



Insurance Council
of Australia



General Insurance Industry Action Plan: Our response to recommendations for change

March 2025

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Acknowledgement of country

The Insurance Council of Australia acknowledges the Traditional Owners of country throughout Australia and their continuing connection to land, culture, sea and community. We recognise the tens of thousands of years of continuous custodianship and placemaking by First Nations peoples and their proud role in our shared future. This report was produced on the lands of the Gadigal people of the Eora Nation and the Jagera and the Turrbal people of Meanjin. We pay our respects to Elders past, present and emerging.

About the Insurance Council of Australia

The Insurance Council of Australia is the representative body for the general insurance industry of Australia. Our members represent approximately 90 per cent of total premium income written by private sector general insurers, spanning both insurers and reinsurers. General insurance has a critical role in the economy, insulating individuals and businesses from the financial impact of loss or damage to their insured assets. Our work with our members, consumer groups and all levels of government serves to support consumers and communities when they need it most. We believe an insurable Australia is a resilient Australia – and it's our purpose to be the voice for a resilient Australia.

Contents

| | |
|--|----------|
| Our members are leading change | 2 |
| Why is change needed? | 2 |
| Key findings | 2 |
| Our approach | 3 |
| Climate Risk on Insurance Premiums | 4 |
| Financial Abuse | 4 |
| Our Action Plan | 6 |
| Understanding our response | 7 |
| What next? | 8 |
| Attachment A: Industry response to recommendations from the Parliamentary Inquiry and Code review | 9 |

Our members are leading change

The Australian general insurance industry is committed to continuous improvement. The Insurance Council and its members have considered 214 recommendations for change and identified clear actions.

Why is change needed?

Key findings

Early 2022 saw major flooding across the eastern seaboard of Australia. These successive flooding events included the most expensive insurance event in Australia's history resulting in over 300,000 claims with over \$7 billion in losses. The number of claims was unprecedented, and insurers were stretched beyond their limits, placing a spotlight on the industry's engagement with consumers and claims handling performance.

The House of Representatives Standing Committee on Economics held an Inquiry into Insurers' Responses to 2022 Major Floods Claims and released the inquiry report, titled [Flood failure to future fairness](#) (the Inquiry Report). The Inquiry Report surfaced many of the challenges the industry faced in the aftermath of the 2022 natural disasters. It made 86 recommendations to improve the insurance industry's response to future disasters.

The industry recognises that not all customers' insurance experiences following the 2022 floods met their expectations. Further inquiries have explored the sustainability of the industry and the currency of industry practices, including the Senate Select Committee's report [Impact of Climate Risk on Insurance Premiums and Availability](#) in November 2024 (the Climate Inquiry), and the Parliamentary Joint Committee on Corporations and Financial Services' report [Financial Abuse: an insidious form of domestic violence](#) (released in December 2024) (the Financial Abuse Inquiry). Both inquiries highlighted the vulnerability of insurance systems to the increasing frequency and severity of natural disaster events and the challenges in ensuring the protection and support of people experiencing vulnerability, specifically domestic violence. The Climate Inquiry made eight recommendations and the Financial Abuse Inquiry made a further 19 recommendations relating to the insurance sector.

The [final report](#) of the Independent Review of the 2020 General Insurance Code of Practice (the Code Review), released in December 2024, confirming 101 recommendations initially made by the Independent Review Panel, aimed at strengthening the General Insurance Code of Practice (the Code).

In total, 214 recommendations have been made for the industry to reform its approach to people, processes and policies.

The findings in these reports cover the themes of:

- Improving the customer experience and outcomes, especially for individuals experiencing vulnerability and customers recovering from natural disasters;
- Improving consumer understanding of their rights and obligations;
- Closing the protection gap for Australian households;
- Investing in mitigation and resilience to reduce risk; and
- Improving the integrity of the industry with enhanced transparency.

The industry commissioned Deloitte to examine its performance during the 2022 floods and is progressing actions to further uplift systems and processes where weaknesses were identified.

The changes the industry is making will ensure we can better meet the needs of our customers, especially after disaster events. While these changes have been driven by the flooding events of 2022, they will help insurers improve their everyday interactions with the millions of Australians who place their trust in us.

Our approach

As an industry, we are committed to continuously improving and building trust with Australians. The Insurance Council and its members constructively engaged with all the Parliamentary Inquiry and Code Review processes.

The Insurance Council has taken proactive steps to further understand and address the issues raised in these reports, including:

- Commissioning the Deloitte Report to investigate insurers' actions in response to the CAT221 in 2022 and commissioning a further progress update report;
- Developing a best practice guide for the use of expert reports within the insurance industry; and
- Developing protocols to prepare for and respond to natural disasters.

The industry has made substantial investments to improve how they respond to major CAT events and has improved catastrophe planning, such as:

- Investing in uplifting catastrophe risk frameworks and planning documents, as well as standardising and improving post-event reviews;
- Conducting scenario planning and stress-testing exercises to understand how different events with different magnitudes may impact service levels and associated action plans; and
- Reviewing policy terms in the context of catastrophes.

To improve the customer experience, insurers have been working to improve the consistency of decision-making and some have embarked on significant complaint handling transformation programs to improve the overall experience of customers who make complaints.

In our approach to considering the recommendations from the various reports and inquiries, we considered:

- Impacts on affordability;
- Compliance with competition laws and other regulatory regimes;
- Avoiding duplication of regulation;
- Addressing the root cause of the problem identified;
- Promoting consistency across the industry, where possible;
- Product innovation opportunities; and
- Opportunities to improve customer outcomes.

In December 2024, we released our [initial response](#) to the findings of the Flood Inquiry and the Code Review recommendations. In our response we supported, or supported in principle, 78 recommendations from the Inquiry Report and the Code Review.

In considering the remaining recommendations we have looked at the issues in the Inquiry Report through the lens of home and contents policies. The Insurance Council and insurers have considered the practicalities of implementing the recommendations both individually and collectively, as well as the potential impacts on customers, competition or affordability.

Additionally, some recommendations are targeted at specific insurance lines or cohorts of customers. For this reason, a number of recommendations have required an alternative solution to target the root cause of the problem.

We have also considered the findings of the Climate Inquiry and Financial Abuse Inquiry which overlap with recommendations made in the Flood Inquiry and Code Review.

Climate Risk on Insurance Premiums

Insurers globally are experiencing the impact of climate change and the insurance industry is actively working with the Australian Government to identify solutions. Several of the recommendations from this inquiry align with ongoing industry priorities and recommendations made by the Flood Inquiry, including the creation of a publicly accessible national disaster risk map and increased investment in resilience. Such as investing more in the Disaster Ready Fund and strengthening collaboration between government and industry to address rising climate risks. The recommendations relating to greater premium pricing transparency and the Australian Competition and Consumer Commission (ACCC) premium price monitoring, require further analysis.

The Climate Inquiry recommendations related to the [Cyclone Reinsurance Pool](#) (CRP) should be considered alongside the findings of the Joint Select Committee on Northern Australia's inquiry into the operation and implementation of the CRP. The Insurance Council attended a public hearing of the Committee on 7 February 2025 and encouraged further investment in resilience and mitigation measures. Overseas examples have shown that expanding a reinsurance pool's coverage without undertaking necessary resilience and mitigation activity will serve to artificially mask risk, potentially increasing the problem and encouraging people to remain in harm's way. The recommendations from this Inquiry will be considered when the committee publishes its report.

Financial Abuse in Financial Services

The Financial Abuse Inquiry made a total of 61 recommendations, with 19 identified as specific to the general insurance industry.

The report aligns with the Insurance Council and members' findings that general insurance products can be weaponised by perpetrators of domestic violence. Perpetrators may deliberately seek to misuse products for the purposes of control and abuse, such as by limiting access to information, cancelling policies to leave the victim-survivor without an economic safety net and interfering with the claims process. Insurers support proactive action to protect victim-survivors. Some insurers have already committed to update their terms and conditions as part of the [Respect & Protect](#) Campaign, making it clear that financial abuse is unacceptable.

There were seven recommendations that overlapped with the Flood Inquiry and Code Review which insurers support the intent of. Additionally, insurers are looking to adopting better practices using a Safety by Design framework and have committed to updating their Terms and Conditions to specifically ban the misuse of products. The Insurance Council and its members will look to strengthen the Code to provide greater support customers experiencing domestic violence. Legislative changes proposed to the *Insurance Contracts Act 1984* and Design and Distribution Obligations enforced by the Australian Securities and Investments Commission (ASIC), require further consideration and consultation.

This Action Plan consolidates our commitments into one plan. It outlines our objectives and establishes our approach to implementation.

Through this Action Plan, we seek to ensure that:

- Customers experiencing vulnerability are appropriately identified and supported, promoting consistency across industry for consumers and regulators.
- Our members are adaptive and have the appropriate systems and processes to respond effectively to increasing natural disasters.
- The industry demonstrates our strong governance and is accountable and transparent.
- Our members innovate to provide the best possible customer experience.
- The cumulative impacts of change do not contribute to rising premiums or existing affordability issues.
- We work with consumer advocates, regulators and the Government to ensure our actions remain relevant and suitable in addressing the root causes of the problems identified.

Our Action Plan

The themes underpinning our Action Plan will inform our direction for change. Our areas of focus and key commitments are:

1

Vulnerability. The industry will develop a vulnerability framework that supports insurers to consistently identify and better support customers in need. Vulnerability will continue to feature in the Code of Practice to embed these considerations in insurers' dealings with customers.

