

Wednesday July 1, 2020

Insurers boost support for customers experiencing family violence, financial hardship and vulnerability

From today, millions of insurance customers will be able to see how their insurer can support them if they are experiencing family violence.

As of July 1, 2020, subscribers to the General Insurance Code of Practice are required to have family violence policies available online for their customers.

Insurance Council of Australia CEO Rob Whelan said family violence policies were particularly important at present, with domestic violence support organisations reporting a sharp rise in cases during COVID-19.

“The family violence policies explain how a customer can discuss their insurance arrangements and access free and confidential support services, while retaining their privacy and confidentiality,” he said.

“Customer-facing staff are being trained to identify those customers who may need extra support. Insurers are also offering support to staff affected by family violence.

“Many insurers introduced their family violence policies before July 1, and customers are already being provided with the support they need during difficult times.”

Insurers are also fast-tracking their support for customers who are experiencing vulnerability, including financial hardship, with measures being implemented from today by Code signatories where possible.

Mr Whelan said: “Insurers have seen the impact that the pandemic and the worst season of natural disasters on record are having on households and small businesses. They are concentrating on providing urgent services, including to customers experiencing financial hardship and vulnerability.

“To assist in this, insurers have brought forward by six months key provisions in the 2020 Code of Practice that deal with these important social and economic issues.

“Insurers are taking extra care with vulnerable customers. Customer-facing staff are working with them to arrange additional support, including flexible options for customers experiencing financial hardship, or referring them to external support agencies.”

Mr Whelan said insurers were putting in place measures to achieve the consumer outcomes intended by these Code provisions, and were being guided by the principles that preface the 2020 Code including transparency, fairness, support and integrity.

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The deadline for full technical compliance for Parts 9 (Supporting customers experiencing vulnerability) and 10 (Financial hardship) of the new 2020 Code remains January 1, 2021 and the 2020 Code will be adopted in full by July 1, 2021. The General Insurance Code of Practice 2014 remains in place until then.

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ABOUT THE GENERAL INSURANCE CODE OF PRACTICE:

The General Insurance Code of Practice has been designed to raise the customer service standards in the Australian insurance industry and protects the rights of policyholders. It's the general insurance industry's promise to be open fair and honest in the way it deals with all its customers. For more information visit: <http://www.codeofpractice.com.au>

ABOUT THE INSURANCE COUNCIL OF AUSTRALIA:

The Insurance Council of Australia is the representative body of the general insurance industry in Australia. Our members represent about 95 per cent 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.

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).

March 2020 Australian Prudential Regulation Authority statistics show that the general insurance industry generates gross written premium of \$51 billion a year and has total assets of \$133.8 billion. The industry employs about 60,000 people and on average pays out about \$169.4 million in claims each working day.

Over the 12 months to March 2020 the industry's net profit after tax (NPAT) was \$1.5 billion – a 56.7 per cent decrease from the prior year's NPAT of \$3.5 billion. The industry's underwriting result was also \$1.5 billion, falling by 47 per cent from \$2.8 billion in the prior year. <http://www.insurancecouncil.com.au/about-us>