SUBMISSION TO THE INSURANCE COUNCIL OF AUSTRALIA

Redrafted General Insurance Code of Practice

Public Consultation Submission

To	Insurance Council of Australia | codeofpractice2026@insurancecouncil.com.au
From	Restoration Industry Association Australasia (RIA)
Date	July 2026
Subject	Submission on the redrafted General Insurance Code of Practice (June 2026 consultation draft)

ABOUT THE RESTORATION INDUSTRY ASSOCIATION AUSTRALASIA

The Restoration Industry Association Australasia (RIA) is the Australia and New Zealand chapter of the global Restoration Industry Association, the oldest and largest non-profit trade association in the restoration sector. RIA represents restoration and remediation contractors, the businesses that carry out water damage restoration, fire and smoke restoration, and mould remediation, together with allied supply-chain participants. Our membership comprises more than 180 restoration company members representing several thousand personnel across Australia and New Zealand.

RIA's members are, in the language of the redrafted Code, Claims Fulfilment Providers: the restorers, remediators and repairers who perform the physical work of returning damaged homes and businesses to a safe and habitable condition after an insured event. RIA advocates for the recognition of technical standards and professional certification in the delivery of claims, and for a fair and workable balance between restorers and insurers. We welcome the opportunity to comment on the redrafted Code, which for the first time expressly brings our members within its scope.

RIA also develops and administers the **RIA Code of Practice** (RICOP), a voluntary, industry-led code that its members subscribe and attest to annually. Developed with reference to the General Insurance Code of Practice and the Restoration Industry Association's Code of Ethics, RICOP commits subscribers to good practice across four areas: Customer Care; Health and Safety; Environmental and Sustainability Practices; and Quality, Standards and Loss Mitigation. Of direct relevance to this consultation, RICOP already requires its subscribers to undertake restoration and remediation work in accordance with applicable Australian Standards, ANSI/IICRC Standards and other applicable industry standards; to hold and maintain professional certification, including IICRC Firm and Technician certification; and to ensure that any subcontractors they engage to perform the work are themselves bound by the Code. RICOP demonstrates that the restoration industry already holds itself to documented technical and conduct standards that align with, and in some respects go further than, the redrafted General Insurance Code of Practice.

EXECUTIVE SUMMARY

RIA supports the modernisation of the Code and, in particular, the decision to bring restorers, remediators and repairers within its framework as Claims Fulfilment Providers. Defining the supply chain is an important step towards consistent and accountable claims delivery.

> Our central concern is one of substance. While the redrafted Code imposes an extensive, and now contractually enforceable, set of *conduct* obligations on Claims Fulfilment Providers, it does not anchor the *quality of their actual work* to any recognised technical standards, and it has

> weakened the qualification and competency requirements that applied to suppliers under the current Code. This is a missed opportunity for consumer protection at the very moment the tools to address it have become available.

Since 2025, two Australian Standards directly relevant to insured property claims have been adopted by Standards Australia, each developed by the Institute of Inspection, Cleaning and Restoration Certification (IICRC) in collaboration with the American National Standards Institute (ANSI). These Standards were developed with the insurance industry, and the significant extent to which it engages restorers, as a central and explicit consideration:

- **AS-IICRC S500:2025** Standard for Professional Water Damage Restoration; and
- **AS-IICRC S520:2025** Standard for Professional Mould Remediation.

These Standards establish evidence-based, nationally recognised protocols for assessing, documenting, scoping, performing and validating restoration and remediation work. They are already being referenced and relied upon by insurers and, increasingly, by the parties to claims. The redrafted Code should align with this development by referencing recognised Australian Standards, so that its quality-of-work obligations carry genuine technical content and consumers are protected by a measurable benchmark.

This submission responds to each of the six areas identified in the consultation guide and sets out nine recommendations. RIA regards Recommendations R1, R2 and R8 as its priorities. Together, they would anchor the quality of insured repairs to recognised Australian Standards, restore competency requirements for those who perform the work, and ensure that cash-settled consumers are not left worse off than those whose insurer manages the repair.