2

Claims and Complaints Handling. Insurers will review their claims processes and make adjustments available to improve responsiveness and the customer experience. Insurers will be transparent about what to expect during a claim, customer rights and obligations.

3

Transparency. The industry will investigate the best mechanisms for communicating risk to consumers and to help them understand their premiums. Insurers will support ASIC and the Code Governance Committee to report on meaningful indicators.

4

Product Design. Insurers will consider product design recommendations individually to ensure availability of competitive and innovative products. Insurers will work with consumer advocates to co-design communication materials that will improve consumer understanding of their products, rights and obligations.

5

Governance. Insurers will explore how small businesses can be better supported by the Code.

6

Affordability. The industry will continue to work collaboratively with governments at all levels to support solutions to the protection gap and ensure effective investment in mitigation. The industry will remain flexible to respond to cumulative impacts of action on premiums.

7

Enhancing preparedness for natural disasters. The industry will continue to make improvements to their planning, communications and operations to build in resilience to disasters.

Understanding our response

The industry's response to the various recommendations as they apply to the industry, or the Insurance Council, are responded to as per the table below. Recommendations for other entities have been considered as part of this process, with contextual information provided where appropriate.

The Inquiry Report recommendations have been considered within the context of investigating the experience of customers who have purchased retail insurance products. As a result, it focuses on retail services and product lines. The review of the Code of Practice will consider the appropriateness of applying Code requirements to wholesale/ commercial products.

| Response | Meaning |
|------------------------------|--|
| Agree | The industry agrees to implement this recommendation and will consider how best to progress this. |
| Agree in principle | The industry agrees to the recommendation, noting that implementation method will need to be considered. Further information about implementation considerations is provided in the document. |
| Noted | The industry notes the recommendation and will consider whether implementation/adoption is appropriate following relevant workstream completion. |
| Support the intent | The industry supports the intent of the recommendation, however implementation as proposed would be problematic and may be dependent on further changes to other regulatory regimes. Further consideration will be given to whether implementation/adoption is appropriate following relevant workstream completion. |
| Understand the intent | The industry understands the intent of this recommendation, however implementation as recommended will prove challenging. Individual insurers will consider methods to address the intent of the recommendations as is appropriate to their individual businesses and in compliance with relevant laws. |
| Disagree | The industry understands the recommendation but does not believe it is appropriate for it to be implemented due to a range of factors including other regulatory regimes (e.g. competition law). Individual insurers may consider whether to adopt this recommendation as it applies to their business as is appropriate to their individual businesses and compliance with relevant laws. |

What next?

The changes the insurance industry have committed to will take time and must consider the cumulative impact on systems, customers and premiums.

We will take a coordinated approach to ensure changes are aligned with ongoing regulatory reforms impacting the industry and the wider financial services sector. For example:

- The implementation and impact of the Australian Prudential Regulation Authority's (APRA) new prudential standard CPS 230, which will strengthen risk management in insurance businesses;
- Ongoing Government reforms to the financial advice regulations (including upcoming second tranche of advice reforms) and reforms to the privacy legislation; and
- Evolving regulation on the use of artificial intelligence.

This Action Plan will remain flexible to respond to emerging opportunities or limitations that evolve from regulatory change.

The industry recognises the importance of the Code of Practice being updated and our vulnerability framework being established as soon as possible. The industry has prioritised these commitments and already begun the re-write of the Code of Practice.

The industry will continue to progress implementation of the recommendations from the Deloitte Review, including continuing to uplift technology, data and communications to strengthen the claims process.

Implementation of these recommendations will bring additional costs for insurers. These costs will be balanced against the need to ensure the ongoing and overall affordability and availability of property insurance and sustainability of the insurance industry.

Attachment A: Industry response to recommendations from the Parliamentary Inquiry and Code review

| # | Recommendation | Draft position |
|---|---|---|
| Vulnerability | | |
| PFI – 35 Relates to C - 32/34 | The Committee recommends that clauses 103c and 103d of the General Insurance Code of Practice be strengthened to ensure that key information is translated and available on insurers' websites and that clause 103a should specify that this includes translating and interpreting services for Indigenous Australians. | Agree in principle. Interpreting services will be made available, where practicable. The level and details of key information provided on websites will be determined by each insurer. |
| C - 32 | Insurers should ask customers whether they identify as Aboriginal and/or Torres Strait Islander, and seek consent to retain this information, to enable flexible and tailored services. | Agree in principle. Insurers will consider revisions to the Code to guide insurers to obtain this information in an appropriate and culturally sensitive way, where necessary to provide appropriate support to customers. |
| C - 34 | Paragraph 103(a) should be updated to clarify that interpreting services includes interpreting for First Nations customers who do not speak English as their first language. | See PFI – 35. |
| PFI - 38 Relates to C - 17, 21, 22 | The Committee recommends that insurers devote additional resources to providing vulnerable customers with assistance. Insurers should evaluate the effectiveness of this assistance after each declared event. | Agree in principle. Insurers will evaluate the effectiveness of their support for vulnerable customers after declared events, as appropriate and in a way that is appropriate for their individual businesses. The Insurance Council and its members will explore revised wording in the Code. Additionally, the Insurance Council is in the process of developing a vulnerability framework in 2025. |

| # | Recommendation | Draft position |
|--|---|---|
| C - 17 | The Code should require insurers to have quality assurance systems in place regarding the effectiveness of their hardship support. Such systems should be overseen by senior management. | See PFI - 38. |
| PFI - 39 Relates to C – 21/22 | The Committee recommends that the General Insurance Code of Practice be amended to require insurers' identification of vulnerable customers and training of staff be designed so that customer interaction is compliant with ISO 22458 2022-04, the International Organization for Standardization's document - Consumer vulnerability – Requirements and guidelines for the design and delivery of inclusive service. | Agree in principle. The Insurance Council and its members are in the process of developing a vulnerability framework in 2025 and will partner with the Australian and New Zealand Institute of Insurance and Finance (ANZIIF) on drafting accompanying training modules, enhanced vulnerability training and to support compliance. The Insurance Council and its members will also explore what ISO principles may be suitable to adopt in the Code. |
| C - 21 | Paragraph 91 should be amended to require insurers to comply with ISO 22458. | See PFI - 39. |
| C - 22 | Alternatively, the Code should require insurers to demonstrate organisational commitment to improving outcomes for consumers in vulnerable circumstances by following the key principles in ISO 22458, including: <ul style="list-style-type: none"> a) Requiring insurers to design customer service and claims processes to be inclusive; and b) Requiring insurers to have a range of free, easy-to-access contact channels so that consumers can choose their preferred method of communication for enquiries & complaints. | See PFI - 39. |

| # | Recommendation | Draft position |
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| C - 1 | Paragraph 107 should be expanded to require insurers to provide financial hardship support to all customers who require it, including people who need help maintaining premium payments. | <p>Noted.</p> <p>Insurers are committed to reviewing financial hardship support for vulnerable customers. The Insurance Council will work with members on appropriate revised wording of the Code following the completion of our industry vulnerability framework.</p> |
| C - 5 | The Code should commit insurers to adopting some of the listed options (vulnerability support options) and being transparent about the options that they make available. | <p>Agree in principle.</p> <p>The support provided to customers experiencing vulnerability and how this is communicated to customers will be guided by the requirements set by the Code. Individual insurers will determine eligibility on a case-by-case basis. The Insurance Council will work with members on appropriate revised wording of the Code.</p> <p>Insurers will further consider ways to enhance the transparency of the support options available to customers on their websites.</p> |

| # | Recommendation | Draft position |
|--------|--|---|
| C - 30 | <p>The Code should require insurers to:</p> <ul style="list-style-type: none"> a) Ensure continuous protection of all insured parties in situations of relationship breakdown EG by treating joint policies as composite. b) Reinstate policies and provide coverage for claims resulting from deliberate actions by a perpetrator that leave victim-survivors uninsured. c) Ensure policies cover property damage due to family violence within the standard terms. d) Guarantee fair access to indemnity for all insured parties in the event of cash settlements. | <p>Support the intent.</p> <p>The Code cannot prescribe the content of policies. However, it can set out principles for how insurers will support customers experiencing financial abuse.</p> <p>The ability to change an insurance policy from a joint policy to composite policy, without the consent of all parties, will require a change to the <i>Insurance Contracts Act 1984</i>. The Insurance Council and its members will work with the Government on any changes to legislation to enable this recommendation.</p> <p>The Insurance Council will work with all its members to commit to implementation of a 'conduct of others clause' in policies and will work to provide fair access to indemnity where it does not jeopardise the safety of their customers.</p> <p>Additionally, the Insurance Council and its members are in the process of developing a vulnerability framework in 2025 which will consider ways to support customers experiencing family and domestic violence.</p> |

