

Flood Insurance: Proposed Reforms
c/- Insurance Contracts Act Review
Corporations and Financial Services Division
The Treasury
Langton Crescent
PARKES ACT 2600

Attention: Mr Andrew Sellars

16 May 2011

Dear Mr Sellars

REFORMING FLOOD INSURANCE: CLEARING THE WATERS

The Insurance Council of Australia (*Insurance Council*)¹, the representative body of the general insurance industry in Australia, welcomes the opportunity to comment on the issues canvassed in the Consultation Paper “Reforming Flood Insurance: Clearing the Waters” (Consultation Paper) that was released on 5 April 2011 by the Assistant Treasurer and Minister for Financial Services and Superannuation, the Hon Bill Shorten MP. The Insurance Council appreciates the open and co-operative approach to the consultation being taken by Minister Shorten’s Office and Treasury.

In line with the Consultation Paper, this submission is divided into separate sections dealing with the questions posed regarding the proposals on standard definition of flood and key facts statement.

PROPOSAL 1 – A STANDARD DEFINITION OF FLOOD

The government proposed definition

Flood means the covering of normally dry land by water that has escaped or been released from the normal confines of:

- A. any lake, or any river, creek or other natural watercourse, whether or not altered or modified; or
- B. any reservoir, canal, or dam.

The 2011 proposed standard definition for flood is generally supported by the majority of Insurance Council members as an acceptable compromise for what is a complicated risk to determine. However, the proposed definition requires minor amendment in order to allow a proper understanding of the risk both by consumers seeking to manage the risk and underwriters considering the protection to be offered.

¹ The Insurance Council of Australia’s members represent more than 90 percent of total premium income written by private sector general insurers. Insurance Council members, both insurers and reinsurers, are a significant part of the financial services system. December 2010 Australian Prudential Regulation Authority statistics show that the private sector insurance industry generates gross written premium of \$33.4 billion per annum and has total assets of \$101.7 billion. The industry employs approx 60,000 people and on average pays out about \$87 million in claims each working day.

Insurance Council members provide insurance products ranging from those usually purchased by individuals (such as home and contents insurance, travel insurance, motor vehicle insurance) to those purchased by small businesses and larger organisations (such as product and public liability insurance, professional indemnity insurance, commercial property, and directors and officers insurance).

The general insurance industry generates \$22 billion in payments to policyholders each financial year. In the concern to provide consumers with a simple, common wording for this risk, it should be remembered that it is general insurers that need to be able to accurately define and price the risk, putting aside considerable capital and cash reserves to do so.

If the standard definition for flood is not acceptable to insurers as a result of this process, three consequences are probable and concurrent:

- Those insurers who currently offer flood cover may cease to offer the cover;
- Those insurers who do offer flood cover may need to re-price the cover to compensate for increased risks;
- Those insurers who do not offer flood cover but are currently developing flood products for market may cease to do so.

Any final definition arrived at by Government as a result of this consultation process will need to pass the simple tests of commercial reason, underwriting practicality, clarity and common sense.

General Approach (page 5)

A. *Are the concerns noted regarding consumer confusion about flood cover still valid?*

B. *Is a standard definition of flood cover a suitable means of addressing consumer confusion?*

There has been significant progress made by the insurance industry in delivering flood insurance solutions to the community. Had the 2011 Queensland floods occurred instead in 2006, practically no consumer in the residential market would be covered, as the risk was almost entirely excluded.

The present situation where, according to *Choice*, over half of available policies cover the flood risk, is a measure of how responsive the insurance industry can be to community needs where a private market solution can be crafted.

The adoption of a workable standard definition for flood will help consolidate these gains by providing a universal set of words defining the risk of flooding.

However, and importantly, it must be recognised that the creation of a standard definition does not mean that all policies will cover the flood risk. An increase in underwriting capacity for flood, and further competition in the market, can only be assisted by a nationally coordinated approach to accurate flood mapping which remains the province of governments.

What is the preferred form of the standard definition? (page 5)

A. *Is the proposed wording of the standard definition appropriate?*

B. *Are there different wordings or different approaches that should be considered?*

The current majority industry position is that the proposed definition and approach is achievable and able to be employed by insurers who wish to cover the risk as well as insurers who will exclude the risk.

