



2017 Review of the General Insurance Code of Practice – FAQ

What is the General Insurance Code of Practice?

The General Insurance Code of Practice was introduced in 1994 and was one of the first of its kind in Australia. The Code is the instrument by which the general insurance industry sets standards for its own conduct over and above legal requirements. It outlines the standards that general insurers must meet when providing services to their customers, such as being open, fair and honest. It also sets out timeframes for insurers to respond to claims, complaints and requests for information.

How frequently is it reviewed?

The Code has been independently reviewed four times — in 1998, 2006, 2009 and 2012 — and improvements were made to ensure the Code remained relevant and met the needs of consumers. The ICA has also reviewed and updated the Code between independent reviews. For example, after the season of natural disasters in 2010-11, improvements were made to the catastrophe provisions in the Code. The most recent version of the Code came into force on July 1, 2015, after a 12-month transition.

How long will this review take?

Following an initial round of consultations and submissions, the ICA aims to release an interim report within six months. Further consultations will be undertaken and interested parties may send in feedback on the interim report. Once the new Code is approved by the ICA Board, members will have a transition period to make any required changes to processes or educate staff before it comes into effect.

Is the Code binding and how is it enforced?

The Code is binding on ICA member companies that offer products covered by the Code, and breaches are taken seriously. The [Code Governance Committee](#) (CGC) is the independent body that monitors and enforces insurers' compliance with the Code. Members found to have breached the Code are required to take corrective action, which may include providing compensation to customers. Breaches that are not corrected are subject to sanctions, including corrective advertising and publication of the insurer's breach.

Is the general insurance sector entirely self-regulated?

No. General insurance is among the most regulated industries in the country. General insurers are regulated by the Australian Securities and Investments Commission and the Australian Prudential Regulatory Authority. They are legally bound by the provisions of the Commonwealth Insurance Contracts Act 1984, the Corporations Act 2001, and state and territory regulations, including privacy laws.

For more about the General Insurance Code of Practice, visit <http://codeofpractice.com.au/>.

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