identify, with precision, *what* information they relied on in the supporting documents
- explain *how* information in the supporting documents contributed to or led to the decision to offer or retain the blanket exclusion terms.

In response, Allianz and AGA informed the Commission that the external documents were "collected and considered throughout the relevant period of 2014–17" and were therefore "capable of being considered"²³ by the business prior to the NAB SPDS being offered.

Allianz and AGA also identified specific documents and statistics they relied on to consider prevalence and cost of policies, average physical condition treatment costs, and Australian and overseas data with estimates of average claim costs.

The Commission was not provided with any report of the 2013–14 review. Allianz and AGA did, however, provide external documents in support of its submission that the 2013–14 review *relied* on "publicly available statistics and data".

The internal documents

Allianz and AGA also provided 120 internal documents to the Commission. Allianz and AGA argued these evinced the process undertaken considering actuarial information and making subsequent decisions about coverage, both when the NAB SPDS and ATID policies were issued, and in their decision to continue to offer the policies thereafter.

The internal documents outline Allianz and AGA's internal considerations of whether and how to provide coverage for mental health conditions and include emails between the executive branch and actuarial teams, as well as internal projections and calculations. Allianz and AGA advised they did not retain any record of the calculations used to determine what price offerings could be made at the time.²⁴ Because Allianz and AGA were unable "to extract the primary policy and claims data ... that had been inputted into these calculations", they retrospectively recreated the calculations for the purposes of the Investigation.²⁵

Decision to offer blanket exclusion terms

Fifty-eight of the internal documents were created prior to July 2016. Therefore, the Commission considered that they were capable of being relied on to create and issue the NAB SPDS in July 2016.

These documents show for example that:

- From as early as 2013, Allianz and AGA contemplated including coverage in travel insurance policies for people who experience a mental health condition²⁶
- In October 2014, Allianz and AGA considered that development of, and change to, the travel insurance policy regarding coverage for mental health conditions would require seven-and-a-half weeks' time to activate²⁷
- Allianz and AGA considered the ramifications of the *Ingram v QBE Insurance (Australia) Ltd (Human Rights)* [2015] VCAT 1936 (*Ingram v QBE*) decision.²⁸

Despite these efforts, by 1 July 2016, Allianz and AGA prepared and offered the NAB SPDS which retained the blanket exclusion term. Allianz and AGA advised there had ultimately been a "business decision"²⁹ to not offer coverage to people with a mental health condition in travel insurance policies for that particular product update.

Decision to retain blanket exclusion terms

A large number of the internal documents were dated after July 2016. The Commission considers these documents are not relevant to Allianz and AGA's formulation of the NAB SPDS. They are, however, relevant to Allianz and AGA's decision to maintain the blanket exclusion terms, including during the Investigation Period.

The Commission considers that these documents evidenced that:

- In August 2016 (the month following the preparation of the NAB SPDS), feedback provided to Allianz and AGA's underwriting team outlined a need for greater clarity about standards for potential discriminatory aspects of travel insurance, specifically noting the discrimination landscape had changed following the *Ingram v QBE* decision. Allianz and AGA reflected that the rates of new or similar cases raised is almost a "weekly event at AGA".³⁰ Allianz and AGA's underwriting team noted that it was awaiting outcome of key legal defences for alleged discrimination/disability cases.³¹
- By December 2016, Allianz and AGA's actuarial team reported that progressing coverage for mental health conditions had been fully detailed from an underwriting

perspective, but that progressing coverage had been "parked".³²

Decision to consider removing blanket exclusion terms

Following notification of the Commission's proposed Investigation in July 2017, a significant volume of documents provided by Allianz and AGA demonstrated that they took active steps from approximately July 2017 toward changing their policies. Documents indicated that:

- by 14 August 2017 "with the changing competitor stance and increased regulatory interest in First Presentation [*sic*] coverage of mental illness in travel insurance, the business is keen to rapidly incorporate this coverage into its product range"³³
- by 28 August 2017 a senior member of the underwriting team canvassed providing ex gratia payments to consumers with first-presentation mental health conditions.³⁴

6.5 Opinion of an independent actuary

6.5.1 EXPERT ENGAGED BY COMMISSION

The Commission engaged an independent actuary to assist the Investigation in its examination of compliance under the Equal Opportunity Act. In particular, the Commission asked for an expert opinion on whether the conclusions drawn by Allianz and AGA about the data provided were actuarially sound, having regard to the information available and relied on by Allianz and AGA at the time.

The Commission engaged a private consultant, Actuarial Edge (the Actuary). The Actuary was asked by the Commission to consider Allianz and AGA's responses to the Commission's questions, together with relevant documents produced by Allianz and AGA to support its claim that the data it held justified lawful discrimination.

