

Thursday October 31, 2019

Insurance Council Board approves industry's new General Insurance Code of Practice

The Insurance Council of Australia Board (ICA Board) today approved a new General Insurance Code of Practice (Code) after one of the most extensive reviews in the Code's 25-year history.

The Code sets out standards that are above and beyond legal requirements and aims to meet and anticipate consumer expectations. It has been comprehensively updated and rewritten to further enhance the rights and expectations that insurance customers can have about their relationship with their insurer.

The Code will be formally launched in early 2020. ICA members and other Code participants will start to transition to it from January 1, 2020, with all Code signatories to be compliant by January 1, 2021. All Code signatories will also be required to introduce and implement a publicly available policy to support customers affected by family violence by July 1, 2020.

ICA Board President Richard Enthoven said: "The new Code provides a significant improvement to consumer outcomes in their dealings with insurers, their distributors and their service providers.

"We now have provisions for customers experiencing vulnerability, including a requirement for signatories to have a policy to support people affected by family violence and provisions for customers who are experiencing mental health conditions.

"The insurance industry has enhanced its financial hardship provisions. The Code also provides enhanced sanction powers to the independent Code Governance Committee for breaches of the Code, and includes a community benefit payment by insurers that commit significant breaches."

Mr Enthoven said the ICA Board believed the new Code would set the benchmark for self-regulation in Australia and would help the insurance sector strengthen its reputation and relationship with customers, consumer advocates, regulators and governments.

"The new Code of Practice is the result of more than 2½ years of consultation and development," he said.

Key dates:

Early 2020 – formal launch of the new General Insurance Code of Practice. Industry training programs commence

July 1, 2020 – all signatories must implement a family violence policy

January 1, 2021 – all signatories will have implemented the new Code

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“It has been one of the most thorough and wide-reaching reviews and revisions of the Code ever undertaken since the first Code was developed in 1994.

“Though the review process started well before the announcement of the Financial Services Royal Commission, the Code reflects Royal Commission recommendations alongside the Code Review Final Report and reports from a range of stakeholders.

“The ICA Board appreciates the expertise, input and guidance provided by many stakeholders including ICA member companies, the industry’s National Code Committee, consumer representative organisations, the Australian Securities and Investments Commission, legal aid services, the Australian Financial Complaints Authority, the Code Governance Committee and members of the community.”

The new Code will be publicly available from January 2020.

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