| # | Recommendation | Draft position |
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| <p>PFI - 40</p> <p>Relates to C - 43</p> | <p>The Committee recommends that insurers improve staff training to ensure staff adopt a trauma-informed approach when communicating with policyholders. This should include:</p> <ul style="list-style-type: none"> • Explicit reference to trauma-informed policies and training in the General Insurance Code of Practice (as per Recommendation 26 of the Independent Review of the General Insurance Code of Practice). • Priority should be given to the recruitment of staff with experience from natural disasters. • Recording, with consent, personal information to better assist people experiencing vulnerability (as per Recommendation 27 of the Independent Review of the General Insurance Code of Practice). • Clear communication, via insurer websites and other forms of communication (such as mobile applications), the types of additional supports that the insurer makes available to consumers experiencing vulnerability. | <p>Agree in principle.</p> <p>However, insurers should be able to consider overall fit for role.</p> <p>Additionally, when recording of personal information, implementation must be consistent with recent and ongoing reforms to the Privacy Act 1988.</p> <p>The industry has previously agreed to Code Recommendation 26 and 27.</p> |
| <p>C - 43</p> | <p>The requirements should stipulate that education and training must include:</p> <ul style="list-style-type: none"> • the products and services provided by the Code Subscriber dealing with customers experiencing vulnerability, including trauma-based training (also see recommendation 26) complaint management, including more advanced training for Employees in specialised internal dispute resolution or external dispute resolution roles. | <p>Agree in principle.</p> <p>The Insurance Council and its members will consider appropriate revisions to the Code to set out the principles for how to approach education and training for employees, distributors or service suppliers, noting that each insurer must determine the appropriateness of their own training systems.</p> |

| # | Recommendation | Draft position |
|---|--|---|
| Claims Handling | | |
| PFI – 57 Relates to C - 63 | <p>The Committee recommends that the General Insurance Code of Practice (the Code) be reformed to implement Recommendation 63 of the Independent Review of the 2020 General Insurance Code of Practice, that is: where the insurer has not made a decision on a claim within 12 months, and the delay is not due to the consumer or other reasons beyond the control of the insurer, the Code should require the claim to be accepted.</p> <p>The Committee further recommends that Australian Securities and Investments Commission consider using its powers in relation to claims management to enforce this obligation.</p> <ul style="list-style-type: none"> • This would not be triggered where a claim has been lodged with the Australian Financial Complaints Authority. • This would be triggered where internal dispute resolution has commenced but is not resolved. If the insurer has not made a decision by 12 months, the claim must be paid. | <p>Agree in principle.</p> <p>The Insurance Council and its members will consider appropriate revisions to the Code. In the vast majority of cases, home, contents and motor insurance related claims should not take more than 12 months from the time a claim is acknowledged to have a decision made.</p> <p>The Code will recognise that there are circumstances outside of an insurer’s control, for example, where new information is made available on an existing claim, or an intermediary is being used which may cause additional delays.</p> <p>The Insurance Council and its members will work with ASIC and the Code Governance Committee in relation to any Code obligation.</p> |
| C - 63 | <p>Where the insurer has not made a decision on the claim within 12 months, and the delay is not due to the consumer or other reasons beyond the control of the insurer (such as a complaint having been lodged with AFCA), the Code should require the claim to be accepted.</p> | <p>See PFI - 57.</p> |

| # | Recommendation | Draft position |
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| <p>PFI - 34</p> <p>Relates to C - 55/62/68</p> | <p>The Committee recommends the General Insurance Code of Practice be amended to require that insurers use the 'single point of contact' claims management approach to the extent possible when responding to major natural disasters and ensure policyholders are informed of who their assigned case manager is as soon as practicable. The Committee further recommends that insurers be required to accommodate the preferred communication channel nominated by a policyholder during the claim processing period.</p> | <p>Support the intent.</p> <p>The Insurance Council and its members will explore appropriate revisions to the Code. The revisions will recognise that consumers benefit from continuity in case management where possible, and that not all claims will require a dedicated case manager.</p> <p>It is important to note that claims management approaches will differ depending on resourcing structures, escalations of cases to senior case managers, and differences between claim types. Additionally, at times, there will be legislative requirements that determine the method of communication required.</p> |
| <p>C - 55</p> | <p>Insurers should be required to respect consumer communication preferences, so that for example where a consumer makes an application online, then communication should be online unless the customer provides a specific request to be contacted via another method.</p> | <p>Understand the intent.</p> <p>Noting that insurers see customers electing and/or agreeing to interact with us using several different channels throughout their insurance experience.</p> |
| <p>C - 62</p> | <p>Insurers should commit to providing a single contact point, including contact details so claimants have a primary contact point through the claims process.</p> | <p>See PFI - 34.</p> |
| <p>C - 68</p> | <p>The exceptions in paragraphs 84 (Compliance with time frames) should be removed.</p> | <p>Agree in principle.</p> <p>The Code will be amended to remove paragraph 84(b).</p> <p>The Insurance Council and its members will consider any further appropriate revised wording of paragraphs 84(a) and (c), recognising that timeframe delays can be impacted by the circumstances described in these paragraphs and may be preferred by the customer where 84(a) applies.</p> |

| # | Recommendation | Draft position |
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| C - 65 | The exceptions in paragraph 78(a) relating to Extraordinary Catastrophes and 78(d) relating to delays in customer communication should be removed. | <p>Agree in principle.</p> <p>The Code will be amended to remove paragraph 78(a).</p> <p>The Insurance Council and its members will consider any further appropriate revised wording of paragraphs 78(d), recognising the challenges insurers experience sometimes when they are not able to contact a policyholder for reasons outside of their control.</p> |
| PFI - 30 Relates to C - 66 | <p>The Committee recommends that the General Insurance Code of Practice be amended to require that insurers, in the immediate aftermath of a natural disaster, provide policyholders with updated information about:</p> <ul style="list-style-type: none"> • what policyholders can expect from making a claim and the claims process, • realistic time estimates for each step of the claims process, and • customers' rights to challenge decisions or raise concerns about the insurers' conduct. <p>This guidance should take the form of a comprehensible and standardised diagram or flowchart. Following major flood events, insurers should also build into their systems pathways for policyholders to receive quick responses to commonly asked questions.</p> | <p>Support the intent.</p> <p>Following a natural disaster, timeframes can vary significantly daily due to a variety of external factors.</p> <p>The Insurance Council and its members will explore appropriate revisions to the Code to enhance insurer communications to consumers on factors that may impact claims processing times and updates to those contingencies during natural disasters, considering ways that insurers may present information to not overwhelm or frustrate consumers.</p> |
| PFI - 31 Relates to C - 66/67 | The Committee recommends the General Insurance Code of Practice be amended to require insurers to contact customers within 5 business days of the insurer becoming aware of a material change in the expected timing of any stage outlined in the guidance provided under Recommendation 30. | <p>See PFI – 30.</p> <p>All recommendations relating to communication timeframes, as well as other legislated timelines, will be considered holistically in the update of the Code.</p> |

| # | Recommendation | Draft position |
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| <p>PFI - 33</p> <p>Relates to C – 66, C - 67</p> | <p>The Committee recommends that the General Insurance Code of Practice be amended to require insurers to provide all policyholders with access to real time information about their claim's progress and key documentation on their claim. This could be through a mobile application or other platform.</p> | <p>Support the intent.</p> <p>The Insurance Council and its members recognise that consumers should have access to the status of their claim however, a requirement for real time access via an app or platform is prescriptive, can often be dependent on third-parties and disproportionately impact smaller insurers.</p> <p>The Insurance Council and its members will explore appropriate revisions to the Code, taking a holistic approach to align all communication timeframe recommendations, including legislated timeframes, where possible.</p> |
| <p>C - 66</p> | <p>Paragraph 70 (Claim progress reports) should be updated to require insurers to provide meaningful progress updates every 20 business days. This paragraph should also be clarified to enable insurers to provide updates via SMS or in-app alerts, where this is the customer's communication preference.</p> | <p>See PFI - 33.</p> |
| <p>C - 67</p> | <p>Paragraph 71 should be updated to require insurers to respond to routine inquiries within 3 business days.</p> | <p>See PFI – 33.</p> |

| # | Recommendation | Draft position |
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| C - 60 | Paragraph 55 of the Code should be amended so that insurers commit to either returning any refund using the payment mechanism used by the customer when they initially paid for the policy or asking customers who cancel their policy about their preferred payment mechanism for the policy refund. | <p>Agree in principle.</p> <p>The Insurance Council and its members will explore appropriate revisions to the Code to recognise consumer payment preferences, however payment methods for refunds will at times be dependent on external factors such as:</p> <ul style="list-style-type: none"> • Excesses paid to repairers using an Electronic Funds Transfer at Point of Sale (EFTPOS) • Suspected fraud or money-laundering activity • Customers experiencing family violence, domestic or financial abuse • Changes to available payment methods (e.g. phasing out of cheques). <p>To preserve flexibility as well as changing consumer preferences and regulatory approach to payment methods, the Code will not prescribe specific payment methods.</p> |
| C - 38 | Paragraph 45 of the Code should be updated to require insurers, in questionnaires and application processes, to only collect information that is necessary to assess and insure the risk presented by the customer. | Agree, the Code already requires that insurers will only ask for and rely on information and documents that are relevant to our decision on whether to insure the risk. |
| C - 86 | Insurers should request information only if it is strictly relevant to the claim, avoid multiple requests, and clearly communicate why each item of information is necessary and relevant. | <p>Agree.</p> <p>The Insurance Council and its members will explore appropriate revisions to the Code to strengthen Paragraph 67.</p> |