SUMMARY OF RECOMMENDATIONS

R1	Require that all works performed under the Code be completed in accordance with the relevant Australian Standards, and with recognised international standards where no applicable Australian Standard exists, together with any applicable industry code of practice. For restoration and remediation, the relevant Australian Standards are AS-IICRC S500 and AS-IICRC S520, with the RIA Code of Practice (RICOP) as an example of an applicable industry code; for building and related trades, the National Construction Code and the applicable Australian Standards apply. This anchors the Code's quality-of-work obligation to a recognised technical benchmark, rather than to an unspecified standard of "quality".
R2	Reinstate and strengthen the supplier qualification and competency requirements, including recognised professional certification such as IICRC certification, and association membership, that the redraft removed.
R3	Recognise accredited industry training and certification as satisfying the Code's training obligations, to avoid duplication across insurers.
R4	Close the subcontractor-tier gap by extending performance monitoring, training, breach reporting and Code-standard flow-down to subcontractors engaged by Claims Fulfilment Providers, or clarify where responsibility rests.

R5	Clarify the boundaries between "Claims Fulfilment Provider", "Service Supplier" and "External Experts", with worked restoration examples.
R6	Resolve the inconsistent naming of the expert-report instrument and confirm its status and enforceability.
R7	Provide a clear, workable timeframe for genuinely open-ended obligations, such as the requirement to report a breach "promptly".
R8	Frame the cash-settlement provisions to encourage repairs completed to recognised Australian Standards, protecting consumers and protecting insurers against increased future claims where a property remains on risk.
R9	Require notice, reasons and a right of response before a Claims Fulfilment Provider is removed from an active claim or its contract cancelled for performance, so that consumers are not left with a restoration disrupted mid-completion.

1. THE CONTRACTUALLY ENFORCEABLE NATURE OF THE REDRAFTED CODE

RIA supports making Sections 1 to 9 of the Code enforceable as terms of the consumer's insurance contract. Enforceability strengthens consumer protection and lifts the standing of the Code.

We ask the Insurance Council to give careful consideration to how enforceability flows down to the supply chain. The redrafted Code provides that an insurer is in breach where its Claims Fulfilment Providers or Service Suppliers do not comply when acting on its behalf and requires all contracts with those parties to reflect the relevant standards of the Code (paragraphs 25 and 186). In practice, insurers will manage that exposure by imposing Code-compliance obligations on restorers through commercial contracts. The effect is to concentrate contractually enforceable legal and financial risk on the supply chain, often small businesses.

RIA does not oppose flow-down in principle, and we recognise that the commercial terms of any contract between an insurer and its supply chain are matters for those parties. What RIA asks of the Insurance Council, as custodian of the Code, is that the Code itself be drafted so that the obligations it imposes, and the point at which responsibility attaches, are clear and consistent across the supply chain, including at the subcontractor tier. Clarity in the Code is what allows flow-down to operate fairly and predictably, rather than leaving small businesses to interpret divergent and sometimes inconsistent contractual requirements.

We also note an enforceability gap at the subcontractor tier, addressed further under Part 6. The only express obligation flowing to a subcontractor engaged by a Claims Fulfilment Provider is a licensing check (paragraph 185); monitoring, training, breach reporting and Code-standard contract terms are drafted to stop at the Claims Fulfilment Provider. Where obligations are contractually enforceable, this boundary should be made explicit. *(See R4.)*

2. THE CONSUMER PROTECTIONS IN THE REDRAFTED CODE

This is the area of greatest importance to RIA, and the area in which we believe the redrafted Code can be most improved.

The quality-of-work obligation has no technical content

Paragraph 83 makes the insurer responsible for the quality of work and materials where it has selected and directly authorised a repairer, and routes complaints about workmanship through the complaints process. This is a liability-allocation and conduct provision. It does not require the physical work (e.g. in restoration, the drying, the decontamination, the remediation) to meet any recognised technical standard. A consumer is therefore protected as to who bears responsibility, but not as to the standard the work itself must achieve.