The Actuary produced a report to the Commission, outlining its analysis of the information and opinion on the options reasonably open to Allianz and AGA.³⁵

6.5.2 ACTUARY'S ANALYSIS OF ALLIANZ AND AGA'S MATERIAL

Positive aspects of actuarial information

The Actuary acknowledged that Allianz and AGA had "examined many sources of data" and determined the hierarchy of data "seems reasonable and covered many sources".³⁶ The Actuary concluded that Allianz and AGA's review considerations, such as claim frequency, average costs of claims arising from mental illness conditions, and the impact on profitability, were all factors "reasonable and appropriate in considering whether to maintain the relevant exclusion".³⁷

Shortcomings in Allianz and AGA's actuarial material and analysis

The Actuary reviewed Allianz and AGA's explanation and documentation and identified shortcomings in the quality and analysis of the information provided.

SUMMARY OF ACTUARY'S ANALYSIS

- Despite the large volume of documents, only approximately 20 documents included relevant actuarial or statistical data.
- The inclusion of mental health conditions claims would not exceed Allianz's stated risk tolerance.
- Some cover for some types of pre-existing mental health conditions was plausible and would not threaten the profitability of the travel insurance business.
- Allianz and AGA's documents did not appropriately consider the spectrum of risk for different mental health conditions.
- Allianz and AGA appear to have applied an additional loading for mental health conditions without providing analysis of how or why the loading was applied.
- Allianz and AGA were less likely to offer cover for mental health conditions compared to physical conditions without sufficient data or analysis.
- Allianz and AGA's conclusions about its Combined Operating Ratio (which considers the cost of insurance against the premiums collected) for mental health coverage were inconsistent and not supported by sufficient data or analysis.

While Allianz and AGA supplied numerous documents, the Actuary observed "only the conclusions and findings are documented. The supporting data, information and the analysis itself is not included",³⁸ noting there was "no single document that synthesises the data and analysis and sets out Allianz's findings, apart from commentary" contained in correspondence to the Commission.³⁹ On this basis, the Actuary found only approximately 20 documents included relevant actuarial or statistical information pertinent to the Investigation.⁴⁰

While the Actuary agreed that mental health claims appeared to be technically riskier than physical claims, she considered that the inclusion of mental health conditions claims would not exceed Allianz's stated risk tolerance.⁴¹

In addition, the Actuary identified that, based on her analysis of the findings of Allianz and AGA's internal reviews, some cover for some types of pre-existing mental health conditions was plausible and would not threaten the profitability of the travel insurance book. This finding was "inconsistent with Allianz's conclusion".⁴²

Spectrum of risk

The Actuary noted that:

mental illness disorders can range from mild depression or anxiety, which does not affect a person's ability to undertake normal activities, to serious psychotic episodes requiring hospitalisation and various drug and non-drug interventions to treat the illness and enable the person to resume normal activities.⁴³

The Actuary described this range of possible risk outcomes for different mental health conditions as a "spectrum of risk" and found that Allianz and AGA's documents did not appropriately consider the differences that arise from various mental health conditions in setting their policy terms.

Further, the Actuary identified that in the context of travel insurance, risks need to be considered carefully. Firstly, the category of people that choose to travel are a specific subcategory that needed to be taken into consideration when calculating risk. Secondly, the risk that a person suffers an episode serious enough to necessitate the cancellation of prepaid travel plans and/or requiring medical attention overseas, "would differ markedly for people at different points along this mental illness spectrum".⁴⁴

At its core, given the vast differences in mental health conditions (for example, between a person who once experienced a mild episode of post-natal depression five years ago to a person who is experiencing acute and active psychosis) prospective risks to the insurer for cancellation or claims should also be differently rated.

In this regard, the Actuary concluded that the categories used by Allianz and AGA to test coverage for mental health conditions did not account for these variances.

Data analysis and lack of transparency

Allianz and AGA produced documents that showed internal testing for whether coverage for mental health conditions was possible using "medical risk scores" for different mental health conditions. To provide mental health conditions with a score, Allianz and AGA compared the spectrum of risks for pre-existing physical conditions. The medical risk score leads to a weighted premium loading being allocated to a medical condition that applies when a consumer buys insurance.

The Actuary identified that Allianz and AGA appear to have applied an additional 'loading' for mental health conditions – in addition to the weighted premium loading derived from the medical risk score. The Actuary noted that there was no analysis provided by Allianz and AGA to explain how this loading was derived or why it was added.⁴⁵

In addition, the Actuary identified that the cover threshold used by Allianz and AGA for mental health conditions appears to have been less tolerant when compared to thresholds used for other conditions. Specifically, the Actuary identified that "the upper score threshold for mental illness conditions is markedly lower ... compared to ... physical injury. Again, no data or analysis is available to support this selection". It would appear therefore, that Allianz and AGA were less likely to offer cover for mental health conditions compared to physical conditions.

The Actuary noted "it is difficult to ascertain exactly what information Allianz relied upon to maintain the relevant exclusion with respect to the NAB SPDS"; because the internal documents were prepared at different times, they contain different assumptions.⁴⁶

The Actuary observed the limited explanation provided was "taking a more risk adverse view".⁴⁷ The Actuary further reflected that "while the types of analysis implied by the findings appear reasonable and appropriate, there was a general lack of detail and explanation about how the analysis was undertaken and how the assumptions were established".⁴⁸

Combined operating ratio

In order to advise an insurer regarding the appropriate level of risk coverage that can be offered within the financial position of a company, an actuary or statistician may have regard to a range of factors. One method commonly used to advise insurers is what the impact of certain coverage will be on its ability to retain a profitable 'combined operating ratio' (COR). A COR compares the cost of insurance (claims and expenses) against the premiums collected. As a general rule of thumb, a COR below 100 per cent means an insurance company is operating at an 'underwriting profit'.

