COTA
For older Australians

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Code of Practice Consultation Team
Insurance Council of Australia
via email codeofpractice2026@insurancecouncil.com.au.

Re: Insurance Council of Australia's consultation on the Redrafted General Insurance Code of Practice (June 2026).

COTA Australia welcomes the opportunity to provide feedback on the redrafted General Insurance Code of Practice.

COTA Australia is the leading national peak body supporting and advocating for older Australians since 1958. COTA (Council on the Ageing) Australia promotes the rights, interests and good futures of older Australians over 50. Our broad agenda is focussed on challenging ageism, respecting diversity, and empowering people to live their best life as we age.

COTA Australia endorses the joint consumer submission led by Financial Rights Legal Centre in response to the consultation. We support the submission's detailed analysis and recommendations, and write separately to particularly note issues of importance to older Australians, including insurance affordability, strata and owners corporation insurance, digital and non-digital access, vulnerability, elder abuse, claims handling, clear information and Code governance.

We particularly support the joint consumer submission's concern that the redraft removes or weakens a substantial number of current commitments, and that the trade-off for enforceability cannot be a weaker Code. The draft joint submission identifies 65 current clauses, or 28% of current Code commitments, that have either disappeared or gone backwards, and finds only 27.5% of relevant Code Review and Parliamentary Flood Inquiry recommendations have been fully met.

We acknowledge and thank the Insurance Council of Australia for the significant work that has gone into the redraft and welcome the process of improving the Code. In particular we acknowledge the stated intention to make the Code clearer and more accessible; contractually enforceable; and with a revised definition of urgent financial need, vulnerability and extra care. These are important steps. We also recognise that insurers are operating in a difficult environment, including more frequent natural disasters, increased rebuild costs, pressure on claims systems and rising community expectations.

However, enforceability only builds confidence if the commitments being enforced are strong, clear, practical and accessible. COTA Australia is concerned that the redraft does not yet meet that standard.

COTA Australia strongly supports the joint submission's point around reaffirming language that builds confidence and trust. Removing existing commitments to "promote trust, integrity and respect" and to listen and seek to resolve concerns in an "objective, truthful and timely manner" and stating these easy to understand principles do not form part of the contractual obligation sends the wrong signal at the wrong time. As the joint submission outlines, CHOICE's March 2026 Consumer Pulse[1] found trust in general insurers had fallen to 17%, its lowest level in 11 years, while AFCA received more than 34,000 general insurance complaints in 2024-25[2] and the Code Governance Committee reported 70,325 breaches affecting more than 99,909 customers impacted by the breaches[3]. The Code should not back away from language that builds trust.

To ensure confidence and trust is built, COTA Australia strongly supports independent Code governance with a consumer voice embedded at all levels. This includes monitoring, resourcing, thematic reviews, budget approval and future Code review processes. The draft joint submission raises serious concerns that the redraft limits the Code Governance Committee's scope to serious and systemic or systematic breaches, constrains its ability to investigate complaints, removes or narrows some rectification powers, and requires consideration of the Insurance Council's drafting intent.

COTA Australia supports clearer information about the scope of the Code. People should not need insurance expertise to know whether the General Insurance Code covers their issue. The Code should include a plain English "what this Code covers" and "what this Code does not cover" section, using familiar examples. It should explicitly explain that life insurance, private health insurance, compulsory third party motor injury insurance, workers compensation and domestic building warranty insurance are not covered, and direct people to a single webpage that helps them find the relevant code, regulator or complaints body.

COTA Australia particularly highlights the following issues for older people:

1. Insurance affordability is now an economic security issue for older people

For many older people, insurance is not discretionary. It is central to housing security, financial resilience and the ability to recover from loss. This includes home and contents insurance, motor insurance, travel insurance, and an increasing area of concern for home owners –strata insurance paid through owners corporation fees.

COTA Australia's *State of the Older Nation 2025* shows that while many older Australians are doing well, a significant minority are not. 1 in 4 of older Australians are living in poverty with 57% agree the cost of living is increasing at a rate that is leaving them behind and 58% manage their finances by limiting spending to essential items. Housing affordability is also weakening. While 70% of older Australians still rate their housing as affordable, these ratings have declined by 5% since 2018.

