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## Release of the Report for the 2012-13 Independent Review of the General Insurance Code of Practice

The Insurance Council of Australia (ICA) is pleased to release the Report of the General Insurance Code of Practice Independent Review 2012-2013, conducted by Independent Reviewer, Mr Ian Enright.

The General Insurance Code of Practice (Code) is the instrument by which the general insurance industry sets standards for its own conduct, and in particular its dealings with customers. It is binding on ICA member companies, and breaches are taken seriously.

Most recently, reviews of the Code were undertaken in 2006 and 2009. Although the next review was not expected until 2013, the ICA Board brought this review forward 12 months to address feedback that arose from the industry's response to the natural disasters of 2010-11.

The Report is the product of a comprehensive 12-month investigation by Mr Enright into the role of the Code and its efficacy in raising customer service standards. Mr Enright received a broad spectrum of input from consumer groups, ASIC, and industry members. The ICA would like to thank everyone who prepared written submissions, and participated in Code review meetings and workshops.

In particular, the ICA acknowledges the support provided for the review by Ms Julie Maron and Ms Annabelle Butler, who respectively represented consumers and the insurance industry on the Code Advisory Panel.

The ICA wholeheartedly thanks Mr Enright for his work and welcomes the resulting 200-page Report, which is possibly the most comprehensive review of the Code to date.

An overarching theme of Mr Enright's Report is the importance of Code governance, and the ICA and its members agree that an enhanced and more independent governance body is an appropriate vehicle for compliance monitoring and sanctions.

The separation of powers is a fundamental tenet of any well-functioning governance model, and the ICA believes the general insurance industry's framework for self-regulation of service standards is no different. Taking into account Mr Enright's comments on improving governance, the ICA sees value in separating the roles of monitoring and enforcing Code compliance from the ICA's role of developing the content of the Code and attendant policies.

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The ICA's members believe it is important for the ICA to retain the responsibility for developing industry policy, including Code content. The ICA has the experience, relationships and resources to enable it to consult widely with its members and external stakeholders, and to determine the appropriate framework for industry self-regulation under the Code.

For the same reasons, the ICA and its members will continue to take responsibility for financial literacy programmes and staff education and training. The ICA has already put in place significant projects to address consumer needs, including forming a Financial Inclusion Committee of industry representatives, developing the Understand Insurance campaign which is due to launch later this year, and operating the Consumer Referral Service (which the ICA took over from FOS in July 2012).

Two of the major reforms recommended are enhanced service levels for dealing with claims, and an improved internal complaints process for consumers. The ICA's Code Review Working Group will use Mr Enright's recommended guidelines for claims service levels and internal complaints as a basis for discussion of processes that are acceptable to both insurance companies and consumer representatives.

The Code Review Working Group is already hard at work on the detail of a revised Code based on Mr Enright's recommendations and input from key stakeholders.

The ICA is aiming to release a draft revised Code for consultation by October, and looks forward to discussing the Report and the ongoing process of Code development with all interested parties in the coming months.

The ICA will also consult with its members over the appropriate transition period, to allow the general insurance industry time to put in place new systems and processes and provide proper training to employees and agents on their enhanced responsibilities under the revised Code.

**Useful links:**

- The Report of the General Insurance Code of Practice Independent Review 2012-2013 is available at: <http://www.insurancecouncil.com.au/for-consumers/code-of-practice/2012-review>
- For more information about the Review, please visit: [www.codeofpracticereview.com.au](http://www.codeofpracticereview.com.au)