



Insurance Council of Australia

Regulations have customers covered

A guide to insurance protections



Australian customers have significant rights and protections under Australian law

Commonwealth legislation primarily governs the insurance industry, and the Australian Securities and Investments Commission (ASIC), Australian Prudential Regulation Authority (APRA), Australian Competition and Consumer Commission (ACCC) regulate the industry.

In addition, as Australian Financial Services licensees, all insurers are required to act efficiently, honestly, and fairly, and comply with prohibitions against misleading and deceptive conduct. The General Insurance Code of Practice provides safeguards and protection to customers over and above the law.

The industry is highly regulated

The insurance industry is regulated by more than 100 pieces of regulation and a robust Code of Practice.

There are 21 regulations specifically protecting customers when they are:

Buying insurance (12)	Dealing with a Credible insurer (5)	Making a claim (4)
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We understand navigating a dispute about insurance can be complex and customers may need help navigating how they make a complaint and get the support they need to resolve issues.

The regulation already exists



ASIC
Australian Securities & Investments Commission



ACCC
AUSTRALIAN COMPETITION & CONSUMER COMMISSION



1. Buying insurance*

Licensing: Training of financial product advisers	The hawking** prohibition	Giving information, general advice and scaled advice
Hawking** and disclosure: Discretionary powers	Advertising financial products and services (inc. credit): Good practice guidance	Licensing: Financial product advisers - Conduct and disclosure
Product design and distribution obligations	The deferred sales model for add-on insurance	Conflicted and other banned remuneration
Dollar disclosure	Disclosure: PDS	Providing digital financial product advice to retail clients

White box: Selling practice Grey box: Product disclosure



2. Dealing with a credible insurer

Governance standards
Licensing: Managing conflicts of interest
Fit and proper person requirements
Whistleblower policies
Remuneration



3. Making a complaint

Internal Dispute Resolution
External Dispute Resolution (AFCA)
The Code Governance Committee
Remediation

* Buying insurance direct from an insurer.

** Hawking: Sales of product in high-pressure environments.



Claims handling and consumer protection is working well

It's important to remember that the time to settle or resolve a claim depends a range of factors including its complexity and elements in the relevant supply chain, such as labour or specialist shortages. Our research shows that the people most likely to have a positive opinion of the insurance industry are those who have previously made a claim.



Making a claim: Here's how to access support

Making a claim can vary slightly across insurers, but as a rule of thumb, this is what to expect.

The claims process:

- ✓ Commence claim
- ✓ Make safe (if applicable)
- ✓ Assessing damage
- ✓ Claim decision
 - a. Repair or replace
 - b. Cash settlement
- ✓ Resolution

Customers can ask for updates every step of the way. They can also make a complaint at any stage if they are not satisfied.

How insurers communicate

We understand waiting to hear from insurers can be frustrating and stressful.

Under the General Insurance Code of Practice, customers are entitled to:

- Updates at **least every 20 business days**.
- Responses to routine inquiries **within 10 business days**.
- **Once all relevant information is received**, specialist reports and assessments are complete, a claim decision is to be made and the **policyholder is to be informed within 10 business days**.
- Claim decision **within four months** of lodgment.

Identifying protection bodies

There are various organisations that exist to support customers who feel they need help.



AFCA offers an impartial dispute resolution service to consumers who have a dispute with their insurer.



Legal Aid provides support for denied insurance claims, unclear approvals, financial struggles, and legal issues arising from floods, including family law matters.



FCA provides free, confidential advice and support to individuals facing financial difficulties, helping them manage their finances effectively.



The Australian State Small Business Commissioners and Federal Ombudsman advocate for small businesses, resolve disputes, and promote fair business practices.