This matters because insurance premiums, excesses and strata insurance costs are increasingly part of the real cost of remaining safely housed. The ACCC has also heard that many households are struggling to afford insurance, with particular pressure on people on

[1] CHOICE, 'Trust in insurers hits all-time low' (29 May 2026) https://www.choice.com.au/money/insurance/home-and-contents/articles/trust-in-insurers-hits-all-time-low.

[2] Australian Financial Complaints Authority, General insurance complaints (Annual Review 2024-25) https://www.afca.org.au/annual-review-general-insurance-complaints

[3] General Insurance Code Governance Committee, Industry Data and Compliance Report 2024-25 (May 2026) 4 https://insurancecode.org.au/app/uploads/2026/05/GICGC-Industry-Data-Report-2024-25.pdf.

low or fixed incomes, people experiencing vulnerability and strata owners.[4] The ACCC found that affordability pressures are contributing to underinsurance, increased excesses, reduced cover and people dropping insurance altogether.

Despite this, the ICA code is not implementing recommendations to remove the penalties insurance customers face for paying their insurance premiums on a monthly basis. Despite the broader policy environment moves legislating a ban on card surcharges, the insurance industry has not embraced the opportunity to implement a 'bill smoothing' approach for those who cannot afford a lumpsum annual premium single payment.

It is of particular concern that the redrafted Code:

- **does not yet treat insurance affordability as a core consumer protection issue, despite the clear impact of rising premiums, excesses and strata insurance costs on older people's economic security.**
- **does not implement recommendations to remove the 'poverty premium' faced by people who are currently charged more for home and motor insurance policies where they are paid for by instalments. *[Code Review Rec 89 and Parliamentary Flood Inquiry Rec 61]***
- **acknowledges existing customers may need support if they are having trouble paying premiums, but this is limited to information on websites and payment reminder notices. It does not create the substantive premium hardship framework envisaged by the Review's recommendation. *[Proposed Clause 42; Code Review Rec 1]***
- **does not apply Financial Hardship measures to support for paying insurance premiums, despite the Code Review recommending that financial hardship support be extended to people who need help maintaining premium payments. *[Proposed Code Section 8; Code Review Rec 1]***

2. Digital access must not replace non-digital access

COTA Australia supports digital innovation where it improves access, but older people must not be forced into digital-only pathways to buy insurance, renew policies, lodge claims, provide identity information, track repairs, make complaints or seek hardship support.

All consumer rights, protections and services required under the code should be available through digital and non-digital pathways, including phone, paper and supported channels. Plain English information should be available in formats older people can use, including non-digital formats.

This should be embedded in a general Code commitment to ask, record and respect a customer's preferred communication channel. It should not be limited to customers already identified as experiencing financial hardship or needing extra care. For older people, the wrong communication channel can itself create harm, including missed notices, failed identity checks, delayed claims, confusion about complaint rights, or exclusion from support. *[Code Review Recommendation 22, 55; Proposed Clauses 145, 161]*

[4] See https://www.accc.gov.au/system/files/accc-insurance-monitoring-report-july-2025.pdf

COTA Australia's *State of the Older Nation 2025* found that around 1 in 7 (14%) of older people report a lack of confidence using online services. This may understate the issue because the survey was conducted online. The report also found 30% of Australians 50+ feel they are being left behind in the age of technology and 44% say it is too hard to keep up.

The Code should be amended to include a general commitment to ask, record and respect an individual's preferred communication channel, including non-digital formats. Any exception should be narrow, explained to the customer, and limited to circumstances where another channel is legally required, necessary to protect the customer from harm, or genuinely necessary to progress the matter.

3. Complaints information must be clear, active and complete

Older people often tell COTA Australia that they do not know whether something is a complaint, who to complain to, whether they can go outside the insurer, or whether complaining will affect their claim.

The revised Code usefully aligns the complaints definition with ASIC RG 271 (Internal dispute resolution), and requires information about the right to complain, internal processes and the right to go to AFCA *[Proposed Clauses 130-131]*. However, COTA supports the joint submission's concern that the redraft should fully preserve the current commitment to tell consumers *how* to make a complaint, and the current clarification that a person may complain about any aspect of their relationship with the insurer.

