

July 1, 2014

New General Insurance Code of Practice sets benchmark in industry self-regulation

From today consumers will have stronger and clearer rights when buying insurance, making claims, experiencing financial hardship or resolving a complaint against an insurer.

These rights are outlined in the 2014 General Insurance Code of Practice, which is being launched today by the Insurance Council of Australia (ICA).

The Code sets the benchmark for industry self-regulation in Australia. It commits insurers to standards of service that are above and beyond their statutory obligations under the Insurance Contracts Act 1984, and enhances the rights of consumers.

ICA Board President Mark Milliner said the development and launch of the 2014 Code followed a thorough independent review and extensive consultation with a range of consumer groups, government, regulators and industry.

“The insurance industry has delivered a Code of Practice that is a yardstick for industry self-regulation, which is especially important given the Federal Government’s focus on reducing regulation and red tape for business,” Mr Milliner said.

“This Code is the result of several years’ work, starting with an independent and intensive review of the previous Code by financial services lawyer Ian Enright and extensive consultation by him and the ICA.

“The ICA listened to the perspectives and concerns of the community, consumer advocates, governments and regulators, and the industry itself. The 2014 Code places insurance customers at the forefront of our members’ businesses. It commits insurers to high standards of service and to promoting better and more informed relationships between insurers and their customers.”

The first General Insurance Code of Practice was introduced in 1994 and was one of the first of its kind. It has been reviewed four times – in 1998, 2006, 2009 and 2012.

Key features of the 2014 Code include:

- Stronger and more detailed obligations on Code signatories to provide assistance to consumers in financial difficulty
- Clear guidance and timeframes on insurance claims and complaints processes for consumers.
- Specifically written in plain, easy-to-read English

July 1, 2014

The 2014 Code also introduces a new governance framework, the Code Governance Committee (replacing the Code Compliance Committee), to ensure Code compliance is effectively monitored and enforced and is a separate and independent entity from the ICA and Code signatories.

ICA CEO Rob Whelan said continuous improvements to the Code had ensured it remained relevant to industry and continued to meet and anticipate the changing needs of consumers. “By enhancing the rights of consumers in the Code, we have shown that industry self-regulation is relevant and powerful,” Mr Whelan said.

“This is robust self-regulation and industry best-practice. ICA member companies and other signatories can feel proud of this Code and the positive impact it will have on consumers and the industry itself.”

The Code is supported by a dedicated website, www.codeofpractice.com.au. The site provides clear and easy navigation to the Code as well as information for consumers about how the Code can help including Frequently Asked Questions and key contacts.

The General Insurance Code of Practice comes into effect on July 1, 2014. ICA members and other Code participants have 12 months to transition to the revised Code, with all signatories to be compliant by July 1, 2015.

-ENDS-