The Actuary observed that the COR conclusions found in Allianz and AGA's internal documents were inconsistent.⁴⁹ The claim frequency and claim severities for mental health conditions had no "data or analysis to support the values quoted or why the relative risk of pre-existing mental illness conditions is higher than for the current policy". Nor did they have any "explanation as to why the values differ across different documents".⁵⁰

Importantly, the Actuary's observations of Allianz and AGA's material suggest that the financial impact of including coverage for mental health conditions would not be onerous.

The Commission considers that documents produced by Allianz and AGA appear to have tested possible coverage for mental health conditions in circumstances where, without any clear conclusions or explanation based on actuarial or statistical data to explain otherwise:

- the tolerance for risk was lower than that for physical conditions
- a loading was added to risk scores for mental health conditions
- costs assumed to be incurred for mental health claims were unwarranted.

On this basis, the Commission considers that Allianz and AGA's consideration of possible coverage of mental health conditions was flawed.

The Actuary's conclusion: Coverage was possible

While the Actuary agreed that there may be a likelihood of mental health claims that can be assumed to be riskier overall, she did "not agree the inclusion of [mental health] claims would exceed Allianz and AGA's pre-existing risk tolerance".

The Actuary instead considered that Allianz and AGA's documents "set out a proposal that appears to demonstrate the viability of using claims assessment processes to enable the inclusion of [mental health] claims".⁵¹

Relevantly, the Actuary's interpretation of the findings from the internal analysis is that cover *could* also "be provided for some pre-existing mental illness conditions".⁵² Notably, by assessing the relative riskiness of conditions, determining if cover could be offered, and applying an appropriate premium, "the impact on the COR appeared to be negligible".⁵³

In this regard, the Actuary has identified that, based on the statistical and actuarial information provided by Allianz and AGA, there was a viable option for offering coverage to mental health conditions, which was not adopted.

6.6 Did Allianz and AGA unlawfully discriminate?

As outlined in Chapter 3, Allianz and AGA have an obligation under section 44 of the Equal Opportunity Act not to discriminate in the provision of travel insurance against people with a mental health condition, unless they can lawfully claim an exception.

Allianz and AGA argued that they had a lawful basis to include the blanket exclusion terms in their travel insurance policies because they relied on appropriate data to satisfy the data exception under the Equal Opportunity Act.

While noting the complexities inherent in insurance coverage, the Commission considers that Allianz and AGA unlawfully discriminated against people with a mental health condition for the reasons set out below.

6.6.1 THE DISCRIMINATION WAS NOT BASED ON ACTUARIAL OR STATISTICAL DATA ON WHICH IT WAS REASONABLE TO RELY

The law

For an insurer to be lawfully permitted to discriminate, relying on the exception in section 47(1)(b) of the Equal Opportunity Act, the discrimination must be based on actuarial or statistical data on which it is reasonable for the insurer to rely.⁵⁴ The question of whether it is reasonable for an insurer to rely upon particular data involves “an objective judgment about the nature and quality of the actuarial or statistical data”.⁵⁵

The Australian Human Rights Commission’s *Guidelines for providers of insurance and superannuation under the Disability Discrimination Act 1992 (Cth) (DDA Guidelines)* include the following guidance for insurers:

- statistical or actuarial data should be current, complete, credible, based on sufficient sample size and applicable to the situation.⁵⁶
- “as the data-limb exemption requires the discrimination to be ‘based’ on the relevant data, this means that the data must have been available at the time of the discrimination. In addition, the insurance ... provider must also be able to show that the data was actually considered and relied upon”.⁵⁷

Commission’s analysis

The Commission acknowledges that Allianz and AGA produced a large volume of external data to the Investigation. The data sources, such as the Underwriting Manual, internal claims data for other injuries and other publicly available insurance data, are relevant and valid actuarial and statistical data sources.⁵⁸

The Commission also notes that the Actuary concluded that the information provided by Allianz and AGA included appropriate data sources for assessing whether to provide insurance to people with a mental health condition.⁵⁹

Allianz and AGA’s internal documents show, and the Actuary’s Report agrees, that Allianz and AGA took some steps to obtain quality data and to consider what coverage it could offer. Allianz and AGA stated that they excluded risk “where there is a high likelihood of a number of sizeable claims that exceed its risk tolerance”.⁶⁰

Did Allianz and AGA have a lawful basis to provide the blanket exclusion terms?