| # | Recommendation | Draft position |
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| Cash Settlements | | |
| PFI - 9 Relates to C - 71 | The Committee recommends the Insurance Council of Australia in consultation with the Australian Securities and Investments Commission provide guidance to insurers about providing greater detail and clarity to policyholders on their rights and risks when an offer is made for a final cash settlement, including the risks policyholders should be aware of for the project management of repairs. This would align with elements of recommendation 71 of the Independent Review of the General Insurance Code of Practice’s Initial Report, and the Committee recommends that this recommendation be implemented in full. | <p>Agree in principle.</p> <p>We recognise that consumers must have clear information when provided with final cash settlements, including outlining when contingency is accounted for and what risks to consider when project management is required.</p> <p>The Insurance Council will work with members and consumer advocates in 2025 to develop a vulnerability framework which will consider the experience of vulnerable people in negotiating and receiving cash settlements.</p> <p>The ability of consumers to be able to carry out repairs, and the risks they are exposed to when they accept a cash settlement, will depend on their individual circumstances. Insurance claims consultants may not be able to obtain all the information needed to make an assessment on whether a policyholder is able to carry out repairs. However, general information about risks to consider supports consumers to make informed choices. The Insurance Council looks forward to working with ASIC and other stakeholders to develop the suggested guidance.</p> <p>Note that the industry support PFI – 14 and C – 73 which will introduce a 12 month review period for cash settlements.</p> |
| C - 71 | Before offering a cash settlement, the Code should require insurers to consider a consumer’s individual circumstances to determine whether they are likely to be able to carry out the repairs. | See PFI – 9. |

| # | Recommendation | Draft position |
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| PFI - 13 | The Committee recommends that the General Insurance Code of Practice be amended to require insurers when offering final cash settlements to include a reasonable uplift/contingency sum to reasonably compensate policyholders for the risks they take on in project managing the repairs to their property. | Understand the intent. Noting there are various reasons for cash settlement, not all of which involve policyholders taking on new risk. While the Code cannot prescribe insurers' approach to components of cash settlements payable under policy terms, insurers will individually consider their approach to contingencies paid with cash settlements. |
| PFI - 10 Relates to C - 72 | The Committee recommends that the General Insurance Code of Practice provide that final cash settlements: <ul style="list-style-type: none"> • Be provided in a template form that is standardised across all insurers. The template should include a clear itemisation of all key elements of the total sum. The template be designed with input from peak consumer organisations and the Australian Securities and Investments Commission. • Should include actionable, comprehensive, and transparent quotes. • Should clearly identify compensation for unforeseen risks and project management risk (as identified in Recommendation 9). | See PFI – 9. |
| C - 72 | Cash settlement offers should: <ul style="list-style-type: none"> • provide for actionable quotes, and be based on the cost to the consumer to undertake the rebuild or repair • demonstrate how the cash settlement offer reflects unforeseen risks and variations and compensate for the transfer of risk to the consumer • include all policy benefits that are otherwise applicable. | See PFI – 9. Cash settlements will include all applicable policy benefits up to the relevant limit of liability, provided the insured has provided proof of loss. |

| # | Recommendation | Draft position |
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| PFI - 11 | The Committee recommends that the General Insurance Code of Practice be amended to include a minimum 30 day 'cooling off period' with respect to cash settlements. | <p>Agree in principle.</p> <p>The Insurance Industry and its members will consider appropriate revised wording to the Code. This will take into account what exceptions may be required, including:</p> <ul style="list-style-type: none"> • if repairs cannot be completed by the insurer and cash settlement is the only option; or • the consumer has already spent the cash settlement amount. <p>The industry will explore using a different term to a “cooling off period”, to avoid customer confusion from the regulated cooling off period that applies when buying an insurance product.</p> |
| PFI - 16 | The Committee recommends that a new service be offered to support vulnerable cash settlement recipients to project manage rebuilds and major repairs. This could be similar to the Service Navigator role in Queensland’s Resilient Homes Fund. | The industry will support the Australian Government, or otherwise identified an independent body, in delivering this function. |
| C - 70 | The Code should require the insurer to explore all options to arrange rebuild or repair themselves and provide clarity about under what limited circumstances it will offer cash settlement when it is reasonable to do so. | <p>Agree in principle.</p> <p>The Insurance Industry will consider appropriate revised wording to the Code and existing Cash Settlement Fact Sheet to provide this clarity with respect to building claims. This will consider that a cash settlement should not be a default solution to a building claim, however, in some cases, cash settlements are the only option.</p> |

| # | Recommendation | Draft position |
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| Use of experts/third parties | | |
| <p>PFI - 6</p> <p>Relates to C - 76-77</p> | <p>The Committee recommends that the Australian Securities and Investments Commission produce regulatory guidance clarifying that insurers cannot rely solely on hydrology and expert reports to deny a claim where the report has not properly linked the damage observed with the cause of the damage, consistent with Recommendations 75 - 78 of the Independent Review of the General Insurance Code of Practice (the Code). That the Code provisions in relation to the appointment of experts be strengthened to ensure that:</p> <ul style="list-style-type: none"> • the purpose of the Code include the intent that experts are to provide independent, detailed, clear, comprehensible and professional assessments of the cause and extent of loss • insurers be required to ensure the expertise, professionalism and independence of experts appointed by them • expert reports are in a standardised format to improve consumer accessibility and understanding • clauses 161 and 162 of the Code require the insurer to provide policyholders with any expert reports including, but not limited to, any reports that insurers have relied upon to deny a claim in whole or in part. | <p>Agree in principle.</p> <p>The Insurance Council and its members look forward to working with ASIC on development of any guidance regarding use of expert reports when denying claims.</p> <p>In addition to any regulatory guidance, the Insurance Council will review the 'Use of Expert Reports: Industry Best Practice Standard' to identify potential areas for uplift and partner with ANZIIF to design training to support insurers to better identify quality experts, as well as interpret and apply their reports as part of claims.</p> <p>The ICA and insurers will consider strengthening the existing Code provisions regarding expert reports as part of the re-write of the Code.</p> |
| <p>C - 76</p> | <p>The Code should require insurers to ensure the expertise, professionalism and independence of experts appointed by them and apply the other provisions recommended in relation to service providers as outlined above.</p> | <p>See PFI - 6.</p> |

| # | Recommendation | Draft position |
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| C - 77 | <p>The Code should set out minimum standards for experts: Expert reports should include clear facts and evidence in plain English to support expert opinion; Expert reports should be clear regarding when the cause or extent of loss is not able to be definitively determined; When expert opinions address 'wear and tear' exemptions and 'reasonable maintenance' requirements, they should clearly explain how the consumer's failure to maintain the property significantly contributed to the resulting loss or damage; Expert reports should be in a standardised format to improve consumer accessibility and understanding; Insurers should ensure experts respectfully and constructively engage with consumers when collecting information for their assessments</p> | See PFI - 6. |

| # | Recommendation | Draft position |
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| <p>PFI - 5</p> <p>Relates to C - 75-77</p> | <p>The Committee recommends that Engineers Australia in conjunction with the Insurance Council of Australia develop guidelines for hydrologists that are providing insurers with hydrology reports relating to flood and storm claims, 75 with a view to providing a more robust evidence base for insurers to rely on to make claim decisions. These guidelines should be shared with state and territory governments and appropriate authorities such as planning agencies and resilience authorities. This could include the following matters:</p> <ul style="list-style-type: none"> • The appropriate qualifications and experience of the hydrologists that are relied upon to provide expert reports. • In order to better use scarce hydrologist resources, the potential for reports to jointly cover multiple properties, particularly where they are co-located and were affected by the same flow of water. Where appropriate, such reports should acknowledge differential considerations across properties. | <p>The industry supports Engineers Australia progressing this work. The Insurance Council and its members will collaborate where possible and consider whether joint reports that cover multiple properties are appropriate.</p> |
| <p>PFI - 17</p> <p>Relates to C - 74</p> | <p>The Committee recommends that the Insurance Council of Australia in consultation with the Australian Securities and Investments Commission:</p> <ul style="list-style-type: none"> • develop standardised industry requirements for obtaining Scopes of Work to ensure common items are included and costings itemised (for example, in a template form), • provide itemised costings in Scopes of Work to policyholders as part of the cash settlement offer process, and • develop standardised mechanisms for insurers to implement quality control over the Scopes of Work they receive. | <p>Agree in principle.</p> <p>The Insurance Council and its members agree to consult with consumer advocates and representatives from the construction sector to explore opportunities to develop a format for providing information regarding Scopes of Work to consumers in a way that supports consumer understanding, while preserving the technical nature of those documents and permitting industry innovation.</p> <p>The insurance council and its members will consider the suitability of formal guidance, standards or Code provisions as part of this work.</p> |