The Code should require insurers to tell people, in plain English and at relevant decision points, how to make both an internal complaint and an external complaint. This should include complaints about claims handling, delays, service suppliers, repairers, claim fulfilment providers, premium hardship, accessibility and any aspect of the insurer-consumer relationship.

4. "Promptly" is not good enough where clear timeframes are possible

COTA Australia supports the joint submission's view that the redrafted Code should use clear, measurable timeframes wherever possible. Older people should not be left guessing what "promptly" means, particularly during claims, complaints, hardship requests or urgent repair situations. *[Proposed Clauses 37, 54, 135]*

The current Code includes clearer update obligations, including the requirement to keep complainants informed at least every 10 business days. The redraft moves to more general language in some areas and monthly updates where a complaint is unresolved after 30 calendar days. *[Proposed Clause 136]*

The Code should restore or improve current update obligations rather than weaken them and reintroduce a clear number of business or calendar days, with narrow exceptions. These clear timeframes must be applied to claims handling, complaint updates, hardship requests processing and urgent repair situations.

5. The Code should recognise the overlap between family and domestic violence, elder abuse and financial abuse without treating them as interchangeable

COTA Australia supports Code Review Recommendations 29 and 30 on family and domestic violence. We also welcome the new Code's move towards an extra care framework and the Vulnerability Guidance's recognition that older people may need accessible communication, assistance navigating digital platforms, accessible support services and additional support with complex decision-making. This new Guidance also separately identifies elder abuse as requiring privacy and security protections, that Insurers must give extra care when verifying third-party authorities, and consider safeguards against financial coercion or manipulation. We do however support the joint consumer submissions concerns that moving things from an enforceable code to an unenforceable guidance risk reducing the overall consumer protections for those customers experiencing elder abuse, financial abuse or domestic and family violence.

The Code's definition of vulnerability, along with the broader insurance industry, need a clearer understanding that family and domestic violence, elder abuse and financial abuse are distinct but overlapping forms of harm. The current drafting risks oversimplifying this relationship by referring to "family and domestic violence, *including* financial abuse and elder abuse". *[Proposed Clause 141; Code Review Recs 23, 28-29]*

Family and domestic violence is commonly understood through patterns of coercive and controlling behaviour in a family, intimate partner or domestic context.[5] Elder abuse is commonly understood through abuse of a trusted relationship involving an older person[6]. This may involve adult children, other relatives, carers, attorneys, nominees, guardians, friends, neighbours or other trusted people[7]. While coercive and controlling behaviour may also occur in elder abuse, it is not the defining feature of elder abuse, which encompasses a broader range of harms arising from relationships of trust. Financial abuse can occur in either context but should not be used as a substitute for understanding the broader dynamics of family and domestic violence or elder abuse. A person experiencing family and domestic violence or elder abuse may face harms that are financial, emotional, physical, psychological, social, legal or practical.

These distinctions matter in insurance. Older people may experience misuse of authority, inappropriate use of attorney or nominee arrangements, pressure to cancel or change insurance, interference with claims, withholding of information, control of communications with the insurer, or attempts to redirect claim payments. These risks are particularly relevant where a claim involves the home, contents, vehicle access, temporary accommodation, cash settlements, joint policies or authority to act.

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[5] Australian Institute of Health and Welfare (2026), *Coercive control*, AIHW, Australian Government, updated 24 February 2026, accessed 20 July 2026: "Coercive control is often defined as a pattern of controlling behaviour… an underlying dynamic of family and domestic violence."

[6] Qu, L., Kaspiew, R., Carson, R., Roopani, D., De Maio, J., Harvey, J. and Horsfall, B. (2021), *National Elder Abuse Prevalence Study: Final Report*, Australian Institute of Family Studies, Melbourne: abuse of an older person involves an act or failure to act that results in harm or distress, occurring where there is an expectation of trust and/or a power imbalance between the person responsible and the older person.

[7] Australian Institute of Family Studies, *National Elder Abuse Prevalence Study: Final Report* (2021): defines perpetrators as those in relationships involving trust or power imbalance, including family members, friends, neighbours, professionals and paid carers.

The draft Code recognises elder abuse and financial abuse, but does so inconsistently. Elder abuse is largely placed within the broader vulnerability framework and external support information, while the stronger operational protections are framed around family and domestic violence. This risks missing situations where an older person is experiencing abuse of a trusted relationship that is not well captured by a family and domestic violence frame.