The external documents

The documents, dated from 1998 to 2018, covered the period prior to and after the creation of the NAB SPDS and the ATID. Importantly, the Actuary noted that the sources provided by Allianz and AGA were capable of analysis which may, if it had been properly conducted, have provided a reasonable basis to discriminate.⁶¹

However, there was little to no reference to any of the external documents (or information contained in those documents) that Allianz and AGA could show they relied on to include the blanket exclusion terms. The Commission considers that it is not sufficient to simply collect documents that are capable of being considered, if an insurer cannot demonstrate that it used their contents to support a decision to discriminate. In order to rely on the data exception, the Commission considers that there should be sufficient and reasonable connection between the documents/data and the decision to discriminate.

The internal documents

More than half of the 120 internal documents provided by Allianz and AGA were created *after* the creation of the NAB SPDS, and could therefore not have been considered or relied upon at the time that the blanket exclusion term in the NAB SPDS was created.

The Commission also considers that none of the internal documents created prior to or at the time of developing the NAB SPDS:

- indicated any of the external documents were used to inform calculations and pricing discussions
- indicated data was actively considered or analysed
- outlined Allianz and/or AGA's findings.

For example, Allianz and AGA did not produce any documents identifying the outcome of the 2013–14 review. The Commission also notes that Allianz and AGA could not identify any material that “solely relates to the approach by the business not to alter the existing relevant exclusions”.⁶² Allianz and AGA noted that the process of internally considering the “feasibility of introducing cover ... was not a structured process with regimented timeframes and formal reporting requirements”, such that it was “unable, given the passage of time, to identify with any additional precision the individual parts of the documents that were considered and relied upon”.⁶³

The Commission therefore considers that, based on the documents provided to the Investigation, there was no formal review process undertaken to consider the inclusion of the blanket exclusion terms in its travel insurance policies.

Finally, Allianz and AGA also noted that they do not undertake separate analysis for the development of different policies. Instead, Allianz follows AGA's Underwriting Guidelines, which are based on the principle of underwriting “niche business with low severity, high volume and a high service component”.⁶⁴ Allianz and AGA explained that in July 2011 this principle required the inclusion of a blanket exclusion term.

Commission's conclusions

Allianz and AGA's use of the blanket exclusion term was not based on actuarial or statistical data for which it was reasonable to rely. This is because:

- it is not clear if and how the documents provided to the Investigation formed the basis of Allianz and AGA's decision to exclude coverage for mental health conditions
- the Actuary's analysis shows that cover for some types of pre-existing mental health conditions was plausible (as set out in the 2013–14 review) and would not threaten the profitability of the travel insurance portfolio
- there were no documents provided to the Investigation that were created and analysed prior to the development of the NAB SPDS to inform its terms
- the Actuary identified shortcomings in data produced by Allianz and AGA, including inconsistent conclusions between documents, incident rates being drawn from different documents based on different countries, the reliance on 'severe' incidence data, and assumptions about mental illness claim costs.⁶⁵ For instance:
 - documents provided by Allianz and AGA do not adequately explain why the relative risk of pre-existing mental health conditions is considered to be higher and, at times, differ or become more risky throughout the reviews.⁶⁶
 - loadings and values given to mental health conditions in documents testing or examining the feasibility of coverage do not appear to have been made consistently, or to have been based on any objective data.⁶⁷

As a result, the Commission concludes that Allianz and AGA discriminated against people with a mental health condition by offering policies with the blanket exclusion term. This conduct was not based on sufficient actuarial or statistical data to satisfy the exception to discrimination.

From the documents provided by Allianz and AGA, the Commission also considers that Allianz and AGA did not have a sufficient legal basis to repeatedly re-issue the policy, including in February 2016, until its removal from the market in mid-2018.

6.6.2 THE DISCRIMINATION WAS NOT REASONABLE HAVING REGARD TO THAT DATA AND ANY OTHER RELEVANT FACTORS⁶⁸

The law

The exception to discrimination in section 47(1)(b) requires the discrimination to be based on data on which it is reasonable to rely, *and* the discrimination must be reasonable having “regard to that data and any other factors”.

Notwithstanding the Commission’s view that Allianz and AGA’s use of the blanket exclusion term was not based on data on which it was reasonable to rely, the Commission has also considered Allianz and AGA’s claim that its actions were “reasonable having regard to that data and the other relevant factors identified in the response”.⁶⁹ The ‘relevant factors’ identified by Allianz and AGA were its Underwriting Guidelines and the “circumstances prevailing during this time and presently”.⁷⁰

The Commission’s analysis

The Commission does not consider that Allianz and AGA have established their discriminatory conduct is ‘reasonable’ having regard to data or other factors.

Allianz and AGA claimed that:

- according to its data, the introduction of cover for mental illness would be a “high severity risk”
- such a risk would be inconsistent with its Underwriting Guidelines, which stated that its model was to underwrite a niche business with low severity, high volume and a high service component
- this does not constitute discrimination because Allianz and AGA “like all other insurers ... excludes risks in respect of claims unrelated to mental illness, where there is a high likelihood of a number of sizable claims that exceed its risk tolerance”.⁷¹

The Commission notes that the Federal Court has provided guidance on what could be considered a ‘relevant factor’, describing any “matter which is rationally capable of

bearing upon whether the discrimination is reasonable”.⁷² The Australian Human Rights Commission further notes that factors may include “factors that increase the risk to the insurer as well as those that may reduce it”.⁷³

The Commission agrees that an insurer is entitled to consider “practical and business considerations”, such as those highlighted by Allianz and AGA, as part of its analysis. However, this factor is not a sufficient basis on its own to demonstrate an insurer’s policies are ‘reasonable’ and lawful. Relevant case law requires a decision-maker to balance “the nature and extent of the discriminatory effect on the one hand against the reasons advanced in favour of the requirement or condition on the other”.⁷⁴

WHAT ARE ‘RELEVANT FACTORS’?