There is a need for a realistic transition period as insurers amend documentation to incorporate reference to a new standard definition, and work to remove all other uses of the word 'flood' and 'flooding', this change will take a minimum of 24 months from the time the legislation takes effect.

There are likely to be other approaches and definitions that will be suggested by stakeholders who do not have the same financial, prudential and regulatory responsibilities of general insurers underwriting flood risk. However, this proposed definition presents the best possible compromise on achieving a workable solution for consumers who need flood cover and insurers seeking to provide such cover at a price and with clarity regarding the risk.

A. *Should water escaping from water channels constructed within natural watercourses be treated in the same way as water escaping from natural watercourses for the purposes of the proposed standard definition?*

B. *Does the language in proposed paragraph (a) cover those water channels and, if not, would it be appropriate to add some further elements to paragraph (a) or (b) to ensure that such water channels are included?*

Stormwater channels are commonly constructed within natural watercourses, following the natural drainage lines of the terrain. Water escaping from a *stormwater channel* is therefore the same as water escaping from a modified natural watercourse. For the purposes of the standard definition, for consumer clarity and underwriting practice, it is important to capture this element of the flood risk.

However, to avoid potential confusion over the use of the term 'stormwater' it should be made clear with alternative terms in paragraph (b), which deals primarily with constructed water sources, that water escaping from a built water channel or waterway is included in the definition.

It is proposed that, on this basis, paragraph (b) becomes:

b) any reservoir, canal, dam, or other water channel or waterway whether altered, modified or purpose-built.

Alternatively, without the inclusion of this element of the risk in the standard definition, insurers seeking to exclude or cover water damage in this context will need to create a further definition describing the risk. This would be undertaken in the spirit of these amendments by not using the term flood or flooding in association with the risk.

How could the proposal be implemented? (page 6)

The Insurance Council accepts that for the sake of achieving a standard definition of flood whose use was mandatory in home buildings and home contents insurance policies, use of the common wording for those policies should be required as part of the Insurance Contracts Act 1984 (the Act).

Other considerations (page 7)

Should the application of the standard definition for flood be extended beyond Home and Contents policies to Commercial and SME policies?

This suggested expansion of the use of the standard definition would potentially reduce, or compromise, flood cover that already exists in commercial policies, and the suggestion is not supported by the Insurance Council. As discussed during meetings between Insurance Council Directors and the Assistant Treasurer, in comparison to the residential market the commercial market is relatively sophisticated, is well advised and requires the flexibility to define flood risks according to the precise needs of the client and commercial insurers who service this space.

There is an increasing number of commercial developments approved on flood prone land unsuitable for residential zoning. Underwriters need flexibility to decide what aspects of flood cover can be extended to commercial/industrial/rural zonings. Removing this flexibility would have the effect of reducing the ability to provide bespoke and negotiated flood coverage for commercial premises.

However, whilst the flexibility to create special flood definitions for commercial policies is critical, it is the case that some insurers may choose to employ the standard definition for flood in their commercial policies as a matter of consistency and simplicity where it is appropriate to do so. They should not be prevented from doing so by terms in the Act.

An alternative definition used for flood in a commercial policy, for retail premises, would naturally involve full disclosure to the client, as with all terms in the policy.

The application of the standard definition for flood should be mandated for home and contents policies only.

Are the possible advantages and disadvantages of standardising a broader spectrum of inundation risk valid, and are there other factors that should be considered?

If a flood risk is not excluded in a policy, it is covered under Standard Cover. This important principle means that in essence 'falling between stools' is unlikely and there is no compelling reason to embark upon a further complicated definitional process. No actual evidence has been presented regarding systemic consumer confusion over other terms. Anecdotal evidence suggests that any confusion that does exist is addressed through the process of defining and isolating the use of the term flood alone.

The Insurance Council submits that the proposed definition for flood (with the changes highlighted in this submission), combined with the existing levels of cover available under other clauses that relate to storm and rain, leave no gaps when compared to present day coverage.

Where insurers see a need to describe other perils relevant to the policy they would be required under this proposal to avoid the use of the terms *flood* and *flooding* to describe that peril, except in circumstances where they deliberately adopt the term *flood* and therefore its mandated meaning under the Act.

PROPOSAL 2: KEY FACTS STATEMENT

The Insurance Council strongly supports efforts to improve consumer understanding and awareness of general insurance policies. The Insurance Council Board has committed publicly to working with the Federal Government to develop a one page, key facts statement (statement).