A number of changes to the enforceable Code and the voluntary guidance is required, including:

Changes required in the enforceable Code

- **Amend Proposed Clause 141 so it lists financial abuse, family and domestic violence, and elder abuse as distinct but overlapping risk factors, rather than an umbrella term of family and domestic violence including financial abuse and elder abuse.**
- **Add a clear obligation that where an insurer knows, or reasonably suspects, that a customer may be experiencing family and domestic violence, financial abuse, elder abuse, misuse of authority or abuse of a trusted relationship, the insurer must take reasonable steps to protect the customer's privacy, safety, autonomy and access to the insurance process.**
- **Extend relevant operational protections from the family and domestic violence provisions to financial abuse and elder abuse contexts where appropriate, but state this as an outcome obligation rather than detailed process.**
- **Move minimum elder abuse safeguards from the Guidance into the enforceable Code, including privacy and security protections, safe communication obligations, careful verification of third-party authorities, payment and cash settlement safeguards and safeguards against financial coercion or manipulation.**
- **Require insurers to ensure service suppliers and claims managers acting on their behalf comply with the same Code obligations owed to customers.**

Changes required in voluntary guidance

- **Provide practical examples of warning signs, including coercion, a third party controlling the conversation, sudden changes to bank details, disputed authority, pressure to accept a cash settlement, or a customer appearing unable to speak freely.**
- **Provide guidance on when and how to escalate concerns to appropriately trained staff or specialist teams.**
- **Provide practical guidance on authority checks, including attorneys, nominees, support people and authorised representatives.**
- **Provide guidance on payment and cash settlement safeguards, including confirming payment instructions directly with the customer where safe.**
- **Provide scripts and prompts that ask about support needs, not labels.**
- **Provide training expectations and case studies for staff, service suppliers and claims managers.**

6. Vulnerability protections need enforceable minimum guarantees, not just guidance

COTA Australia welcomes the inclusion of elder abuse, cognitive decline, bereavement, trauma, poverty, limited digital access and limited financial knowledge in the redraft's vulnerability definition. However, we share the joint submission's concern that too much of the practical response to vulnerability has been shifted into unenforceable guidance. *[Proposed Clauses 138-145]*

The Code Review recommended a broad definition of vulnerability: where someone, due to their personal circumstances and market practices, is especially susceptible to harm. It also recommended that insurers proactively ask customers about support needs and add risk factors including cognitive impairment, bereavement, trauma and elder abuse. *[Code Review Recommendations 20-25]*

The redraft includes elder abuse in the vulnerability definition and in website information about support services, but the practical guarantees remain limited.

The Code must be amended to ensure vulnerability is dealt with in two layers: enforceable minimum standards in the Code, and broader implementation guidance sitting underneath. The enforceable Code should require insurers to ask, at appropriate points, whether a person needs extra assistance; record agreed support preferences with consent; use the person's preferred communication channel wherever possible; and provide practical support for people experiencing elder abuse, cognitive decline, bereavement, trauma, low literacy, low digital confidence or financial hardship.

7. Strata insurance must be clearly covered, and older owners should not be left exposed

Like the broader population, older people live in units, townhouses or apartments. For many, strata insurance is the practical equivalent of home building insurance, even though it is purchased through an owners corporation or body corporate, rather than directly by the individual owner.

The draft Code defines strata insurance as insurance taken out by an owners corporation or body corporate to cover the building, common property and common areas. It also includes some residential strata insurance within the definition of retail home building insurance where at least 50% of the floor space is residential. However, some important home-building protections, are stated to expressly not apply to strata insurance policies. There is no clear explanation for why insurance for a standalone building should attract one set of protections, while insurance for a home in a strata arrangement should attract another. These protections include requirements relating to calculators on websites and information about maintenance wear and tear; the right to a primary contact; claims not decided in 12 months being accepted; and cash settlement provisions. *[Proposed Code 45-46, 62, 75, 87-89; definition of Strata Insurance Policy; definition of Retail Insurance]*

Lot owners should not be required to rely solely on strata managers or brokers for information about their insurance rights, particularly where they are directly affected by a strata claim. Nor should older people (or any lot owner) have to understand corporate ownership structures, lot-owner interests, owners corporation duties and insurance law to know whether they are protected.

