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Wednesday 15 June 2022

## 22-144MR Allianz and AWP plead guilty to charges for making false statements about travel insurance

Allianz Australia Insurance Limited (Allianz) has pleaded guilty to six criminal charges, and AWP Australia Pty Ltd (AWP) to one criminal charge, of making false or misleading statements.

The charges relate to the sale of Allianz domestic and international travel insurance products and statements published online on various domestic, basic and comprehensive travel insurance web pages hosted and maintained by Allianz and AWP. AWP marketed, sold and managed various travel insurance products on behalf of Allianz, the insurer.

Between 2016 and 2018, Allianz and AWP misrepresented the characteristics or level of coverage of travel insurance available for consumers. In some instances, the Allianz website advertised the maximum travel insurance benefits payable to consumers, but then failed to state that sub-limits, terms, conditions or exclusions would limit those benefits.

Allianz and AWP's conduct was under investigation by ASIC and it also became the subject of a case study by [the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry](#) and was referred to ASIC for [investigation](#).

The pleas were lodged before the Downing Centre Local Court in Sydney on 14 June 2022.

The matter is being prosecuted by the CDPP after investigation and referral by ASIC ([21-029MR](#)).

The matter has been committed to the Supreme Court and is listed for arraignment on 5 August 2022.

### Background

ASIC has undertaken a range of regulatory responses to the misconduct of Allianz, including securing \$10 million in customer remediation from Allianz and AWP for travel insurance potentially mis-sold to around 31,500 consumers through Allianz's own website and those of its distribution partners, including Expedia ([20-264MR](#)).

ASIC also took action against Allianz and AWP regarding the sale of travel insurance policies through Expedia websites, which resulted in a \$1.5 million penalty handed down by the Court ([21-234MR](#)).

The maximum penalty for each contravention of s1041E of the Corporations Act is the greater of:

- \$8,100,000;
- if the court can determine the total value of the benefits that have been obtained and are reasonably attributable to the commission of the offence, three times that total value; or
- if the court cannot determine the total value of those benefits, 10 per cent of the body corporate's annual turnover during the 12-month period ending at the end of the month in which the body corporate committed, or began committing, the offence.

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