| # | Recommendation | Draft position |
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| C - 74 | The Code should require Scopes of Work to be clear, standardised, and provide a full description of work and costs. | See PFI - 17. |
| PFI - 18 | <p>The Committee recommends that there should be insurer and regulator oversight of Scopes of Work through the following mechanisms:</p> <ul style="list-style-type: none"> • Stronger Code provisions in relation to quality of Scopes of Work (as per Recommendation 74 of the Independent Review of the General Insurance Code of Practice). • Random vetting of Scopes of Work quality by the Australian Securities and Investments Commission. | <p>See PFI - 17.</p> <p>Vetting of Scopes of Work from ASIC is a matter for the Government.</p> |
| PFI - 7 | <p>The Committee recommends the Australian Government establish a mechanism for creating and funding an independent expert panel of hydrologists to undertake hydrology reports if the policyholder disputes the findings of the first report.</p> <p>One model for such a panel could be the use of medical panels for compensation cases. Government and industry should explore how such a panel could be funded.</p> | This is a matter for the Australian Government. The Insurance Council and its members look forward to assisting the government if it decides to proceed with this recommendation. |
| PFI - 21 Relates to C - 53 | The Committee recommends that the Insurance Council of Australia in conjunction with the Australian Securities and Investments Commission develop guidelines on how insurers can apply tighter internal controls on the oversight of building contractors, including guidelines on community expectations for industry to improve their oversight practices. | <p>Agree in principle.</p> <p>There are broad legislative obligations which cover the conduct and supervision of representatives engaged throughout the claims value chain. ASIC's expectations on how insurers are to comply with these obligations are contained in Information Sheet 253.</p> <p>The Insurance Council and its members look forward to working with ASIC to identify any gaps in the existing framework.</p> |

| # | Recommendation | Draft position |
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| <p>PFI - 22</p> <p>Relates to C - 53</p> | <p>The Committee recommends the Australian Government consider appropriate regulatory or other mechanisms to reduce the instances of third-party builders and other contractors making changes to properties without the policyholder’s consent, including the practice of gaining entry, removing property (strip-outs) or conducting repairs without the policyholder’s knowledge or consent. Solutions should take into account the unique circumstances and challenges created by catastrophic flood events.</p> | <p>This is a matter for the Australian Government. We look forward to providing input to the Australian Government on this recommendation.</p> |
| <p>C - 53</p> | <p>The Code should require that insurers must have effective systems to monitor the conduct of all claim service suppliers who are appointed by the insurer or who act on their behalf.</p> | <p>Agree in principle.</p> <p>Paragraph 19 of the Code requires insurers to monitor and address the performance of Service Suppliers.</p> <p>The Insurance Council and its members will consider appropriate revised wording of the Code, including a definition of “claims service providers” to account for changes made from the 2022 claims handling reforms and to ensure critical suppliers are captured.</p> <p>We note that any standards set by the Code on third party providers must be compliant with the <i>Corporations Act 2001</i> and relevant APRA Prudential Standards and Guidance.</p> |
| <p>PFI - 59</p> | <p>The Committee recommends that insurers recognise standard third-party authorisation forms and that this obligation be reflected in staff training.</p> | <p>Agree in principle.</p> <p>The Insurance Council and its members will consider appropriate revised wording of the Code to recognise legitimate third-party authorisation forms, such as from financial counsellors.</p> |

| # | Recommendation | Draft position |
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| C - 42 | The Code should include an overarching obligation for education and training requirements for all Code Subscriber Employees, Distributors and Service Suppliers. | <p>Agree in principle.</p> <p>The Code will allow for flexibility to avoid duplication and ensure training regarding the Code is required only where it is relevant to their role, noting that financial service licence (AFSL) holders already have training requirements. The Insurance Council and its members will consider an appropriate definition of 'claims service supplier'.</p> |
| C - 44 | In addition, the Code should require that Distributors and Service Suppliers receive education and training to a standard that is considered relevant to the trade or profession that they operate within and in accordance with the requirements of any relevant industry body. | <p>Agree in principle.</p> <p>While it is not the responsibility of insurers to assess whether qualifications comply with various industry technical standards, the Code currently requires insurers to provide training to their Distributors to ensure they can provide services competently and deal with consumers professionally. The Code also requires insurers to select Service Suppliers that have relevant expertise and qualifications and can operate to the standards set by the Code.</p> <p>The Insurance Council and its members will explore how to clarify this obligation in the update to the Code.</p> |
| C - 50 | The definition of Distributor should be sufficiently wide to include any person acting on behalf of the insurer to distribute general insurance products. | <p>Agree in principle.</p> <p>The Insurance Council and its members will consider appropriate revised wording of the Code to capture distributors who are directly appointed by an insurer and not acting independently, eg. they would be acting independent if they are distributing services under their own AFSL or a broker acting as an agent of the insured.</p> |

| # | Recommendation | Draft position |
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| C - 51 | The Code should require that insurers have effective systems to monitor the conduct of all Distributors who act on their behalf. | <p>Agree.</p> <p>Part 4 of the Code requires insurers to have policies and procedures in place to monitor the performance of Distributors and take appropriate action where their conduct is not consistent with the Code.</p> <p>This action includes requiring Distributors to undergo additional training or be subject to other disciplinary action as well as considering the consumer impact and remediating where necessary.</p> <p>The Insurance Council and its members will consider appropriate updates to the Code.</p> |
| C - 52 | A single Code definition be adopted for all claim services provided by a third-party supplier acting on behalf of, or appointed by, an insurer. | <p>Understand the intent.</p> <p>A single definition is challenging due to the range of service providers utilised by insurers. The Insurance Council and its members will consider an appropriate definition to clarify what services are captured. This definition will not include independent External Experts who do not act on the behalf of insurers.</p> |

| # | Recommendation | Draft position |
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| Product Design | | |
| PFI - 3 | <p>The Committee recommends that a distinction be made in the General Insurance Code of Practice (the Code) between aspects of properties where maintenance is:</p> <ul style="list-style-type: none"> • Observable (for example, roofs and gutters) versus where it is not observable (for example, typically, stumps). • Where regular upkeep is reasonably within the remit of the householder or business versus where maintenance is infrequent, costly and highly irregular (for example, stumps). <p>Where maintenance is not observable and infrequent maintenance is required, there should be a presumption of coverage by insurers unless exceptional circumstances can be established. It should be noted that this may have an impact on premiums for some policies (for example, for older houses) but that the trade-off is that it will reduce the likelihood of dramatically different outcomes for households with the same experience from the natural disaster while making no difference to the observed risk or behaviour of policyholders.</p> <p>This presumption should be reflected in the industry-wide guidance issued under Recommendation 2.</p> | <p>Understand the intent.</p> <p>The industry agrees that expectations on maintenance should be reasonable and made clear to consumers.</p> <p>The Code cannot prescribe terms and conditions of product coverage and competition law prevents insurers from taking a consistent approach. However, the Insurance Council and its members are working to develop potential standardised maintenance and wear and tear clauses. If agreement can be reached on the wording of these clauses between insurers and stakeholders then the Insurance Council proposes to make an application to the ACCC seeking authorisation to use these clauses. Standardised clauses will assist consumers in understanding their maintenance responsibilities, and if authorisation was granted the Insurance Council and its members would conduct a consumer awareness and education campaign.</p> |

| # | Recommendation | Draft position |
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| <p>PFI - 20 Relates to C - 69</p> | <p>The Committee recommends the Insurance Council of Australia amend the General Insurance Code of Practice to include an appropriate mechanism for ensuring policyholders that are being provided with temporary accommodation as part of their claim have at least 3 months' notice of any proposed substantive changes to the policyholders' living situation or the insurers' payments for the accommodation.</p> | <p>Understand the intent.</p> <p>The three-month timeframe is prescriptive and may not be viable where the benefit is shorter than three months or the changes are in the consumer's interest, such as where more suitable accommodation becomes available.</p> <p>The Insurance Council and its members will explore appropriate revisions to the Code to ensure reasonable notice.</p> |
| <p>PFI - 19 Relates to C - 69, 57</p> | <p>The Committee recommends that insurers amend their home insurance policies to provide fully paid temporary accommodation until the insurer has closed the claim, unless the extension of the time required can be demonstrated to be a result of behaviour on the part of the policyholder that is unreasonably causing delay; That final cash settlements include a provision for temporary accommodation that takes account of the Scope of Works; progress on the project to date; and a reasonable uplift; and That the cost of covering temporary accommodation should be a separate entitlement and not be funded out of the sum insured amount.</p> | <p>Understand the intent.</p> <p>Insurers support competition that drives diversity in the products made available to consumers, including the scope of temporary accommodation benefits. It is noted that increasing the coverage of policies, such as an undefined period of time or scope, will impact premiums for consumers.</p> <p>Insurers will commit to individually considering the most appropriate way to cover temporary accommodation within their policies, complying with competition law.</p> |
| <p>C - 69</p> | <p>The Code should require temporary accommodation benefits to extend until the property is fully repaired or rebuilt, up to a cap of 12 months. Insurers should also be required to contact customers at least three months before the benefits are set to conclude and advise whether any extension of the benefits is available if the repair or rebuild is not completed.</p> | <p>See response to PFI - 19 and PFI - 20.</p> |

| # | Recommendation | Draft position |
|-----------------|---|---|
| C - 57 | Unanticipated additional costs (debris removal and architectural fees) should not be included in the sum insured for repair/rebuild but provided as benefits over and above the sum insured. Further, insurers should be required to clearly communicate to consumers what is included as part of the sum insured and what may be paid by the insurer in addition to that amount. | <p>Agree in principle.</p> <p>The Insurance Council and its members will consider appropriate amendments to the Code to improve clarity around what is communicated on the sum insured. It is noted that increasing the coverage of policies to require benefits over and above the sum insured, will impact premium costs for consumers.</p> <p>Insurers support competition that drives diversity in the products made available to consumers. Insurers will individually consider how unanticipated costs are accounted for.</p> |
| PFI - 26 | The Committee recommends that the General Insurance Code of Practice be amended to require that insurers adopt a more flexible approach in relation to rebuilds and that, in particular, a like-for-like replacement not be required and that consumers be permitted to swap out size/scope for resilience and efficiency in “sum insured” repairs and rebuilds. | <p>Support the intent.</p> <p>As the Code cannot prescribe product coverage, insurers will individually consider this recommendation.</p> <p>The industry supports like-for-right rebuilds to improve resilience where this falls within the sum insured.</p> |