The Australian Human Rights Commission’s *Disability Discrimination Act Guidelines for Insurance and Superannuation 2016 (DDA Guidelines)* note that ‘relevant factors’ include:

- practical and business considerations
- whether less discriminatory options were available
- the individual’s particular circumstances (or, similarly, the circumstances of a range of customers affected, such as those with different mental health conditions)
- the objects of the Disability Discrimination Act, especially eliminating disability discrimination as far as possible⁷⁵
- all other relevant factors of a particular case.⁷⁶ For example, medical opinions, opinions from other professional groups, the practice of others in the insurance industry and commercial judgment.⁷⁷

Accordingly, while impact on profitability or the appetite for risk may be factors for consideration, they are not the only factors, nor are they determinative.

The Commission notes that the documents produced show some efforts in the lead up to the preparation of the NAB SPDS in July 2016 to provide coverage to consumers experiencing mental health conditions, particularly from the Allianz or AGA underwriting team. However, it appears that the Executive's business considerations meant that no change to the policy was made. The documents do not identify any consideration of the 'relevant factors' set out in the *DDA Guidelines*.

In its formal response to the Commission's proposed recommendations and findings, Allianz and AGA noted that, "as a matter of compliance, it was not open for AGA's employees to expose the company to risk that was inconsistent with the Underwriting Guidelines".⁷⁸ The Commission reiterates that the commercial imperatives set out in underwriting guidelines are an internal policy of an insurer and do not necessarily reflect a legal standard. An insurer's policies *should* encourage its employees to identify risks of non-compliance with the law regardless of its commercial priorities.

Current policy offering

The Commission has identified that the current NAB SPDS policy issued by Allianz and prepared 1 November 2018 (current NAB SPDS) does not include the blanket exclusion term. The Commission commends Allianz and AGA for this action. As noted above, Allianz and AGA confirmed they were also "well advanced in the process of introducing cover for pre-existing mental illness".⁷⁹

Despite these positive steps, the Commission considers there are some aspects of the current NAB SPDS that may still be improved. For example, the revised definition of 'pre-existing medical condition' in the current NAB SPDS specifies this to be a condition "in the 10 years prior to the time of the policy being issued that involves a mental illness".⁸⁰

This clause may be discriminatory as it treats people with a mental health condition unfavourably in terms of coverage. Further,

while the 10-year criterion also applies to physical conditions, another section of the SPDS lists specific pre-existing physical conditions for which Allianz and AGA "may cover with no additional premium payable".⁸¹

The Commission notes that such a policy would, just as the blanket exclusion term, be required to be based on rigorous, relevant and timely actuarial or statistical information to support such a time frame being imposed, which the Commission observes to be long.

The Commission has not considered the pre-existing condition clause in its findings below but it notes that, based on the statistical material provided to the Commission and the actuarial analysis provided by the independent actuary, broader coverage for pre-existing conditions was possible. As Allianz and AGA distinguish between certain types of physical conditions that they will and will not cover in the current NAB SPDS, we anticipate that it would be possible to distinguish between certain mental health conditions in the same manner.

However, Allianz and AGA continue to offer products through partner relationships, which do not provide cover for pre-existing health conditions (including mental health conditions), irrespective of severity or risk.⁸²

A seamless, convenient or quick product needs to be based on actuarial or statistical data on which it is reasonable to rely, or be reasonable based on other relevant factors.

Allianz and AGA have, based on the analysis in this investigation, the capacity to distinguish between risk profiles of different conditions. They should use that capacity where possible to ensure that their disclosure obligations and exclusions in relation to illness or disability are no more than can be reasonably justified by the data.

6.7 Did Allianz and AGA comply with the positive duty to eliminate discrimination?

As noted in Chapter 3, insurers have a legal obligation under section 15(2) of the Equal Opportunity Act to take reasonable and proportionate measures to eliminate discrimination, sexual harassment or victimisation as far as possible (positive duty). The positive duty requires insurers to be proactive and to take steps to monitor, identify and eliminate discrimination in the provision of insurance.

The Equal Opportunity Act sets out mandatory factors to be considered when determining if a measure is reasonable and proportionate, including:

- the size of the person's business or operations
- the nature and circumstances of the person's business or operations
- the person's resources
- the person's business and operational priorities
- the practicability and the cost of the measures.⁸³

As outlined in Chapter 3, the Commission considers that, in order to comply with the positive duty, insurers should have robust systems in place for monitoring, identifying and eliminating discrimination that may arise in the course of their business.