Prior to finalising any regulatory requirements, it is recommended the statement's content and presentation should be subject to thorough consultation by Treasury with the Financial Services Disclosure Advisory Panel. As discussed in meetings with Treasury officials, the Insurance Council sees comprehensive consumer testing of the proposed statement as essential to facilitating its effectiveness.

Delivery of the statement to the consumer would also be greatly facilitated if proposed amendments were passed as soon as possible to the Insurance Contracts Act to provide insurers with a clear ability to communicate electronically with their customers.

Policy name (page 12)

Are there any disadvantages with a combined key facts statement where a Product Disclosure Statement (PDS) is also combined?

The combination of two statements is preferred where there is a combined PDS. Any difficulty for the insurer in fitting the key features of a combined PDS onto a one page statement would be outweighed by the challenges for the insurer and consumer in dealing with two statements (especially the possibility of the statements becoming separated). It would be advisable to clearly specify which covers related to which policy.

Policy type (page 13)

Is the proposed treatment of policy type appropriate?

No. the tick-the-box approach to policy type does not reflect the diversity of products in the market. Policies do not fall neatly into the three types listed in the consultation draft. Furthermore, listing alternative types of policies and trying to explain them detracts from information about the policy in question. It may confuse consumers into thinking that the insurer provides alternative policy types when they do not. Consequently, the Insurance Council submits that the policy type section be used to describe only the policy in question.

A text box should be specified, where the insurer states the relevant policy type and describes in broad terms how that policy works. To achieve this, the discussion on 'covered amount' should be brought forward to the beginning of the document and combined with the 'Policy type' discussion. For example,

Policy type/covered amount: This is a 'sum insured' policy. It will only cover you up to fixed limits, agreed by you. You should ensure that the limits are adequate to compensate you for any losses you may have. For further information see (reference to tools to estimate the value to insure).

How to use this statement (page 13)

Should the wording of a note on how to use the statement be prescribed?

Yes. The Insurance Council sees it as essential that the statement's wording be fully prescribed and determined by Treasury in consultation with the Financial Services Disclosure Advisory Panel. It would be unnecessarily confusing if similar but different wording appeared on statements. Given the importance of the 'how to use the statement' wording, it should be moved up to sit below the title.

The Insurance Council believes that it is essential that consumers be urged to use the statement as a tool to select insurance policies that are worth investigating further. Consumers should be discouraged from using the statement and not the PDS as a basis for purchase decisions.

What is covered (page 13)

A. What advantages and disadvantages would there be in prescribing events that should be addressed in the 'what is covered' list?

The Insurance Council submits that all the key perils/events should be prescribed and determined by Treasury in consultation with the Financial Services Disclosure Advisory Panel. (This is on the basis that the Panel will be able to draw on input from insurers, consumer advocates, ASIC, and FOS as to the covers that are of most common interest to consumers.) This would remove the need for insurers to make difficult value judgments about what events to highlight, avoid the document becoming a marketing tool and provide consumers with consistent information.

Prescribing events has a number of advantages including certainty about the minimum information the consumer will find and that the insurer must provide. Where the insurer has complied with the statutory requirements, it will also reduce the possibility of disputation between consumer and insurers, and protect against allegations of misleading and deceptive conduct in relation to the content of the statement.

B. Is the list of prescribed events in the standard cover regulations suitable for that purpose?

Not all events listed in the standard cover regulations will be of significant consumer interest. The Insurance Council submits the events should therefore be determined by Treasury in consultation with the Financial Services Disclosure Advisory Panel, using as a basis for discussion the Insurance Contracts Regulation 10 for 'what is covered' and Regulations 10 and 11 for 'what is not covered',.

C. *If an order of events were to be prescribed, what is an appropriate way to determine the order?*

A prescribed order of events is supported. The order should also be determined by Treasury in consultation with the Financial Services Disclosure Advisory Panel, and thereafter consumer tested by government to confirm the statement has covered and placed appropriate emphasis on the matters that may be a cause of concern or point of interest to consumers.

Should there be any prescription of how the covered event is described in the list? What sort of rule could be appropriate?

Yes. The language should be simple, clear and at a high level. This would help consumers make an initial assessment of cover offered before investigating policies in detail. While the language should be consistent with the standard cover regulations, it should not attempt to explain the precise cover provided in the policy – that is the role of the PDS. The work to determine the prescribed wording should also be undertaken by Treasury in consultation with the Financial Services Disclosure Advisory Panel.