Across the redrafted Code, the Comparison Table and the Vulnerability Guidance, there is no reference to any Australian Standard, building code or industry workmanship standard for restoration or remediation. Every use of the word “standard” refers either to the Code's own conduct obligations or to general competency and licensing. The quality of the actual work is left unanchored.

Recognised Australian Standards now exist and should be referenced

The redrafted Code requires that work be performed to a standard of “quality” but does not define that standard by reference to any recognised technical benchmark. An undefined quality obligation is difficult for a consumer to enforce and difficult for a provider to demonstrate compliance against. The Code should close this gap by requiring, at a minimum, that all works be completed in accordance with the relevant Australian Standards, and with recognised international standards where no applicable Australian Standard exists. This approach is technology-neutral and applies across the entire claims supply chain: building and related trades already work to the National Construction Code and their own Australian Standards, and restoration and remediation are now covered by AS-IICRC S500 and AS-IICRC S520. Because these are Australian Standards adopted through Standards Australia, referencing them is consistent with how the Code already treats other regulated work, rather than the adoption of any single provider’s proprietary benchmark. The same approach can extend to applicable industry codes of practice, which put these standards into day-to-day operation: RIA’s own Code of Practice (RICOP), for example, already binds its subscribers to work in accordance with the relevant Australian and ANSI/IICRC Standards, to hold professional certification, and to flow those obligations down to any subcontractors they engage. RICOP is offered not as a benchmark the Code should adopt, but as evidence that an industry code can carry precisely the technical content the redrafted Code presently leaves unstated.

This gap can now be closed. Two Australian Standards, adopted by Standards Australia and developed with the IICRC and RIA, provide evidence-based, nationally recognised benchmarks squarely relevant to insured property claims:

- **AS-IICRC S500:2025** (water damage restoration) sets out procedures for categorising water intrusion, identifying microbial and health risks, applying drying science, and documenting, monitoring and validating the work.
- **AS-IICRC S520:2025** (mould remediation) sets out procedures and precautions for assessment, containment, engineering controls, contamination management and validation in residential, commercial and institutional buildings.

These Standards were adopted precisely because Australia previously lacked nationally recognised benchmarks, which led to inconsistent practice, scope disputes, health risks and incomplete drying or remediation, often resulting in significant rework. They are already being adopted by the market: leading insurers began referencing them from 2025, and they are increasingly relied upon by the parties when scoping work and, where disputes arise, are commonly cited. It is incongruous for the Code to hold restorers to conduct obligations while remaining silent on the recognised technical standards that the parties to a claim increasingly apply in practice.

The need for a recognised technical benchmark is not limited to restoration and remediation. The wider claims supply chain including building and related trades already performs work to other relevant Australian Standards and codes. RIA therefore recommends that the Code recognise recognised Australian Standards across the supply chain generally, with the restoration-specific Standards expressly identified and other relevant Standards referenced, rather than referencing no technical standard at all. RIA's own Code of Practice (RICOP) already requires its subscribers to undertake work in accordance with applicable Australian Standards and ANSI/IICRC Standards; the General Insurance Code of Practice can and should adopt the same approach. *(See R1.)*

The redraft has weakened supplier qualification requirements

The current Code requires that, before appointment, a Service Supplier reasonably satisfy the insurer that it and its employees are qualified by education, training or experience, including whether they hold membership of a relevant professional body. The redrafted appointment test (paragraph 183) drops that qualifying language, requiring only that suppliers can deliver services "competently and professionally" and hold any licence required by law (paragraph 184). At the moment recognised certification frameworks are maturing, the Code has moved away from them. RIA recommends reinstating and strengthening the qualification requirement, with express recognition of professional certification such as IICRC certification and relevant association membership. The industry already applies such a benchmark to itself: RICOP requires its subscribers to hold IICRC Firm and Technician certification, so recognition in the Code would be consistent with established industry practice. Reinstating the professional-body membership requirement, in particular, asks only that the Code retain a competency signal it currently contains, rather than remove it at the very moment industry certification and association membership are maturing. *(See R2.)*

Cash settlement affects consumers and insurers alike

The insurer's quality-of-work responsibility under paragraph 83 attaches only to a repairer it has "selected and directly authorised". Where a claim is cash settled, that responsibility falls away and the consumer manages the repair or rebuild themselves, often against no recognised technical benchmark.

