Strengthening the Code to improve insurers' responses to disaster claims

ARC Justice submission regarding the General Insurance Code of Practice redraft | July 2026

ARC Justice supports communities across 13 local government areas in north-central Victoria, across Dja Dja Wurrung, Taungurung and Yorta Yorta Country. Our catchment has experienced repeated climate-fuelled disasters over the past decade, including the 2022 and 2024 floods and the 2026 summer fires. We have worked closely with these impacted communities and deeply understand the importance of a fair and responsive general insurance sector in the recovery of people after disasters.

We are pleased to provide feedback on the General Insurance Code of Practice (the Code) redraft.[1] We note our support for the sector submission led by Financial Rights Legal Service, and the key message that the tradeoff for an enforceable Code cannot be a weakened Code.

The short consultation period has provided limited opportunities for people with lived experience to contribute meaningfully to this review. As such, our feedback is drawn from our work in disaster-affected Victorian communities, including the experiences central to our extensive submission (submission 9) to the Parliamentary Inquiry into insurers' responses to 2022 major floods claims.

We welcome several improvements in the Code redraft, particularly the proposed move to make the Code enforceable. Our experience supporting communities through disaster-related insurance claims demonstrates why an enforceable Code is essential.

We are, however, extremely disappointed and concerned that the Code redraft doesn't reflect many of the recommendations from the Parliamentary Inquiry into insurers' responses to the 2022 major floods, including several of the recommendations that would reduce distress and improve claims outcomes for communities recovering from disaster. These include:

- Refine the definition of maintenance in the Code to distinguish between what is Observable (for example, roofs and gutters) versus what is Not observable (for example, stumps). Where maintenance is not observable and infrequently required, there should be a presumption of coverage by insurers unless there were exceptional circumstances (Recommendation 3)
- Strengthening the Code with respect to expert reports to improve consumer protections and accessibility (Recommendation 6)
- Require that insurers who are offering final cash settlements include a reasonable contingency sum to reasonably compensate policyholders for the risks they take on in project managing the repairs to their property (Recommendation 13)
- Standardising Scopes of Works and implementing related quality control measures (Recommendation 18)

[1] In response to the ICA's request, we confirm artificial intelligence has not been used to generate any part of this submission.

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- Providing all policyholders with access to real-time information about their claim's progress and key documentation on their claim (Recommendation 33)

We are also disappointed that the Code redraft has **reduced some of the guarantees** in the current Code. This includes those specifically related to addressing problems in a timely manner:

- Insurers commitment to provide consumers with an update on a complaint they have lodged has been reduced from every 10 days to monthly.
- Where a mistake has occurred insurers, will act 'promptly' to rectify it rather than 'immediately'.

Finally, we are concerned by what we see as **reductions in the independence and authority of the Code Governance Committee** (CGC). The integrity of the Code is enhanced when the CGC is able to fully hold insurers accountable. This includes investigating smaller issues as they arise (before they become systemic problems) and complaints that specifically relate to insurers' complaints processes. The internal complaints processes of insurers is one of the few ways consumers can challenge decisions that they believe are incorrect or unfair. Reductions in the oversight of these processes is a retrograde step.

Redrafting the Code is a clear opportunity for the insurance industry to improve consumer experiences and outcomes. Across every disaster, we see how critical this is for people's recovery. Failing to strengthen these protections will not only reinforce concerns about the limits of industry self-regulation and increase calls for stronger legislative oversight of the sector, but will also negatively impact consumer recovery in future disasters.

About ARC Justice

ARC Justice is a rights-based, for-purpose organisation incorporating the Loddon Campaspe Community Legal Centre and Housing Justice, a specialist renter support program, both based in Bendigo, and the Goulburn Valley Community Legal Centre based in Shepparton. ARC provides legal and tenancy support services across 13 local government areas in central and northern Victoria, with a team of more than 70 staff working to advocate for and uphold the rights of rural and regional Victorians.

Additional resources

- ARC Justice's submission to the Inquiry into Insurers' responses to 2022 major floods claims.
- ARC Justice's submission to the Victorian Inquiry into the 2026 summer fires.