

Tuesday March 1, 2016

## Effective disclosure reaps rewards for home insurance customers

Research published by the Australian Securities and Investments Commission (ASIC) today has highlighted the significant progress insurers have made to help their customers make sound decisions.

12 months after conducting a survey of home insurers, ASIC reviewed the companies again to find marked improvements in their consumer disclosure practices.

The findings come just months after the Insurance Council of Australia's Effective Disclosure Taskforce made a series of recommendations to better align the provision of information with customers' needs.

ICA CEO Rob Whelan said ASIC's research demonstrated the industry's commitment to helping customers choose the most appropriate products to meet their individual insurance needs.

"There is still much that can be done, but the ICA is delighted to see how decisively insurers have responded to ASIC's recommendations after its first survey in 2014," Mr Whelan said.

"The work of the ICA's Effective Disclosure Taskforce is still in its early stages as insurers continue looking for ways to cut through the jargon and provide information more clearly and simply."

In particular, ASIC noted a sizeable jump in the number of insurers incorporating sum insured calculators into sales processes.

The number of insurers using calculators during their telephone sales processes rose from one to five, while the number using calculators on their online channels went from six to 10.

"Too many Australians underestimate how much it will cost to rebuild their home or replace their contents, and can sometimes find themselves significantly out of pocket when disaster strikes," said Mr Whelan.

"The use of approved sum insured calculators, such as the one on the [Understand Insurance](#) website, can help policyholders make better informed decisions on their insurance needs, and avoid financial heartache down the track."

The ASIC survey also noted improvements in the training of staff to provide clear, easily understood information about sum insured amounts, and how changes to building codes may affect their cost of rebuilding.

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Mr Whelan said the ICA and its member companies welcomed the opportunity to continue working with ASIC to make further improvements in providing information to their customers.

“Like all financial products, insurance can be complicated and implementing all of the Effective Disclosure Taskforce’s recommendations is a long-term process,” he said.

“Findings like this from ASIC today are a welcome signal that genuine progress is being made.”

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NOTES:

Clearer, simpler, more effective: Insurers look to reform product disclosure process for consumers: [http://www.insurancecouncil.com.au/media\\_release/plain/341](http://www.insurancecouncil.com.au/media_release/plain/341)