This is a gap that affects insurers as well as consumers, and for that reason sits squarely within the Code's interest. Where a property remains on risk after a cash settlement, work completed by the insured's own trades to a substandard level can increase the severity and cost of future claims, for example, incomplete drying that later manifests as structural damage or mould, or remediation that fails and recurs. Encouraging cash-settled work to be completed to recognised Australian Standards therefore protects the insurer's ongoing exposure as much as it protects the consumer's home.

RIA recommends that the cash-settlement provisions be framed to encourage, and to inform consumers, that repairs should be completed to recognised Australian Standards. This gives the consumer and their chosen contractor a clear statement of the standard the work should meet, and it protects the insurer against inflated future claims arising from poor workmanship on a risk it continues to carry. *(See R1, R8.)*

3. PROTECTIONS FOR CUSTOMERS EXPERIENCING VULNERABILITY

RIA strongly supports the Extra Care framework and the expectation that the supply chain plays a role in identifying and supporting vulnerable customers. Restorers and remediators are frequently the first, and sometimes the only, people a customer meets in person after a loss, often inside the customer's home during a period of significant distress. The redrafted Code reflects this by asking Claims Fulfilment Providers to flag suspected Family and Domestic Violence (paragraphs 40 and 150), and the Vulnerability Guidance anticipates that builders and repairers will undertake vulnerability training and follow referral protocols.

For these expectations to be effective on the ground, they must be practical for small restoration businesses and sole traders. RIA recommends that the Insurance Council support shared, industry-recognised vulnerability training resources and referral protocols, rather than each insurer mandating a bespoke program, so that on-site staff are genuinely equipped and are not exposed to situations beyond their training.

Technical standards are themselves a vulnerability protection. Vulnerable customers are least able to oversee the quality of work or to manage a repair they have cash settled and are most exposed to the health consequences of substandard work, particularly in mould remediation, where AS-IICRC S520:2025's containment, engineering-control and contamination-management requirements exist to protect occupant health, and ultimately the restorer and insurer. Anchoring the Code to recognised Standards and favouring managed repair through accredited restorers where a customer's circumstances warrant it, directly protects those most at risk.

4. THE CLARITY AND ACCESSIBILITY OF THE REDRAFTED CODE'S LANGUAGE

RIA identifies several areas where the drafting could be made clearer for the supply chain and for consumers.

- **Supply-chain categories.** The boundaries between "Claims Fulfilment Provider", "Service Supplier" and "External Experts" are unclear for businesses that provide more than one service, for example, a restorer who assesses loss and scopes works and also provides expert restoration consultancy and technical review. Worked examples would resolve this (R5).
- **Inconsistent naming of the expert-report instrument.** The Code refers to the Insurance Council's "Guide: Use of Expert Reports" (paragraph 71), while the Consultation Paper refers to an "Expert Report Best Practice Standard". The Code should use one consistent name and confirm the instrument's status and enforceability (R6).
- **Open-ended timeframes.** The requirement to report breaches "promptly" (paragraph 191) replaces the current fixed period of two business days. An undefined timeframe of this kind reduces certainty for suppliers; a clear and workable period would assist compliance. This concern does not extend to record-keeping, where expressing retention as the period required by law is a sensible and sufficient approach (R7).
- **"Selected and directly authorised".** The scope of this phrase in paragraph 83 should be clarified, particularly for cash-settled claims and for providers who are not part of an insurer's preferred network.
- **Subcontractor obligations.** Paragraph 185 addresses only subcontractor licensing; whether other Code obligations flow down is left unstated (R4).

5. THE APPLICABILITY OF THE REDRAFTED CODE IN THE FUTURE

RIA asks the Insurance Council to draft with the next decade in mind. The frequency and severity of water-related events, and the mould contamination that follows them, are increasing, and the Parliamentary Flood Inquiry has already highlighted the pressure that catastrophic events place on claims and the supply chain. Restoration and remediation volumes, and the demand for surge capacity, will grow accordingly.