The Commission asked Allianz and AGA what steps they had taken in compliance with the positive duty.

6.7.1 ALLIANZ AND AGA'S RESPONSE

Allianz and AGA identified steps they had taken to meet the positive duty including:

- establishing a "policy wording interpretations committee" in September 2016 to create "clear and documented protocols for developing and approving new Underwriting Guidelines for claims and updates to policies when required, as well as to integrate feedback from internal dispute resolution, FOS Determinations and sales into potential changes to policy wording"⁸⁴
- committing to a global strategy to employ

standardised, scalable products and policy wordings, to "ensure consistency of policy wording in all travel insurance products, including the removal of the first-presentation mental illness exclusion"⁸⁵

- creating a product governance framework that "links product, sales, claims and monitoring to ensure Allianz meets its obligations to customers"⁸⁶
- ensuring claims handling processes for claims arising from mental health conditions were treated in the same manner as all other medical claims. Allianz and AGA advised it had also broadened its definition of medical adviser to allow for clinical psychologists to provide a diagnosis⁸⁷
- commencing a progressive update of all its PDSs to remove the pre-existing condition exclusion, though Allianz and AGA notes that some policies "for travel insurance products sold by its partners, still contain the first-presentation mental illness exclusions. In this regard Allianz notes it has approximately 100 major partners, each of whom require different processes to be completed to update policy and PDS terms".⁸⁸

6.7.2 COMMISSION'S ASSESSMENT

The Commission acknowledges these efforts by Allianz and AGA to eliminate discrimination on the basis of mental health conditions across their products and across the range of services they provide. This is a positive step that demonstrates Allianz and AGA are improving their approach to compliance, and are changing their policies and practices to make a meaningful difference to the lives of consumers with a mental health condition.

The Commission notes that Allianz and AGA are updating their policies to remove the blanket exclusion terms. The blanket exclusion term was removed from the majority of policies in November 2017. In addition, changes have been made to coverage for pre-existing mental health conditions. A consumer purchasing an Allianz or AGA travel insurance policy with a pre-existing condition is now directed to assess the severity of their

pre-existing mental health conditions via a screening tool.⁸⁹

Despite these efforts, in the Commission's view, Allianz and AGA did not meet their positive duty during the Investigation Period. The Commission's reasons for this assessment are outlined below.

Changes to policy terms

Allianz and AGA stated they had undertaken measures to review policy wording to meet the positive duty.⁹⁰ Allianz and AGA referred to the establishment of a Policy Wording Interpretations Committee, the use of product framework Partner One, and the Allianz Product Governance Framework. They also took measures to meet the positive duty in their claims handling.⁹¹ Specifically, they note that more experienced personnel are provided for mental health medical claims, and that clinical psychologists may provide a diagnosis of a mental health condition.

Of particular concern, Allianz and AGA referred to steps they had taken in accordance with their underwriting approach "having regard to its ordinary risk tolerance".⁹² While risk tolerance is a valid consideration, insurers must nevertheless ensure they comply with anti-discrimination laws.

The Commission also notes that from at least July 2017, Allianz and AGA were considering whether they could continue to offer insurance with the blanket exclusion terms. Documents indicate they finalised removing the relevant exclusion 12 months later, when potentially

tens of thousands of contracts of insurance had been sold to Australian consumers in the interim. Allianz executives noted the need to "make meaningful change in a very short period of time".⁹³ However, despite this acknowledgement, Allianz and AGA did not:

- take urgent steps to remove the blanket exclusion terms from its policies
- advise consumers purchasing a policy of a different approach to claim.

This is of particular concern to the Commission given that Allianz and AGA had previously identified that removal could be achieved in under eight weeks.⁹⁴

The Commission considers that the review of policies to remove pre-existing condition exclusions from its policies is the only example provided by Allianz and AGA that meets the positive duty.

The Commission considers that a company of a similar size should at least have:

- systems in place to ensure that all employees are aware of their obligations under anti-discrimination law
- practices to ensure that discrimination is identified, monitored and responded to (in particular, regarding its insurance policy development process).

In conclusion, the Commission considers that Allianz and AGA did not employ processes to effectively monitor the insurers' compliance with anti-discrimination law and were too slow to take action when they detected where change was needed.

6.8 Findings

The Commission makes the following findings about Allianz and AGA's compliance with the Equal Opportunity Act:

1. Within the Investigation Period (1 July 2017 – 19 April 2018), Allianz and AGA issued travel insurance policies, including the NAB Supplementary Product Disclosure Statement (SPDS) (A119163-0626) and Allianz Travel Insurance (Direct) Policy (ATID PDS):
 - a) on terms that excluded indemnity for any claim arising from or in any way related to depression, anxiety, stress, mental or nervous conditions
 - b) up until 6 November 2017, failed to indemnify people insured under such policies whose claims arose from or were in any way related to depression, anxiety, stress, mental or nervous conditions(together, the Conduct).
2. During the Investigation Period, Allianz and AGA had obligations under section 44 of the Equal Opportunity Act to not discriminate in the provision of travel insurance against people with a mental health condition (being a disability under the Equal Opportunity Act).
3. In the Commission's opinion, the information provided to the Investigation by Allianz and AGA did not demonstrate a sufficient basis to claim the exception under section 47 of the Equal Opportunity Act with respect to the Conduct.
4. In the Commission's opinion, by reason of the Conduct outlined in Finding 1, Allianz and AGA contravened section 44 of the Equal Opportunity Act.
5. In the Commission's opinion, Allianz and AGA did not take reasonable and proportionate measures to eliminate discrimination as far as possible in accordance with their duty under section 15 of the Equal Opportunity Act during the Investigation Period.