There is a growing evidence base that strata insurance is mediated through parties whose incentives may not always align with individual lot owners, and whose remuneration and commercial relationships can be difficult for owners to understand. The NSW Productivity and Equality Commission has found that strata manager commissions can create conflicts of interest, make costs harder to understand and undermine trust between owners and managers[8]. The Insurance Council of Australia's own strata policy paper also acknowledges that many owners corporations have no relevant expertise in strata managers, insurance brokers, underwriting agencies, building maintenance or insurance, and that lack of knowledge can risk poor outcomes for consumers.[9] .

The Code should therefore require insurers to provide information that is designed for individual lot owners as the end users of strata insurance, not only for the owners corporation, strata manager or broker. This is not about displacing the role of the owners corporation as the policyholder. It is about recognising that individual lot owners bear the financial and practical consequences of unaffordable premiums, poor disclosure, delayed claims and inadequate claims fulfilment.

The Code should require insurers to provide direct, plain English information to all lot owners, including the scope of cover, key exclusions, claim progress, the respective roles of the insurer, broker and strata manager, cash settlement implications, and internal and external complaint pathways. The Code should also require insurers to explain, in plain English, what strata insurance protections do and do not apply, and why those protections differ from standalone home building insurance.

8. Identity processes must not lock out older people without a driver licence or passport

COTA Australia supports Code Review Recommendation 31 in principle, including the recommendation to reference AUSTRAC guidance on customer identification. Strong identity processes can protect consumers from fraud, scams and financial abuse. However, this has not been adopted in the Code *[Proposed Clauses 13-14]*

However, identity verification must not become another exclusion point. AUSTRAC guidance makes clear that KYC information should be verified using reliable and independent data appropriate to the customer's risk, and it also provides for alternative identification procedures where people do not have standard identification.

This matters for older people who no longer drive, have handed in a licence, do not travel and therefore do not hold a current passport, or rely on Photo ID or Proof of Age cards. Government material has also acknowledged that, until recent changes, Strong Digital ID was only available to passport holders, with driver licence-based Strong Digital ID being progressively expanded.

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[8] NSW Productivity and Equality Commission, Strata Commissions Review: The Market Impacts of Prohibiting Conflicted Payments (Final Report, March 2026) 7-8, 30-41 https://www.nsw.gov.au/departments-and-agencies/nsw-productivity-and-equality-commission/document-library/review-of-market-impacts-of-prohibiting-strata-managers-from-accepting-commissions-and-other-conflicted-remuneration.

[9] Insurance Council of Australia, Improving Consumer Outcomes for Strata Communities (Policy Paper, November 2024) https://insurancecouncil.com.au/wp-content/uploads/2024/11/FINAL-Policy-Paper-20241128-Improving-Consumer-Outcomes-for-Strata-Communities.pdf.

The Code must be updated to commit insurers to AUSTRAC customer identification processes and ensure that any KYC or digital identity process adopted include clear pathways for people with alternative identity documents, including Photo ID and Proof of Age cards, and must include non-digital assistance where automated database matching fails.

Thank you for the opportunity to comment on the redrafted General Insurance Code of Practice. COTA Australia supports a strong, enforceable General Insurance Code of Practice. Older people need insurance systems that are affordable, clear, accessible, responsive and accountable. A Code that relies on vague commitments, unenforceable guidance, digital-first processes and weakened governance will not rebuild confidence. A Code with clear timeframes, practical hardship support, enforceable vulnerability protections, plain English information, strong claims fulfilment accountability and independent consumer-informed governance can.

COTA Australia therefore endorses the joint consumer submission and urges the Insurance Council of Australia to use this consultation to strengthen the redraft before it is submitted for ASIC approval.

In line with the consultation request, COTA Australia notes that AI-assisted research was used to support preparation of this letter. The final content, positions and wording have been reviewed and approved by COTA Australia.

COTA Australia appreciates the significant work undertaken through the review and consultation process and looks forward to the Insurance Council considering these issues as it finalises a stronger, clearer and more effective Code. For further information or to discuss this submission, please contact Corey Irlam, Deputy CEO, COTA Australia, at cirlam@cota.org.au or on 0401 738 996.

Yours Sincerely

Patricia Sparrow
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COTA Australia