| # | Recommendation | Draft position |
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| <p>PFI - 25</p> <p>Relates to C - 56</p> | <p>The Committee recommends that the General Insurance Code of Practice be amended to require that insurers inform policyholders when they suspect the policyholder's sum insured does not cover the full rebuild costs according to their calculations, both at sign-on and renewal. The insurer should encourage the consumer to review their sum insured amount and ask them to confirm with a response. The Committee further recommends that the General Insurance Code of Practice be strengthened to require insurers to ensure that sum insured calculators are accurate and up to date, consistent with Recommendation 56 of the Independent Review of the General Insurance Code of Practice. The calculators should include updated information on rebuild costs, including cost increases relating to rebuilding to current building standards, and increases in labour and materials costs.</p> | <p>Support the intent.</p> <p>The Insurance Council and its members consider underinsurance a critical issue in Australia. The industry has welcomed tranche two of the Australian Government's reforms to financial advice laws aiming to address unmet demand for financial advice, particularly the opportunity that advice regime reform may provide for insurers to share more information regarding risk, adequacy of coverage and opportunities for risk mitigation works.</p> <p>The Insurance Council and its members will explore via the Code review process, how the Code can improve communication with consumers on the sum insured, at both policy inception and renewal stages. This would extend current practice which only targets renewal notices.</p> <p>Additionally, Paragraph 48 of the Code commits insurers to regularly updating the sum insured calculator. As many of the data points and calculators are not owned by insurers, insurers are only able to obtain attestation on the accuracy of this data.</p> <p>Insurers will commit to exploring opportunities to uplift sum insured calculators, where possible, and explore ways to improve education about underinsurance.</p> |
| <p>C - 56</p> | <p>Paragraph 48 (Sum Insured Calculators) should be strengthened to require insurers to ensure that sum insured calculators are accurate and up to date.</p> | <p>See PFI - 25.</p> |

| # | Recommendation | Draft position |
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| PFI - 29 | <p>The Committee recommends the Insurance Council of Australia in consultation with the Australian Securities and Investments Commission and state, territory and local governments:</p> <ul style="list-style-type: none"> • Develop guidance for policyholders on the actions they can take to clean up their properties following a natural disaster. • Include in the guidance any actions policyholders should take to document damage to their properties, such as taking photos to assist with their claim. • Obtain a commitment from insurers that they will have regard for the guidance when assessing claims. • Distribute the guidance as soon as possible to disaster-impacted local government areas. • Make the guidance part of information distributed by insurers when a natural disaster occurs, including making the guidance available at recovery hubs in hard copy form. • Develop debris cleanup guidance for councils. | <p>Agree in principle.</p> <p>These actions have already been implemented by the Insurance Council. Local councils are best placed to inform local communities on their approach to debris removal. The claims assessment process is a commercial matter and how photos are used will be at the discretion of each insurer.</p> |
| PFI - 60 | <p>The Committee recommends that, if a policy renewal falls due when there is long delay in claim handling or the completion of the project, the insurer should:</p> <ul style="list-style-type: none"> • be required to offer a reduced form of cover, with an appropriately lower premium • this cover should include public liability cover and sufficient cover for the building in its damaged state (noting that some consumers are being sent standard premium renewals, which amounts to excessive cover). | <p>Understand the intent.</p> <p>The cover and premium should reflect the status of the asset.</p> <p>Insurers support competition that drives diversity in the products made available to consumers. Insurers will individually consider this recommendation.</p> |

| # | Recommendation | Draft position |
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| C - 45 | <p>Paragraph 43 be adapted to help insurers meet Design and Distribution Obligations (DDO), including for example through:</p> <ul style="list-style-type: none"> • incorporating inclusive service standards into product design requirements • requiring insurers to regularly obtain customer feedback as part of product reviews • setting a benchmark for average claims durations which would trigger target market reviews should the benchmark be exceeded. | <p>Support the intent.</p> <p>The Code cannot prescribe product design requirements nor can insurers collectively agree on such requirements due to the operation of Australian competition law. The Code should avoid conflict or duplication of legislation. The Insurance Council will engage with ASIC on any changes needed to the DDO.</p> <p>The Insurance Council and its members will also engage with ASIC and the Code Governance Committee on recommendations relating to data, reporting and benchmarking. We note that certain internal review processes of insurers could be commercially sensitive and therefore disclosure of those processes will be at the discretion of individual insurers.</p> |
| C - 54 | <p>Paragraph 44 of the Code should be strengthened to require insurers to prevent pressure-selling through robust frameworks, systems, processes, training, and monitoring.</p> | <p>Agree in principle.</p> <p>The Insurance Council and its members will consider appropriate revised wording of the Code.</p> <p>The Code should avoid conflict or duplication of existing legislation. Insurers comply with regulations which protect consumers from pressure-selling, such as the anti-hawking regime and the Deferred Sales Model.</p> |
| C - 91 | <p>Subject to financial advice law, insurers should be required to provide appropriate information to consumers on options that an insurer has available that would assist them with managing the cost of their insurance.</p> | <p>Agree in principle.</p> <p>The Insurance Council and its members are in the process of developing a vulnerability framework in 2025 which will consider ways for insurers to provide appropriate information to consumers on support options for managing the cost of insurance.</p> |

| # | Recommendation | Draft position |
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| C - 58 | Renewal notices should be provided at least 28 days before renewal, and a further reminder notice provided at least 7 days before renewal. | <p>Agree in principle.</p> <p>However, brokers will be covered by standards set in the National Insurance Broker's Code of Practice.</p> <p>The Code will allow for flexibility in the delivery of renewal notices (including various formats such as SMS).</p> <p>All recommendations relating to communication timeframes, as well as other legislated timelines, will be considered holistically in the update of the Code and will align with current regulation.</p> |

| # | Recommendation | Draft position |
|----------------------------|--|--|
| Dispute Resolution | | |
| PFI - 41 | The Committee recommends that the Australian Securities and Investment Commission update RG 271 Internal Dispute Resolution to provide further guidance on what constitutes a complaint and how complaints should be recorded. The goal should be to ensure that the definition of an internal dispute is set at a level that captures appropriately serious disputes and that this threshold is applied consistently across all insurers. | This is a matter for ASIC. ASIC released its review report <i>Cause for complaint: Complaints handling in general insurance</i> in December 2024. This report outlines ASIC's expectations on compliance with RG 271. |
| PFI - 42 | The Committee recommends that all insurers be required to establish a dedicated internal dispute resolution monitoring and review team to identify systemic issues arising through complaints and implement the Australian Financial Complaints Authority's feedback to improve internal dispute resolution and claims handling processes. | Agree in principle. Some insurers already have this and not all insurers will require a dedicated team to carry out this function. In some cases existing complaints team carry out this function or smaller operators may embed this function within a general quality assurance team. |
| C - 61 | Insurers should be required to inform consumers about claimable items and the consumer's right to make a complaint at the point of claim. | Understand the intent. Insurers are already required to disclose the complaints process at various points during the policy lifecycle. The Insurance Council and its members will explore opportunities to increase disclosure and information on claimable rights during early stages of a claim. |
| C - 81 | Paragraph 147 (Decision about your complaint) should be amended to align with the ASIC internal dispute resolution requirements. | Agree. The Insurance Council and its members will consider appropriate updates to the Code to align with ASIC requirements. |
| Data and Governance | | |

C = Code Recommendation
PFI = Parliamentary Flood Inquiry

| # | Recommendation | Draft position |
|-----------------|--|--|
| PFI - 50 | The Committee recommends that the Australian Securities and Investments Commission and the General Insurance Code Governance Committee share data so that it is possible to evaluate breaches of the General Insurance Code of Practice in the context of an insurers' overall claims profile. | This is a matter for ASIC and the CGC. The industry welcomes the opportunity to work with ASIC and the CGC to improve reporting and reduce duplicative data requests of industry. However, data should only be shared where it relates to the enforcement remit of that agency. |

The Committee recommends that the Australian Securities and Investments Commission develop and define key outcomes measures for the consumer experience, including:

- Communication (outcome measures)
 - Overall customer satisfaction, such as a customer satisfaction score
 - Consumer comprehension of communications (random sample)
- Claims processing
 - Average time taken to respond to a customer after first making an enquiry or initiating a claim
- Vulnerable customers
 - Proportion of customers identified as vulnerable (BAU, quarterly)
 - Proportion of customers identified as vulnerable (designated events, monthly)
- Internal dispute resolution
 - Proportion of total cases that involved internal dispute resolution
 - Average time taken to resolve internal dispute cases
- External dispute resolution
 - Proportion of total cases that were referred to the Australian Financial Complaints Authority
 - Success rate at the Australian Financial Complaints Authority
- Cash settlements
 - Proportion of resolved cases that are final cash settlements
- Claims acceptance rates
 - Percentage of claims accepted
 - Percentage of claims closed (at key points in time, for example 6 months, 12 months, 18 months)
- General Insurance Code of Practice Compliance

We note that data gathering powers are matters for the Australian Government and for ASIC.