6.9 Recommendations

Based on the Investigation and findings above, the Commission makes the following recommendations to Allianz and AGA to improve its compliance in future with anti-discrimination laws.

1. Allianz and AGA develop a strategy for compliance with the Equal Opportunity Act in respect of their travel insurance products and services, which:
 - includes creating processes and policies to ensure the regular monitoring and updating of actuarial and statistical data on which insurance terms are based
 - provides for continuous improvement and regular review of policy terms to ensure it is compliant with anti-discrimination law and that it considers the continual advances in relevant medical knowledge
 - ensures any third party it uses to collect data or provide assessment for cover complies with relevant anti-discrimination laws
 - incorporates a process for the strategy's regular review.
2. Allianz and AGA should apply rigorous statistical and actuarial analysis to all policy terms it is using to offer or exclude travel insurance coverage to people with a mental health condition. Allianz and AGA should have regard to the Australian Human Rights Commission's *Guidelines for providers of insurance and superannuation under the Disability Discrimination Act 1992 (Cth)*, including that:
 - actuarial or statistical data relied upon be up to date
 - actuarial or statistical data relied upon be relevant to the particular health condition of the prospective insured
 - if relevant data is available it must not be ignored
 - they consider whether there are less discriminatory options available in the development of policies.
3. Allianz and AGA contact travel insurance claimants denied an indemnity or claims based on a mental health condition during the Investigation Period and provide a copy of the Investigation Report and Outcome Notice for their consideration.
4. Allianz and AGA undertake to provide their staff, including senior managers, underwriters, executive teams and any person involved in the drafting of policy terms and conditions, with regular education and training regarding applicable anti-discrimination laws.
5. Allianz and AGA develop risk profiles and appropriate coverage for differing mental health conditions within its travel insurance policies, as it does with differing physical conditions.
6. Allianz and AGA provide clear reasons to travel insurance consumers regarding any refusal to offer cover or denial of an indemnity based on or relating to a mental health condition.

6.10 Allianz and AGA's response to findings and recommendations

Allianz and AGA provided the Commission with an extensive response to our proposed recommendations and findings.⁹⁵

The Commission notes that Allianz and AGA disagreed with the Commission's conclusions regarding their conduct and compliance and considered that the findings were inconsistent with or went beyond evidence that was before the Commission. Nevertheless, Allianz and AGA acknowledged that they were, in principle, supportive of the Commission's proposed recommendations⁹⁶ and outlined they were willing to meet with the Commission

to discuss a proposed action plan to comply with anti-discrimination law. The Commission commends Allianz and AGA in this regard.

After careful consideration of Allianz and AGA's response, the Commission has determined that our analysis remains reasonable and valid, but did make some minor amendments. The Commission is grateful to Allianz and AGA for their fulsome engagement in this process.

6.11 Lessons learned from Allianz and AGA's conduct

Insurers should:

- ensure they use accurate and relevant actuarial and statistical information when considering whether to issue a policy or the terms on which it is offered
- record and document the analysis relied on to make decisions
- understand that underwriting guidelines are an internal guide for business, and that anti-discrimination laws must be complied with
- review and revise the basis for retaining clauses that are discriminatory when policies are issued and re-issued
- understand that an ex gratia payment for a mental health claim does not make discriminatory blanket exclusion terms lawful
- ensure staff, including executives, understand their obligations under anti-discrimination laws.