Referencing recognised Australian Standards is the most effective way to future-proof the Code's quality obligations. Standards are living documents maintained by Standards Australia: AS-IICRC S500:2025 and S520:2025 are adoptions of international standards that are periodically revised. If the Code references these Standards “as amended from time to time”, the technical benchmark for restoration work will keep pace with evolving science and practice without requiring the Code itself to be reopened, an important advantage given the move to a five-year review cycle.

Future applicability also depends on supply-chain capacity. The automatic acceptance of undecided claims at twelve months (paragraph 75) and the strengthened cash-settlement gate (paragraph 87) will interact with the availability of qualified restorers, especially after a catastrophe. Embedding recognised standards and certification now supports a scalable, quality-assured supply chain that can respond as demand grows.

6. ANY FURTHER RECOMMENDATIONS

Subcontractor-tier monitoring

In restoration, the person physically performing work in a customer's home is frequently a subcontractor engaged by the contracted Claims Fulfilment Provider. Yet the redrafted Code's monitoring (paragraph 180), breach attribution (paragraph 25), Code-standard contract terms (paragraph 186), training (paragraph 187) and performance remediation (paragraph 193) each enumerate Claims Fulfilment Providers but stop short of their subcontractors. The only obligation expressly reaching the subcontractor is a licensing check (paragraph 185), and the current Code's requirement that a supplier obtain the insurer's approval before subcontracting has been removed. RIA recommends that the Code either extend the relevant obligations to the subcontractor tier or state clearly where responsibility rests, so that quality and conduct expectations genuinely follow the work. RIA's own Code of Practice offers a working precedent: where subscription to that Code is a condition of engagement, RICOP requires that any subcontractors engaged to carry out the work are themselves bound by the Code. A comparable mechanism in the General Insurance Code of Practice would ensure obligations follow the work down the chain (R4).

Recognition of certification in training obligations

The training obligations in paragraph 187 apply to Claims Fulfilment Providers to the extent relevant to their role, and paragraph 190 sensibly avoids duplicate training. RIA recommends that accredited industry training and certification, including IICRC certifications relevant to water damage restoration and mould remediation, be expressly recognised as satisfying these obligations, avoiding costly and duplicative insurer-by-insurer programs (R3).

Continuity of care and procedural fairness before a provider is removed

Paragraph 193 permits an insurer to address a Claims Fulfilment Provider’s underperformance by cancelling the contract or requiring further training. Where this occurs during an active claim, it is the consumer who bears the consequences: a restoration or remediation already under way is handed to a new provider mid-completion, with the loss of site knowledge, added delay, and disruption to a customer who is often still displaced or distressed. RIA recommends that, before a provider is removed from an active claim or its contract cancelled on performance grounds, the Code require notice, reasons and a right of response. This is a natural correlate of a Code that is now contractually enforceable, and it protects continuity of care for the consumer as much as fairness for the provider (R9).

CONCLUSION

RIA supports the modernisation of the Code and the recognition of the restoration supply chain within it. Our recommendations are directed at a single, constructive objective: ensuring that, as the Code extends enforceable conduct obligations to restorers and remediators, it also anchors the quality of their work to the recognised Australian Standards that now exist, and recognises the professional certification that underpins them. This is the surest way to deliver on the Code's purpose of fair, consistent and high-quality outcomes for consumers.

RIA would welcome the opportunity to work with the Insurance Council on the drafting of any standards-referencing provisions, and to provide further detail on AS-IICRC S500:2025, AS-IICRC S520:2025, the RIA Code of Practice (RICOP) and the associated certification frameworks. We thank the Insurance Council for the opportunity to contribute to this important reform.

Restoration Industry Association Australasia
Brodie West | Association Chairperson

Sam Ruff | Advocacy and Membership Chairperson

admin@restorationindustry.org.au

www.restorationindustry.org.au

[redacted]