Insurers welcome the opportunity to work with ASIC to determine the most appropriate metrics, having regard to existing metrics reported to ensure there is no duplication/misalignment with existing reporting (e.g. cash settlement, claims acceptance, complaints and breach data). Further, the industry should be consulted to confirm data and findings, as well as provide relevant context, prior to publication of any reports (including from AFCA and the CGC).

| # | Recommendation | Draft position |
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| | <ul style="list-style-type: none"> ○ Breaches of the General Insurance Code of Practice per thousand claims by clause, insurer, and brand. | |
| PFI - 52 | The Committee recommends that legislation provide the Australian Securities and Investments Commission with sufficient data-gathering powers to obtain the information required to monitor and report on the metrics recommended in Recommendation 51. | See PFI - 51. |
| PFI - 53 | <p>The Committee recommends the Australian Securities and Investments Commission consider seeking data from insurers on their performance based on the metrics recommended in Recommendation 51:</p> <ul style="list-style-type: none"> • Quarterly, for business-as-usual operations • Monthly, for each declared event | <p>See PFI - 51.</p> <p>Data reporting is a resource intensive exercise and there is unlikely to be large differences month-to-month, quarterly frequency is preferred.</p> <p>If these recommendations for increased reporting are progressed, the Insurance Council and its members look forward to working with ASIC to develop a reporting framework that is useful for consumers and minimises impost on insurers.</p> |
| PFI - 54 | The Committee recommends the Australian Securities and Investments Commission publish quarterly insurer and brand level data on their performance on the metrics recommended in Recommendation 51. | See PFI – 51. |
| PFI – 48 Relates to C - 96, 97 | The Committee recommends that the General Insurance Code Governance Committee publish aggregate data on code breaches by clause, individual insurer, and brand. | <p>Support the intent.</p> <p>Insurers look forward to working with the CGC to improve transparency and identify data that should be published at the individual insurer level.</p> |

| # | Recommendation | Draft position |
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| C - 96 | The CGC should publish insurer names in regular compliance and data reports. | See PFI - 48 |
| C - 97 | The CGC should produce leader board information when undertaking thematic reviews, to provide additional transparency on both better compliance practices and where improvement is needed. | See PFI – 48. The CGC should consider the veracity of this approach as thematic reviews tend to only include a portion of insurers and, where qualitative evidence is used, may be challenging to compare across insurers. |
| PFI - 49 | The Committee recommends that the Australian Securities and Investments Commission (ASIC) appropriately use powers that it has as a result of the removal of the exemption of claims handling of insurance products under the Corporations Act 2001. The Committee notes that ASIC has only recently been granted such powers and they are as yet untested. | This is a matter for ASIC. |
| PFI - 55 | The Committee recommends that the Australian Securities and Investments Commission’s MoneySmart life insurance claims comparison tool be extended to general insurance. | This is a matter for ASIC. |
| PFI - 56 Relates to C - 64 | The Committee recommends that for each declared event, insurers be required to report the number of unresolved cases after 12 months to the Australian Securities and Investments Commission and the overarching strategy for resolving these cases. This report should include the total number of outstanding claims and the most common reasons for the delay. | This is a matter for ASIC. The cases to be reported on should be confined to those where no decision has been made and reporting should be done concurrently to other data requests for efficiency. Any reporting will be confined to home and motor claims. |
| C - 64 | Insurers should report to the CGC the number of claims that take longer than 12 months to resolve, and the CGC should report on these numbers transparently by individual insurer. | See PFI – 56, noting one regulator should receive these reports to avoid duplication and where reports are provided to ASIC in accordance with PFI – 56, they will not also be provided to the CGC. |

C = Code Recommendation
PFI = Parliamentary Flood Inquiry

| # | Recommendation | Draft position |
|---------------|---|---|
| C – 40 | <p>Paragraph 21 should be retained and amended to clarify that it operates alongside other Code paragraphs.</p> <p><i>“21. We, our Distributors and our Service Suppliers will be honest, efficient, fair, transparent and timely in our dealings with you.”</i></p> | <p>Noted.</p> <p>The Insurance Council and its members will explore how to clarify how these obligations are applied in the update to the Code, noting that duplication with existing regulation will be minimised where possible.</p> |
| C - 41 | <p>Paragraph 22 should be clarified to make it clear that it does not limit the general obligation in paragraph 21:</p> <p><i>“21. We, our Distributors and our Service Suppliers will be honest, efficient, fair, transparent and timely in our dealings with you.</i></p> <p><i>22. The Code sets out how we will meet this obligation to you.”</i></p> | <p>Recommendation C – 40 is noted.</p> <p>Insurers will continue to be required to conduct themselves honestly, efficiently and fairly. The Corporations Act also regulates this under 912A(1)(a). Accepting recommendation C – 41 could have the result of expanding the remit of the CGC beyond the scope of the Code. This would duplicate the role of ASIC and duplicate breach reporting requirements.</p> <p>The Insurance Council and its members will explore appropriate revisions to the Code to clarify how these obligations are applied.</p> |
| C - 84 | <p>Insurers should be required to publish data ethics principles that set out how they address risks associated with artificial intelligence and discrimination.</p> | <p>Agree in principle.</p> <p>The industry will utilise existing AI regulatory reform processes to avoid duplication. The Insurance Council and its members will consider the suitability of the Code for this context.</p> |
| C - 95 | <p>The maximum Community Benefit Payment in paragraph 174(c) should be doubled to \$200,000.</p> | <p>Agree.</p> |

| # | Recommendation | Draft position |
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| PFI – 47 Relates to C - 101 | The Committee recommends that the General Insurance Code of Practice be incorporated as a contractually enforceable clause in insurance Product Disclosure Statements (as is the Banking Code of Practice). | Noted. We note and understand the reasons for the recommendation. The Insurance Council and its members will work with ASIC on the issue of enforceability. |
| C - 101 | The Code should be incorporated into customer contracts so that commitments are contractually enforceable. | See PFI – 47. |

Affordability and Transparency

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| PFI - 23 | <p>The Committee recommends that the Australian Government investigate mechanisms to require insurers to more clearly communicate the basis for the price of premiums. This could include:</p> <ul style="list-style-type: none"> • at a high level, highlighting the nature of risk for the property for each major peril type (for example, a traffic light rating system) • last year’s premium alongside the current year’s premium, along with a descriptive analysis of why there has been a change if it is material (for example, over 10 per cent). <p>The analysis could include highlighting different factors that may influence pricing such as changes in building costs or changes in the assessment of one or more perils, or the impact of household or community level mitigation, without attaching numerical estimates to each factor.</p> | <p>Support the intent.</p> <p>Insurers are committed to improving transparency and consumer awareness about their premiums, however, disclosure of component pricing has competition implications. Insurers will consider how to usefully communicate information to consumers regarding premiums.</p> <p>It is a current Code requirement to include last years’ premium alongside the new premium (see paragraph 50). The Insurance Council and its members are supporting the Government via the Hazard Insurance Partnership to understand mitigation actions that can be accounted for.</p> |
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| # | Recommendation | Draft position |
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| PFI – 61 Relates to C – 89 | The Committee recommends that insurers be required to ensure that people paying premiums monthly do not pay more. | Disagree. It is not the purpose, nor it is appropriate, for the Code to prescribe insurers pricing approach. Further, insurers cannot implement this due to competition law constraints. |
| C - 89 | The Code should ensure that home and motor insurance policies do not charge more for instalment payments. | See PFI - 61. |
| C - 88 | The Code should require renewal quotes for home and motor insurance consumers to be not more expensive than those for new customers. | Disagree. It is not the purpose, nor it is appropriate, for the Code to prescribe insurers pricing approach. Further, insurers cannot implement this in the Code due to competition law constraints. |
| C - 90 | Paragraph 51 should be expanded to apply to multi-policy, loyalty and other types of discounts and offers, and require insurers to proactively determine consumer eligibility for discounts and pricing offers. | Agree in principle. There should be transparency over how discounts work where they apply. Note that this information is already provided to consumers in terms and conditions. The Insurance Council and its members will look to improve transparency over discounts as part of the Code update. Proactive identification of discounts could conflict with anti-hawking and pressure-selling regulation. |

| # | Recommendation | Draft position |
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| <p>PFI - 76</p> <p>Relates to C - 92</p> | <p>The Committee recommends the General Insurance Code of Practice be amended to require that insurers be required to consider relevant property level mitigation measures in any new or renewing insurance policy, and to demonstrate how those measures have been reasonably reflected in the proposed premium. After the Code is registered with the Australian Securities and Investments Commission, the Committee also recommends that the Treasurer issue a ministerial direction for the appropriate regulator to periodically review insurers' compliance with passing on premium reductions.</p> | <p>Support the intent.</p> <p>Consumers should have clarity about what mitigation measures meaningfully reduce property risk and that the reduction in risk is accounted for in the premium.</p> <p>There are opportunities to continue to build on the range of products and initiatives that recognise and reward homeowners who undertake resilience improvements to their homes. Initiatives include the cyclone resilience benefit offered by insurers to new and existing customers in cyclone-affected areas, insurers providing premium discounting for bushfire via the Resilient Building Council app and working with the National Emergency Management Agency on household resilience via the Hazard Insurance Partnership.</p> |
| <p>C - 92</p> | <p>Subject to financial advice law, the Code should require insurers to provide transparency about the types of consumer risk-mitigation activities that result in a pricing benefit.</p> | <p>See PFI - 76.</p> |
| <p>PFI - 70</p> | <p>The Committee recommends the Australian Government consider measures to improve the affordability of flood insurance for existing policyholders with high flood risk properties, including the appropriateness of a government supported reinsurance arrangement. Any interventions to improve the affordability of flood insurance should be pursued in accordance with to the following interdependent principles:</p> <ul style="list-style-type: none"> Affordable cover for even high-risk properties. Flood insurance should be available to all Australian homeowners and body corporate lot owners at an affordable price, but with conditions. | <p>Support the intent.</p> <p>Addressing rising affordability issues is a priority for the industry, as outlined in the ICA's federal election platform, a historic uplift in funding for flood defence, targeted at the areas where insurance affordability pressure is most acute, will be critical to tackling this challenge.</p> <p>Government and industry collaboration will play a key role in the delivery of a National Flood Defence Fund. Insurers are engaged through the Hazard Insurance Partnership, the Treasury insurance affordability taskforce and the APRA</p> |

