

Assessment of compliance with new provision on family violence policies

March 2021



GENERAL INSURANCE
Code Governance Committee

Background

The insurance industry committed itself to the earlier adoption of consumer protections set out in Parts 9 and 10 of the General Insurance Code of Practice (the 2020 Code) when the commencement of the full 2020 Code was deferred until 1 July 2021. These provisions refer to support for vulnerable consumers and individuals experiencing financial hardship.

Paragraph 95 of the 2020 Code is the first of these provisions and came into effect on 1 July 2020. From that date all subscribers who provide retail insurance products are required to:

... have a publicly available policy about how we [the subscriber] will support you [the consumer] if you are affected by family violence. This policy will be published on our [the subscriber's] website.

Following the 1 July 2020 commencement, the General Insurance Code Governance Committee (the Committee) assessed the websites of relevant subscribers and their brands to gauge their compliance with the requirement to publish family violence policies on their website and also to understand how each subscriber had approached this important obligation.

The rest of the requirements outlined in Parts 9 and 10 came into force on 1 January 2021 as part of the phased transition of the 2020 Code. The Committee is likely to engage in similar assessments of subscribers' compliance with these provisions.

Assessment of both Code subscribers and their brands

The Committee analysed the websites of 47 of the 52 Code subscribers, excluding five subscribers who deal only in wholesale general insurance products. Seven of the 47 subscribers who deal in retail general insurance products also provide insurance through a range of brands – 36 in total – and these brands were also included in the assessment. The Committee also analysed the websites of 61 of the Lloyds coverholders and third party administrators, excluding the 50 coverholders that deal in wholesale general insurance only.

In the course of conducting this assessment, the Committee considered it important to extend the focus of the assessment to include subscriber's brands as well as subscriber websites. In the Committee's view, the importance of Paragraph 95 extends to direct access for consumers to the website of their immediate provider.

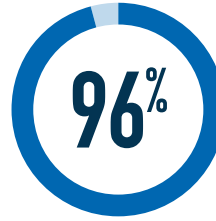


**THE COMMITTEE ANALYSED
47 OF THE 52 CODE
SUBSCRIBERS**

Outcome of the assessment

Of the 47 subscriber websites assessed, 45 (96%) complied with Paragraph 95 of the 2020 Code and made their family violence policies publicly available on their websites. The two subscribers who failed to comply were contacted by the Committee during the course of the assessment and have had Code breaches recorded (see below). The subscribers have remedied the breach and now have family violence policies on their websites.

Of the 36 brand websites owned by subscribers or their business partners, 33 (92%) had family violence policies available on their websites. In contrast, three brand websites either did not have a family violence policy on their website or had a policy buried so deeply on their website that it could not be found. Two did not have a policy published on their website. Another listed contact details for family violence support groups but did not have a published policy. These three brand websites are owned by business partners of two subscribers. The Committee has contacted the two subscribers to have family violence policies available on the brand websites.



(45) SUBSCRIBERS COMPLIED AND MADE THEIR FAMILY VIOLENCE POLICIES PUBLICLY AVAILABLE ON THEIR WEBSITES



Varying degrees of accessibility

Although there was a high level of technical compliance across the industry in terms of having a family violence policy available, there were differences in the ease of access to the information. The Committee assessed the ease of access of each family violence policy and applied one of three ratings:

- **Easy to find** (front page, prominent display of family violence policy),
- **Meets minimum standard** (website has a family violence policy but requires multiple clicks or a search engine to find it), or
- **Requirement not met** (no policy on website/no website/unable to find policy with assistance of search engines).

Only a small number of subscribers and brands had policies that were considered 'easy to find' - 11 of the 47 subscribers (23%) and 4 of the 36 brands (11%). The 'easy to find' policies were visible at the bottom of the website's home page.

70%

OF SUBSCRIBERS FELL INTO THE 'MEETS MINIMUM STANDARD' CATEGORY

Most of the subscribers and brands fell into the 'meets minimum standard' category - 33 of the 47 subscribers (70%) and 29 of the 36 brands (81%). These subscribers and their brands had various approaches and pathways to finding their family violence policies.

