



Important Advice for Policyholders of QBE Travel Insurance

ICELANDIC VOLCANO AND ASSOCIATED ASH CLOUD

11 MAY 2010

Following QBE's previous travel advice (issued 16 April 2010 and updated 20 April 2010) in relation to flight disruptions caused by the Icelandic Volcano and associated ash cloud, QBE wishes to advise the type of travel insurance cover it will provide for any policyholder who may be impacted by a similar event in the future.

This notice does not apply to long term travel insurance policies as any future natural disasters, including volcanic eruptions, will be assessed as a new event, and will be subject to the relevant Product Disclosure Statement (PDS) and policy wording.

QBE's position is as follows "there is no provision to claim amendment/cancellation fees due to the Icelandic Volcano and associated ash cloud for policies issued during a known claimable event", as it would not be appropriate for customers to purchase a policy for a loss that has already occurred.

This advice follows QBE's standard approach to natural disasters. Policyholders of QBE Travel Insurance are likely to be affected by the following two scenarios:

	Scenario	Assessment
1	A holiday where a travel insurance policy and the holiday were purchased together prior to the airport closure due to volcanic ash (the declaration of disruption).	As the holiday and travel insurance policy were purchased together prior to the declaration of disruption, the costs for cancelling the travel would be covered according to the relevant policy wording.
2	A holiday was purchased prior to the airport closure due to volcanic ash (the declaration of disruption) and without travel insurance being purchased at that time. Travel insurance was subsequently purchased following the declaration of disruption.	As the travel insurance policy was purchased after the declaration of disruption, any claim for cancellation would not be honoured according to the relevant policy wording.

FOR POLICYHOLDERS CURRENTLY OVERSEAS WHO PURCHASED THEIR POLICY PRIOR TO THE DECLARATION OF DISRUPTION AND ARE DIRECTLY AFFECTED

There is provision to cover the following:

- a) **Cancellation costs for unused prepaid arrangements** if the policyholder has not been able to complete prepaid travel plans as a result of the Icelandic Volcano ash
- b) **Additional costs from changes to travel plans**, including accommodation and transport expenses if the policyholder's travel arrangements have been directly affected by the Icelandic Volcano ash. The policyholder must, however, take all reasonable steps to minimise their claim. Airlines and travel agents are able to facilitate this, in most cases.

Policyholders affected by this scenario should contact QBE Emergency Assistance, OMEGA, to make the above arrangements prior to making any changes to their travel arrangements.



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FOR POLICYHOLDERS WHO ARE YET TO DEPART AUSTRALIA AND PURCHASED A TRAVEL INSURANCE POLICY PRIOR TO THE DECLARATION OF DISRUPTION

There is provision to cover the following:

a) Amendment costs or cancellation fees

QBE is prepared to cover claim amendment costs or cancellation fees:

- i. For prepaid, scheduled public transport services or prepaid tours which have been cancelled or restricted as a direct result of the Volcano ash and

Subject to insurance cover being confirmed, QBE can provide cover for any claims where the cost of altering/deferring is less than the cost of cancellation charges for the part of the trip which has been affected. If the cost of altering/deferring is greater than the non-refundable value of the part of the trip that has been affected, then QBE can provide cover for this non-refundable unused proportion.

Policyholders should take all reasonable steps to minimise their claim. Airlines and travel agents are able to facilitate this, in most cases.

Policyholders affected by the new Icelandic Volcano ash should seek recovery from their airline or tour provider in the first instance. Many airlines provide re routing and rescheduling at no cost and European travel providers are bound by European Union regulations in some cases.

Civil Aviation Authorities also advise passengers to check with airports before travelling to avoid overcrowding at airports.

b) Amendment to travel policies

Where the airline is allowing date changes of tickets and no claim is being made under the policyholder's QBE Travel Insurance policy, date changes will be permitted on the policyholder's travel insurance up to the duration of their original insurance.

GENERAL ADVICE

QBE encourages travellers to purchase travel insurance well in advance of their trip, preferably on the same day they book their travel plans.

An advanced purchase of a travel insurance policy together with the trip will ensure:

- > For any new events, including airport closures as a result of the Icelandic Volcano and subsequent ash clouds, that would be considered a 'new' natural disaster, travel insurance cover would apply as set out in the relevant PDS and policy wording.

Note: Upon reopening the airport must remain open for a minimum of four consecutive days before a new closure would be considered a new event.

- > Where a natural disaster occurs, there would have no reason to question the validity of the policy purchase.

QBE Travel claims can be lodged upon the policyholder's return to Australia by contacting QBE Claims or obtaining a claim form from www.qbetravelinsurance.com.au and following instructions.

Policyholders must supply documentation as outlined on the claim form to support their claim.



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This information must be read in conjunction with the relevant PDS and policy wording as certain restrictions apply, including but not limited to restrictions for existing medical conditions. For any complaints or disputes, policyholders should refer to their PDS.

QBE will update this advice as new information becomes available.

Please visit www.smarttraveller.gov.au for the latest travel advice updates.

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