If a covered event is subject to a special benefit limit, should that limit be disclosed together with the covered event, in the adjacent ‘what is not covered’ space, or otherwise?

No, it is submitted that the statement needs to have an overarching warning on the statement that limits may apply to prescribed events and the consumer needs to read the PDS. Sub limits commonly apply to many items in a home contents policy and to attempt to explain them would necessarily increase the length of this section. Descriptions of covered events should be kept as simple as possible. This will prevent crowding of the document, avoid it being used as a marketing tool as well as avoid the risk that the statement will be relied upon as the sole source of information about the policy, see discussion below on ‘need to consider risks’.

The Insurance Council does recognise that, given public concern about the need for absolute clarity about flood cover, consideration should be given to requiring limitations on this cover to be individually indicated on the statement.

What is NOT covered (page 14)

A. *Is it feasible, in a single page format, to require all derogations from standard cover to be mentioned in the ‘what is NOT covered’ list?*

The Insurance Council advocates that the list of ‘what is not covered’ be fully prescribed. It should also be determined by Treasury in consultation with the Financial Services Disclosure Advisory Panel. A reasonable starting point for the ‘what is not covered’ list would be the derogations from standard cover. However, it is not feasible in a single page format to use the list of what is not covered as a derogation notice. In addition, the Insurance Council considers that it should only be necessary to disclose on the statement total exclusion of a standard cover item determined to be of interest to consumers. A limitation of standard cover would not need to be disclosed (with the exception of flood – as explained above) but of course would have to be fully explained in the PDS.

B. *What other exclusions/conditions should be required to be included on the 'What is NOT covered' list?*

Through the Financial Services Working Advisory Panel, Treasury would benefit from the input of insurers, consumer advocates, ASIC and FOS to require the listing of exclusions that are the cause of the most consumer disputes. This would avoid crowding the document with exclusions that consumers may reasonably expect to apply, for instance, maintenance or wear and tear issues, and permit the limited space to detail events which may prompt a consumer to research other policies, based on their individual circumstances.

Possible alternative format for what is covered and what is not (page 15)

A. *Is it feasible to summarise the key elements of home buildings and home contents policies in that format?*

The Insurance Council does not support the suggested alternative format. A tick-the-box approach together with detailed discussion on some limitations may inadvertently dissuade consumers from reading the PDS. In view of the impossibility of summarising an insurance policy in one page, it is crucial that all aspects of the statement encourage the consumer to carefully consider the terms and conditions.

B. *Would a list of prescribed events/risks in that format provide advantages, for comparison of policies or otherwise, compared to the 'what is covered' and 'what is NOT covered' lists set out in the draft sample key facts statement?*

No. It is preferable to note at appropriate points in the statement that limitations exist but it should be a generic reference.

Need to consider risks (page 15)

A. *Should the wording of this statement be prescribed?*

Yes, the statement's language should be prescribed by Treasury and should be robust. For instance, it is submitted a statement warning the consumer that the *lists are not exhaustive, there may be other exclusions that may affect you, refer to the PDS* should appear on the front page.

B. *Would the statement be better placed as a generic statement on the reverse side?*

The statement should be afforded prominence and placed on the front page, ideally above the 'what is and is not covered' lists. If the statement is not given prominence, there is a real risk that consumers could rely on the statement only without considering the PDS. This could mislead them as to scope of cover.

Cooling off (page 15)

Should the wording of this statement be prescribed?

Yes. The Insurance Council proposes a short prescribed statement simply stating that a *cooling off period applies, refer to your PDS*. This will take into account that insurers may offer a cooling off period in excess of the statutory period.

Excess (page 16)

A. *Is it feasible to require that a standard excess be disclosed (in dollar value), and a note to the effect that it may be varied (if applicable)?*

No, it is not practical to include a dollar value for excesses in the statement as standard excesses do not apply and may be varied by the customer selecting optional excesses. Specific excesses may also apply for different insured events. It is therefore not feasible to provide a standard dollar amount even with a caveat that the dollar amount could be varied. The Insurance Council proposes instead a short prescribed statement simply stating that *an excess may be payable if a claim is made*.