| # | Recommendation | Draft position |
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| | <ul style="list-style-type: none"> • Price signals. Any assistance to affordable insurance should not compromise price signals against full cost of risk. This could be achieved by partial (but not full) reduction of the premium and/or a gradual phasing out of some assistance. • Cross-subsidies. Any scheme of reinsurance support or subsidies should minimise cross-subsidisation through premiums where possible as this could raise issues of fairness (for example, low-income households cross-subsiding higher risk high-income households) and could be economically inefficient in that it may create a disincentive to insure. • Phase-out. That any scheme involving public funding being devoted to a reinsurance pool or subsidies, should be phased out over time in line with ongoing investment in community and household mitigation to reduce the underlying risk over time. • The underlying risk: no new developments. Governments at all three levels should commit to arrangements (including more public disclosure) to ensure that no new developments occur in high-risk areas. • The underlying risk: community mitigation. Federal and State governments should commit to ongoing investment in community mitigation. This should include a guaranteed minimum annual investment level and the development of rigorous business cases. • The underlying risk: household mitigation. Households and small business should be provided with information on mitigation options and their premiums should be reduced immediately when they undertake such mitigation. | <p>Climate Vulnerability Assessment to identify solutions to flood insurance affordability.</p> |

| # | Recommendation | Draft position |
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| PFI - 79 | The Committee recommends the Australian Government and Insurance Council of Australia explore measures to facilitate the exchange of substantiated information about the resilience of a property to insurers, including new mitigation measures undertaken through state-based grant and loan programs. | <p>Agree in principle.</p> <p>The Insurance Council and its members are continuing to work with state governments via the Hazard Insurance Partnership to identify, support and communicate to consumers clear guidance on individual-level natural hazard risk mitigation actions that insurers may recognise in setting insurance premiums. This includes engagement with the Queensland and NSW Governments on the roll-out of the Resilient Homes Fund (Qld) and the Resilient Homes Program (NSW).</p> |
| PFI - 80 | The Committee recommends insurers facilitate options for policyholders to provide additional information to insurers about the resilience of their property to flood risks, and make further investments to better integrate reported resilience measures into the calculations of premiums. | <p>Agree in principle.</p> <p>Insurers will explore how to improve ways customers can provide information on resilience measures on their property.</p> <p>The Insurance Council and its members are working with stakeholders to support programs and initiatives, such as the Bushfire Resilience Rating Home Self-assessment App (Bushfire Rating App) which has been demonstrated as being effective in doing this where mitigation activities have been implemented.</p> <p>Standardising what measures are used in the calculation of premiums is not possible due to competition law requirements.</p> |
| C - 37 | Paragraph 104(d) of the Code should be updated to require insurers to provide sufficient information to enable a person to understand whether a decision to decline cover or provide cover on non-standard terms is reasonable, such as directly providing the relevant actuarial or statistical data (or a summary thereof) on which the decision was based. | <p>Agree in principle.</p> <p>Providing actuarial/statistical data is unlikely to assist in improving consumer understanding. The Insurance Council and its members will work with consumer advocates to determine a useful level of detail to provide.</p> |

| # | Recommendation | Draft position |
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| Small Business | | |
| PFI - 27 | <p>The Committee recommends that insurance brokers and insurers be required to provide clear guidance on the operation of averaging provisions to small and medium sized businesses. The Australian Government should also consider prohibiting averaging provisions for small businesses.</p> | <p>Agree in principle.</p> <p>The Insurance Contracts Act already requires insurers to provide information about averaging provisions. The Insurance Council and its members will explore including information about averaging provisions when implementing PFI-24.</p> <p>Insurers should be consulted on any potential regulatory intervention on the use of averaging provisions to ensure market and consumer impacts are properly understood.</p> <p>Requirements around information provision by brokers to consumers is a matter for the National Insurance Broker's Association, noting that the National Insurance Broker's Code of Practice is currently under review.</p> |
| <p>PFI - 84</p> <p>Relates to C - 65, 47</p> | <p>The Committee recommends that insurers explore offering innovative insurance products that have the potential to improve the operation of the insurance market, including:</p> <ul style="list-style-type: none"> • More flexible insurance products for small business, including: <ul style="list-style-type: none"> ○ partial coverage for small businesses in high-risk areas; and ○ cashflow assistance or other temporary benefits that might help a small business survive the immediate aftermath of a natural disaster. • Parametric insurance, particularly in high-risk areas and/or for consumers facing affordability stress. | <p>Agree in principle.</p> <p>Competition law requirements drive innovation that supports product differentiation in insurance. Each insurer will consider this recommendation individually.</p> |

| # | Recommendation | Draft position |
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| C - 47 | All parts of the Code should apply to small business. | <p>Support the intent.</p> <p>We believe that small businesses deserve the same standard of service from insurers as individuals. The Code has not been drafted with the intent of it applying to small business insurance, with small businesses having very different needs to individuals, and regularly use the service of insurance brokers.</p> <p>A subsection in the Code will be explored to address the needs of small businesses.</p> |
| C - 48 | The definition of small business should be aligned to the definition in the AFCA Rules. | <p>Support the intent.</p> <p>We recognise that streamlined definitions support compliance.</p> <p>The AFCA definition is inconsistent with ASIC's definition of a small business and distinguishes between retail and wholesale insurance lines that are offered to small businesses. The Insurance Council and its members will consider an appropriate definition alongside C-47.</p> |

| # | Recommendation | Draft position |
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| C - 49 | <p>The Code should be:</p> <ul style="list-style-type: none"> • decoupled from the legislated definitions of retail client, wholesale client and general insurance products; and • apply to individuals and small business and not be limited to the nature of general insurance products other than statutory insurances (Code paragraph 10) | <p>Understand the intent.</p> <p>The Code must be flexible to respond to emerging insurance products and avoid inadvertently creating a complex compliance environment, where different definitions apply in the Code and the law.</p> <p>This recommendation would have the impact of changing the scope of products captured by the Code. An expansion of the Code's scope needs careful consideration and consultation.</p> <p>The Insurance Council and its members will consider appropriate revised wording in the Code to apply to small businesses.</p> |
| C - 3 | <p>Paragraph 65 regarding the fast-tracking of urgent claims, including making an advance payment to help ease an urgent financial need, should be extended to small business insureds.</p> | <p>Agree in principle.</p> <p>Subject to the comments above in relation to the application of the Code to small businesses (C - 47 to C- 49).</p> |
| C - 99 | <p>The addition of a small business representative to the CGC should be considered, or an alternative mechanism for ensuring advice on small business matters is available to the CGC.</p> | <p>Support the intent.</p> <p>The Insurance Council and its members will consider mechanisms to ensure advice on small business matters is available to the CGC, such as utilising its Business Advisory Committee and/or Consumer Advisory Committee.</p> |
| <p>General Code recommendations (not home and contents related)</p> | | |

| # | Recommendation | Draft position |
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| C - 14 | The Code should specifically require insurers not to utilise their right of subrogation over a tenant where a potential liability has arisen from a landlord or strata policy unless malicious damage was involved. | Agree in principle. The Insurance Council and its members will consider appropriate revisions to the Code. This will include consideration of potential exceptions such as when the tenant has insurance or, in the case of residential strata insurance, the claim is covered by the body corporate. |
| C - 15 | The Code should clarify that Part 10 applies to insurers that provide lenders mortgage [insurance]. LMI insurers should provide consumers with information about financial hardship support in any communication that seeks recovery. | Agree. |
| C - 16 | The Code should require insurers to seek recovery from employers where an employee causes loss in the course of employment. The ICA, through the Code or an industry guideline, should articulate standards of proof should there be disputes about the standard of employment and/or link to an event in the course of employment. | Support the intent. There may be times where it is not possible to contact employers directly, such as where there are privacy concerns. The Insurance Council and its members will consider any appropriate revisions to the Code to consider approaches that reduce stress for individuals experiencing vulnerability. |



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The Insurance Council of Australia is the representative body for the general insurance industry of Australia. Our members represent approximately 90 per cent of total premium income written by private sector general insurers, spanning both insurers and reinsurers. General insurance has a critical role in the economy, insulating individuals and businesses from the financial impact of loss or damage to their insured assets. Our work with our members, consumer groups and all levels of government serves to support consumers and communities when they need it most. We believe an insurable Australia is a resilient Australia – and it's our purpose to be the voice for a resilient Australia.