

Thursday October 31, 2019

Key features of the new General Insurance Code of Practice

- *Plain English:* A comprehensive plain-English rewrite ensures it is an easy-to-read and accessible document for consumers
- *Vulnerability:* The revised Code includes a new section and specific provisions for customers experiencing vulnerability. This includes the requirement for firms to have a policy to support customers experiencing family violence in place by July 1, 2020, a requirement that appropriate employees are trained to understand if a customer may be vulnerable and specific provisions regarding mental health
- *Enhanced financial hardship provisions:* Financial hardship provisions have been strengthened and include requirements for employees and agents involved in debt collection to be trained on the Financial Hardship requirements of the Code
- *Enhanced sanction powers for the Code Governance Committee:* The revised Code has been amended to extend the CGC's ability to sanction in the event of a Code breach. The Code has also streamlined the process the CGC needs to undertake before imposing a breach
- *Community benefit payment:* The CGC will be able to require an insurer that has committed a significant breach to pay a community benefit payment. The payment is up to a maximum of \$100,000 and will be determined in accordance with the insurer's gross underwritten premium and number of customers. The community benefit payment is a type of sanction unique to the General Insurance Code of Practice
- *Cash settlements and scope of works:* Subscribers will need to provide consumers with information on cash settlements so that they are better informed. A provision for scope of works similarly aims to help consumers understand this process
- *Investigation standards:* Mandatory standards for claims investigators have been introduced. The standards include timeframes for updating a customer on the investigation process, requirements regarding requests for information and requirements as to how the investigation interview should be conducted

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