B. *If there is a reference to the PDS, is it feasible to refer to specific pages/paragraphs, rather than to the PDS generally?*

No, the dollar amounts for excesses are usually set out in the policy schedule, which contains information specific to the consumer, unlike the PDS which has general information about premiums and excesses.

As a general point, the statement should not refer to specific pages or paragraphs in the PDS. Apart from taking up additional space, specific references may change, making the statement inaccurate. In order to minimise compliance costs, minor editorial changes to a PDS should not require withdrawal and reissuing of the statement.

Matters for possible inclusion on the reverse side (page 16)

A. *Are the above matters suitable to prescribe for inclusion on a generic reverse side?*

There are matters that lend themselves to prescription and could also appear on the reverse page such as cooling off, reference to the possible existence of an excess and optional cover. 'Sources of additional relevant information' could also appear on the reverse.

The Insurance Council recommends the following matters should be prescribed on the front page and are not suitable for the reverse page:

- A warning that the key facts statement is for information only and does not amount to a binding contract;
- Statements encouraging the consumer to consider risks/ a warning there may be other exclusions that could affect them, and to refer to the PDS;
- Statement that the consumer should review their situation periodically to ensure individual risks are covered;
- A warning that limitations may apply, refer to the PDS.

Given the limited space available, and the objective to inform the consumer about the policy in question, the Insurance Council does not support the inclusion of matters such as explanations of other policy types (although there could be directions on how to source educational material on this point), statements encouraging consumers to consider other policies.

B. What other matters could be mentioned as part of such generic information?

Additional generic matters which could be included are:

- References to pre-contractual obligations such as the duty of disclosure statement and the principle of utmost good faith;
- Reference to the General Insurance Code of Practice which sets out minimum standards of customer service;
- Reference to the Financial Ombudsman Service.

However, the relevance of other matters needs to be weighed up against the general purpose of the statement – to provide guidance to further investigation by the consumers. The inclusion of any additional matters should also be considered by Treasury in consultation with its Financial Services Disclosure Advisory Panel.

General issues/questions (page 17)

When should a key facts statement be provided to consumers?

A. *When should a key facts statement be required to be provided, including for telephone/internet sales?*

The Insurance Council envisages that insurers will use the statement flexibly making it available in hard and soft copy in a number of situations. However, in terms of **when provision is required** by regulation, the Insurance Council prefers that the statement must be provided in conjunction with the PDS (if not actually incorporated into the PDS – see below), importantly during the cooling off period after initial purchase.

This would tie provision of the statement into the current requirements for PDSs in relation to telephone sales. The issue of disclosure of key policy features during telephone sales is a significant issue in its own right and the Insurance Council suggests that it be subject to separate consideration by the Financial Services Disclosure Advisory Panel.

The statement **should not be required** to be provided with a written quote. The statement by itself would be of little assistance to the consumer. Insurance Council research has shown that consumer behaviour is to shop around at renewal time, with almost half of those who shop around to obtain alternative quotes, asking three companies in addition to their current insurer. The cost imposed on the industry of providing the statement would not be outweighed by consumer benefit, particularly in the absence of legislative changes to facilitate electronic delivery.

Furthermore, provision of the statement upon renewal would do little to spur consumers to actively reconsider the adequacy of their cover. We understand from members that they are using various other means, such as the policy schedule, requests to check cover is suitable, information brochures on how to establish and maintain appropriate levels of cover after a large purchase or renovation, to promote a greater awareness of cover.

B. *Could the document be incorporated into the PDS? Should this be required?*

In order to facilitate its availability and flexible use, most Insurance Council members see the statement as a stand alone document. However, an insurer should be allowed to deliver it within the PDS at their discretion.

C. *What are the main advantages and disadvantages associated with the various options?*

Providing the statement together with the PDS within the cooling off period has advantages:

- Insurers will be able to utilise their current processes following a sale to provide the statement, without introducing separate procedures which may have associated costs;
- Confirmation systems insurers rely on for delivery of PDS documents could also be used for the statement confirmation;
- As the 'how to use this statement' refers the consumer to the PDS, providing at the same time is practical and effective for both the consumer and insurer.

**What should happen if a requirement regarding the key facts statement is not met?
What is the appropriate sanction/remedy if an insurer:**

A. *Fails to provide the key facts statement at the appropriate time; or*

The Insurance Council submits that failure to provide the statement at the appropriate time should expose the AFS Licensee to penalties by ASIC. The appropriate penalty would need to be gauged against whether the non-compliance is, for example, deliberate, negligent, or systemic. The penalty regime to be applied would also need to consider failure by a licensee other than the insurer to issue the statement.

