

Friday February 17, 2017

Insurance Council kicks off fresh review of industry Code of Practice

The Insurance Council of Australia (ICA) has launched a review of the General Insurance Code of Practice to ensure it keeps pace with recent developments affecting the industry.

The Code, introduced in 1994 and previously reviewed four times, commits insurers to mandatory standards of service above and beyond their statutory obligations. All ICA members offering products covered by the Code are signatories to the document, which is monitored and enforced by the independent [Code Governance Committee](#).

ICA CEO Rob Whelan said: “The Code is a living document that evolves to remain the benchmark for industry self-regulation in Australia. Though it remains fit for purpose following a thorough review in 2012, external developments mean that a more focused review is now merited.

“Two Senate inquiries examining general insurance are underway, so now is an appropriate time to consider whether the Code needs an update.

“The review will examine the industry’s efforts to provide information to customers in clearer, more engaging ways. The consumer research released by the ICA today on product disclosure will be considered for possible incorporation into the Code.”

Other developments prompting the review include:

- The independent Ramsay Review of the external dispute resolution framework (due to report by March 31)
- The General Insurance Code Governance Committee's ongoing own-motion inquiry into claims investigations and outsourced services
- The commencement of the Financial Services Council’s Life Insurance Code of Practice in October last year

Mr Whelan said the review would examine seven of the Code’s 15 sections including: Standards for employees and authorised representatives; Standards for service suppliers; Financial hardship; Complaints and disputes; and Monitoring, enforcement and sanctions. The review will also consider whether the Code should be expanded to cover additional areas of insurer behaviour.

The ICA will carry out the review, with periodic check points providing independent assessments of progress against the Terms of Reference. An interim report is due within six months. In addition to the contributions of key stakeholders, including the ASIC and the Financial Ombudsman Service, members of the public can make submissions by visiting the review website www.codeofpracticereview.com.au.

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Page 1 of 2

Friday February 17, 2017

-CONTINUED-

Additional resources:

[Review of the General Insurance Code of Practice - Terms of Reference](#)

[Review of the General Insurance Code of Practice - FAQ](#)

[2014 General Insurance Code of Practice](#)

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