caxton COMMUNITY LEGAL CENTRE

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Insurance Council
BY EMAIL ONLY: codeofpractice2026@insurancecouncil.com.au

Dear Insurance Council

Submissions on the Redrafted Code of Practice

Thank you for the opportunity to provide feedback on the redrafted General Insurance Code of Practice. Overall, Caxton Community Legal Centre welcomes the changes to the Code of Practice. Our comments are as follows.

Extra Care and Vulnerability

We are happy to see the focus on Extra Care, Vulnerability and Trauma Informed Care and the Vulnerability Framework that sits in conjunction with the Code. We are particularly pleased with the focus on proactively identifying the risk of vulnerability and need to respond with care, without the need for formal disclosure. As well as the inclusions acknowledging the importance of working with a support person.

We suggest that a definition of "cultural familiarity" be included to provide to assist with the framework of providing culturally safe care.

We also suggest that the Vulnerability Guide explicitly refer to the insurers' obligations under discrimination law. A balance needs to be struck between insurers having the information that is needed to provide the services and Extra Care required and not asking unnecessary questions that could lead to discrimination.

The Vulnerability Guide addresses the importance of flexibility. We suggest that flexibility should apply to all timeframes. For example, section 167 of the Code requires information to be provided within 20 Business Days from the date of request. Flexibility should be built into this section.

Family and domestic violence

We welcome the changes relating to family and domestic violence. However, we propose that the Code goes a step further and acknowledges the intersection between family and domestic violence and fraud investigations. In our advice program, we regularly see clients who are survivors of family and domestic violence navigating a fraud investigation.

We propose the Code explicitly states that insurers will consider the ability to deviate from standard practices when family and domestic violence is apparent. For example, section 151 could be redrafted to include subsection (g) *change our policies and procedures, including those* *that relate to claims, surveillance and fraud investigations, to accommodate your needs/provide you with trauma informed care.*

Section 151(f) states that steps will be taken to make referrals to police where appropriate. We suggest that there are guidelines that assist the decision making. The Code should explicitly mention that these referrals will be made in accordance with insurers' legal obligations, in a way that prioritises safety, and only without the consent of the consumer unless there are emergency circumstances.

Trauma Informed Care

We welcome the further definitions that define trauma informed care, extra care and vulnerability. We hope these changes assist vulnerable people to receive better outcomes when dealing with insurers.

We suggest that section 100 include that an Investigator will have also undertaken training on trauma informed care.

Interpreters

The phrase "where possible" should be removed from section 112. If a consumer requires an interpreter, then this is a necessity.

Regular maintenance

We support the inclusion of section 46 *Maintenance, wear and tear and debris removal*.

This section could go a step further. The section should also require the provision of information about what expected regular maintenance is required. This would provide clarity and certainty for consumers.

Cash Settlements

We support the changes to the Code in relation to cash settlements.

However, we propose that 89(b) should be changed to:

> If we offer you a Cash Settlement, we will:
>
> ...
> (b) tell you that you should consider getting legal advice ***and*** financial counselling and provider you with the details of the National Debt Helpline…

This is because legal advice and financial counselling are very different services. It is important to make the distinction.

Section 90 *Reviewing a Cash Settlement*, provides the timeframe of 20 business days for consumers to change their minds. There is some flexibility in this section as it includes the possibility of a timeframe otherwise agreed.

It is important that there is an acknowledgement, particularly in cases where there has been a disaster, that there are supply and trade shortages, and consumers may need more time to consider their options. We propose that a subsection be included that reads "If you seek to change your decision outside of 20 Business Days we will take into account your Vulnerability and whether you need Extra Care when deciding whether we can agree to repair your home." We note that the definition of vulnerability includes natural disasters.

Clause 135 Handling your complaint

The obligation regarding keeping consumers informed every 10 Business Days on the progress of their complaint has been removed. We suggest that this should remain unchanged. It is our view that regular updates assists consumers.

Clause 207 Types of sanctions

The previous 174(a) has been removed. There does not appear to be an ability for an individual to be compensated for any direct financial loss or damage. This is a significant power that we believe should be reinstated.

Section 94 – Responding to catastrophes

The section regarding responding to catastrophes has been significantly simplified. We understand the importance of being agile and responsive, however consumers should not receive less benefit than before. There is a need for clarity for consumers, and review options after significant events should not be limited.

Thank you for the opportunity to provide feedback. We hope our submission assists.

Yours faithfully

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