Given the statement's non contractual status, it would be a disproportionate penalty for ASIC to require withdrawal of product from the market if the statement were not provided. Furthermore, given the impossibility of stating all a policy's exclusions and limitations on a statement, restricting an insurer's reliance on matters that do not appear on the statement should not be contemplated.

B. *Provides a key facts statement which is non-compliant with the requirements?*

Existing generic remedies, such as those for misleading and deceptive conduct would be sufficient.

Relationship of the key facts statement to the PDS

Is there any need to clarify or prescribe the legal status of the key facts statement — in particular its relationship to the policy terms and conditions in the PDS?

Yes. The Insurance Council submits that regulation should clearly set out the statement's status as an individual document intended to inform and direct the consumer's attention to key areas of cover in the PDS. Those key areas should be determined by Treasury in consultation with the Financial Services Disclosure Advisory Panel. Failure to do this would increase the risk that consumers will rely on the key features statement alone and be potentially misled.

Rules on format

Should there be prescribed in detail the format (for example, font size) for various items, or is it preferable to leave some flexibility in presentation?

Yes. A prescribed format will ensure consistent presentation and safeguard readability of the statement for the consumer. A minimum font size such as that prescribed for simplified PDSs in other financial services could be an appropriate benchmark.

We attach a revised sample statement based on the points above and for discussion with the Financial Services Disclosure Advisory Panel. The Insurance Council is an active participant in that group and looks forward to working closely with Treasury to develop the prescribed details of the statement.

If you require further information, please contact Mr John Anning, Insurance Council's General Manager Policy – Regulation Directorate at janning@insurancecouncil.com.au

Yours sincerely



Robert Whelan
Executive Director & CEO

LOGO –XYZ INSURANCE

**DRAFT FOR DISCUSSION PURPOSES ONLY – NOT Insurance Council
ENDORSED**

KEY FACTS ABOUT YOUR HOME INSURANCE POLICY

How to use this statement: This is a short summary only to help you find out quickly whether this insurance policy may suit you, and is not a contract. It is important you read the full terms and conditions in the XYZ Home Building Classic Product Disclosure Statement which can be obtained from your Financial Services Provider [/ or] our website www.insurance.xyz or by telephoning us on XXXX.

Description of your home insurance policy:

Policy Name: XYZ Home Building Classic

Policy type/covered amount: [not prescribed] e.g. This is a ‘sum insured’ policy. It will only cover you up to fixed limits, agreed by you. You should ensure that the limits are adequate to compensate you for any losses you may have. For further information see (reference to tools to estimate the value to insure).

Need to consider your risks: [prescribed] e.g. There may be particular risks associated with your property. You should consider carefully whether this policy provides the cover you require. You should review your situation periodically to ensure your specific risks are covered.

What’s covered

[Prescribed list of events in prescribed order]

Financial Services Disclosure Advisory Group to determine, having regard to standard cover language and areas of interest to consumers: Insurance Contracts Regulation 10

Fire
Flood
Theft
Storm water runoff

STATEMENT: Limitations may apply that affect you, refer to the PDS. [prescribed]

What’s NOT covered

[Prescribed list of exclusions in prescribed order]

Financial Services Disclosure Advisory Group to determine, having regard to standard cover language and areas of interest to consumers: Insurance Contracts Regulations 11

Action of the sea

STATEMENT: Other exclusions may apply that may affect you, refer to the PDS. [prescribed]

GENERIC INFORMATION ON REVERSE PAGE:

- **Optional Cover: [Prescribed]** e.g. For an additional premium amount, we may insure [provide cover for – alternative wording to cover intermediaries] items that are not standard. To find out about the range of Optional benefits, please refer to the XYZ Home Building Classic Product Disclosure Statement which can be obtained from your Financial Services Provider [/ or] our website www.insurance.xyz or by telephoning us on XXXX.
- **Cooling Off: [prescribed] e.g.** a cooling off period applies, refer to your PDS.
- **Excess: [prescribed] e.g.** An excess may be payable if a claim is made.
- **Additional matters** as determined by Treasury in consultation with its Financial Services Disclosure Advisory Panel.