For the majority of these websites access to the family violence policy was through one or more clicks away from drop-down boxes on the front page of the website. The range of headings the drop-down referred to included:

- About/About us/Our organisation
- Assistance
- Claims & help/Claims & questions
- Compliance
- Contact us/Consumer care/Existing consumers
- Financial difficulty
- Frequently asked questions/Help & FAQs/Help & support
- Information
- Membership
- Other policies
- Supporting consumers experiencing vulnerability
- The official stuff, and
- Useful documents.

Other websites that were considered to be meeting minimum standards had family violence policies that were:

- at the very bottom of the page footer in small writing,
- at the footer of a very long home page,
- at the footer of the page but in a light colour making the policy less visible,
- under 'About us' with the link included in the text within the page, or
- located only with the help of the search engine.

Code breaches recorded against two non-compliant subscribers

The Committee recorded breaches, including a significant breach of Paragraph 95 of the 2020 Code against two non-compliant subscribers following the desktop assessment process.

In one instance, the subscriber had not published a family violence policy on their website. The Committee has recorded a significant breach of Paragraph 95 against this subscriber. The subscriber had written to current retail consumers (or their agent) enclosing a copy of the policy document. The Committee determined that writing to consumers, rather than publishing the policy on its website, did not meet the Code's requirements and may increase the possibility for harm against potential victims of family violence.

In the second case, the subscriber took steps to publish their policy only after being contacted by the Committee during the desktop assessment. The Committee concluded that the subscriber's failure to publish their family violence policy by 1 July 2020 was a breach of Paragraph 95.

“ *For the majority of these websites access to the family violence policy was through one or more clicks away from drop-down boxes on the front page of the website.* ”

Examples of good practice

The Committee takes special note of subscribers who have considered the best way to make their family violence policies available to consumers and also attempted to reduce the risk of further harm to vulnerable consumers who access these policies. Two websites stood out as having considered the needs of consumers affected by family violence with particular sensitivity, providing thoughtful and well-constructed measures to comply with Paragraph 95 of the 2020 Code.

The Committee shares these examples as models of good practice which reflect both community expectations and of Parts 9 and 10 of the new Code, which specifically task subscribers with offering extra support to consumers in vulnerable and hardship situations. The Committee suggests subscribers and brands examine these case studies and consider incorporating similar features into their own websites. The Committee would usually de-identify subscribers in its reporting, however these subscribers have agreed to be identified to assist all subscribers with specific examples of good practice.

CASE STUDY 1

GUILD INSURANCE



Although the link on its website makes no mention of family violence support, it is relatively easy to find the family violence policy via the front page's Help Centre sub-heading of 'Important information and brochures'.

By clicking on a 'View more info' button under the heading 'Guild Insurance family violence policy' a box containing the family violence policy pops up.

This page has an added feature that quickly closes the page leaving no search history on the consumer's browser that could be accessed later by another person.

→ <https://www.guildinsurance.com.au/help-centre/important-information-brochures>

CASE STUDY 2

THE HOLLARD INSURANCE COMPANY



In another well-considered example of putting the protection of vulnerable consumers first, this policy page comes with a 'get out' button that, when clicked, immediately sends the website user to an unrelated website – although it does not alter the browsing history as in Case Study 1. The consumer is clearly informed of this on the page.

→ <https://www.hollard.com.au/about/social-responsibility/domestic-family-violence.aspx>

Final observations

The 2020 Code has responded to evolving community expectations and the changing regulatory and legislative landscape by enhancing and strengthening the consumer protections carried over from the 2014 Code and by introducing new obligations, such as the family violence policy requirement set out in Paragraph 95.

The Committee is encouraged by the high level of compliance among subscribers in the first of the 2020 Code obligations to become operational. With the full 2020 Code coming into full effect soon, we urge subscribers to ensure they are on track for the transition and look forward to supporting them in this work.

REFERENCES

- 1 <https://www.apra.gov.au/annual-general-insurance-institution-level-statistics>
- 2 <https://www.pc.gov.au/inquiries/completed/financial-system/report/financial-system-overview.pdf>

ABOUT THE GENERAL INSURANCE CODE GOVERNANCE COMMITTEE

The General Insurance Code of Practice is a voluntary industry code that promotes high standards of service and better customer relationships in the general insurance industry. The Committee is the independent body responsible for monitoring and enforcing Code Subscribers' compliance with Code standards.



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