



28 April 2025

Andre Moore
Assistant Secretary
Financial Advice and Investment Regulation Unit
Treasury Langton Cres
Parkes ACT 2600

By email: financialadvice@treasury.gov.au

Dear Mr Moore

Treasury Consultation on Improving access to affordable and quality financial advice

The Insurance Council of Australia (the Insurance Council) appreciates the opportunity to engage with Treasury on their consultation '*Improving access to affordable and quality financial advice*' ('the consultation').¹

The Insurance Council is the representative body of the general insurance industry in Australia and represents approximately 85 per cent of total premium written by private sector general insurers.² As a foundational component of the Australian economy, the general insurance industry employs approximately 46,000 people, generates gross written premium of \$75 billion per annum and on average pays out \$160 million in claims each working day (\$40 billion paid out per year).³

The Insurance Council continues to be supportive of the objectives of the reforms to implement the Government's policy decisions in relation to the *Quality of Advice Review*, particularly to address unmet demand for financial advice from individuals with less complex financial circumstances and to support innovative delivery of financial advice. Treasury will note the recommendations from the House of Representatives Standing Committee on Economics through its Inquiry into insurers' responses to 2022 major floods claims, as well as recommendations from the independent review of the 2020 General Insurance Code of Practice, which call on the industry to provide more advice to consumers.⁴

This submission provides further feedback on the application of the reform regarding Statement of Advice as it applies to general insurance products.

Currently, general insurance products, excluding consumer credit insurance, are exempt from the need to provide clients with a Statement of Advice for particular advice, pursuant to Regulation 7.7.10AE of the *Corporations Regulations 2001*.

We understand it is the Government's intention to maintain Regulation 7.7.10AE, which specifies the financial products that are exempt, including various general insurance products. However, we note the existing exemption for general insurance products no longer matches with the provision in the proposed redrafted legislation.

As these regulations are longstanding, we strongly encourage Treasury to incorporate the exemption into the redrafted provisions of the legislation under the new proposed s946BA(1), alongside the exemption for basic banking products, rather than maintain it in the regulations. This would align the

¹ [Improving access to affordable and quality financial advice | Treasury.gov.au](#)

² [Insurance Council of Australia Annual Report 2024](#)

³ [Quarterly general insurance performance statistics | APRA](#) December 2024; [Insurance Council of Australia Industry Snapshot 2024](#)

⁴ [Flood failure to future fairness – Parliament of Australia; Independent Review: Final Report](#)

proposed reform to Recommendation 24 from the Australian Law Reform Commission's Final Report *Confronting Complexity: Reforming Corporations and Financial Services Legislation*.

1. We look forward to further engagement with Treasury on this topic.

If you have any questions or comments in relation to our submission, please contact Leisha Watson, Director Regulatory Policy, at watson@insurancecouncil.com.au.

Yours sincerely,

Alexandra Hordern
General Manager, Regulatory & Consumer Policy