Notes

- 1 'Witness statement of Michael Dean Winter (Allianz Australia Insurance Limited Travel Insurance)' *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry* (Exhibit 6.263 (Rubric 6-63), 24 August 2018), 2.
- 2 Ibid.
- 3 Ibid. In 2013–14, premiums paid were \$188,803,107; in 2017–18, premiums paid were \$256,854,807.
- 4 Allianz Product Disclosure Statement 'NAB Supplementary Product Disclosure Statement' (SPDS) A119163-0626 (prepared 1 July 2016) (the NAB SPDS).
- 5 Ibid 57.
- 6 Allianz Travel Insurance (Direct) policy (ATID PDS) POL849DIR 03/17.
- 7 Allianz and AGA's substantive responses were provided in correspondence: Letter from Allianz and AGA to the Victorian Equal Opportunity and Human Rights Commission, 1 June 2018 ('June letter'); Letter from Allianz and AGA to the Victorian Equal Opportunity and Human Rights Commission, 6 July 2019 ('July letter'); and Letter from Allianz and AGA to the Victorian Equal Opportunity and Human Rights Commission, 4 February 2019 ('February letter').
- 8 June letter (n 7) 12.
- 9 Ibid.
- 10 Ibid. See key terms outlined in Chapter 1.
- 11 Ibid 6.
- 12 July letter (n 7) 5.
- 13 June letter (n 7) 6.
- 14 Ibid 6.
- 15 Ibid 6.
- 16 Ibid 7.
- 17 Ibid 7.
- 18 July letter (n 7) 6.
- 19 Ibid 7.
- 20 Ibid 6.
- 21 Ibid 18.
- 22 Ibid 16.
- 23 Ibid 5.
- 24 Ibid 16.
- 25 Ibid 8.
- 26 See, for example, documents 31, 33 of schedule of Allianz, 3A.
- 27 Document 43, 'RE: Estimate for Mental Illness in Healix', schedule of Allianz, 3A.
- 28 Document 111, schedule of Allianz, 3A, dated 18 December 2015.
- 29 July letter (n 7) 3 [15].
- 30 Document 30, schedule of Allianz, 3A, undated.
- 31 Document 30, schedule of Allianz, 3A, undated.
- 32 Document 38, dated 17 December 2015, schedule of Allianz, 3A.
- 33 Document 103, 'Questions from actuarial as part of peer review of claims estimates', schedule of Allianz, 3A, 2.
- 34 Document 91, 'Email from Chief Underwriting Officer to Chief Operating Officer about developing approach to pay FP MI claims', Schedule of Allianz, 3A, 1.
- 35 Actuarial Edge, *VEOHRC Travel Insurance – Allianz* (Report, 23 September 2018) ('*Allianz Actuarial Edge Report*').
- 36 Ibid. 12 Set out in June Letter (n 7).
- 37 *Allianz Actuarial Edge Report* (n 35) 12.
- 38 Ibid 19.
- 39 Ibid 13. June Letter (n 7) and July letter (n 7).
- 40 *Allianz Actuarial Edge Report* (n 35) 11.
- 41 Ibid 20.
- 42 Ibid 19.
- 43 Ibid 12. See also Actuaries Institute, *Mental Health and Insurance* (Green Paper, October 2017).
- 44 *Allianz Actuarial Edge Report* (n 35) 13.
- 45 Ibid 16–17.
- 46 Ibid 5.
- 47 Ibid 13.
- 48 Ibid 4.
- 49 Ibid 17.
- 50 Ibid 17.
- 51 Ibid 19–20.
- 52 Ibid 12.
- 53 Ibid 12.
- 54 See *Equal Opportunity Act 2010* (Vic) s 47(1)(b).
- 55 *QBE Travel Insurance v Bassanelli* (2004) 137 FCR 88 [30] ('*QBE Travel Insurance v Bassanelli*').
- 56 See Australian Human Rights Commission, *Guidelines for providers of insurance and superannuation under the Disability Discrimination Act 1992 (Cth)* (Guidelines, November 2016) 9 ('*DDA Guidelines*'), referring to *QBE Travel Insurance v Bassanelli* (n 55).
- 57 *DDA Guidelines* (n 56) 9.
- 58 Ibid 9–11.
- 59 *Allianz Actuarial Edge Report* (n 35) 21.
- 60 June letter (n 7).
- 61 *Allianz Actuarial Edge Report* (n 35) 22.
- 62 July letter (n 7) 4.
- 63 Ibid 4.
- 64 June letter (n 7) 4.
- 65 *Allianz Actuarial Edge Report* (n 35) 17–18.

- 66 Ibid 21.
- 67 Ibid 13.
- 68 Pursuant to *Equal Opportunity Act 2010* (Vic) s 47(1)(b)(ii).
- 69 July letter (n 7) 5–6.
- 70 Ibid 6 [18].
- 71 June letter (n 7).
- 72 *QBE Travel Insurance v Bassanelli* [53], as cited in *DDA Guidelines* (n 56) 11.
- 73 *DDA Guidelines* (n 56) 11.
- 74 Ibid 14.
- 75 Note the *Equal Opportunity Act 2010* (Vic) equivalent of “eliminating discrimination to the greatest extent possible” at section 3(a).
- 76 *DDA Guidelines* (n 56) 7.
- 77 Ibid 11–14
- 78 February letter (n 7) 5.
- 79 June letter (n 7).
- 80 NAB SPDS Travel Insurance Policy, prepared 1 November 2018, see p 10–11.
- 81 July letter (n 7) 35–36.
- 82 Letter from Allianz and AGA to the Victorian Equal Opportunity and Human Rights Commission, 15 May 2019.
- 83 *Equal Opportunity Act 2010* (Vic) s 15(6)
- 84 July letter 15.
- 85 Ibid 16.
- 86 Ibid 16.
- 87 Ibid 16.
- 88 Ibid 14.
- 89 February letter (n 7) 12.
- 90 June letter (n 7), response to question 9.
- 91 Ibid, response to question 9.
- 92 Ibid, response to question 9.
- 93 Document 24, Schedule of Allianz, 3A, undated.
- 94 Document 43, schedule of Allianz, 3A.
- 95 February letter (n 7).
- 96 Ibid 1.