



About this report

This annual report provides an overview of the work of the General Insurance Code Governance Committee (**the Committee**), and an analysis of the general insurance industry's compliance with the 2014 General Insurance Code of Practice¹ (**2014 Code**) and the parts of the 2020 General Insurance Code of Practice² (**2020 Code**) which were in operation during the period 1 July 2020 to 30 June 2021 (collectively referred to as **the Code**).

Purpose of this report

The report aims to inform all stakeholders, including Code subscribers, consumer organisations, consumers, dispute resolution providers, regulators and policy makers, about the activities of the Committee and Code subscribers' compliance with the Code throughout the reporting period.

Format of report

This year, the Committee has published information about its activities and information from Code subscribers' Annual Data Return (ADR) in separate sections within the one report. Part One outlines the Committee's Activities and Part Two provides an analysis of the Industry-Reported Data.

Part two draws on data provided by 50 Code subscribers and 122 Lloyd's Coverholders and Claims Administrators who were bound by the Code during the 2020–21 year, using a questionnaire developed through stakeholder consultation.

Future reports

In future, the Committee will report on its activities and the ADR information separately, enabling the Committee to release the annual report of its activities earlier in the financial year. The Committee will then analyse the substantial data it collects from the ADR and report on this separately at a later date.

¹ https://insurancecode.org.au/resources/2014-general-insurance-code-of-practice

^{2 &}lt;a href="https://insurancecode.org.au/resources/general-insurance-code-of-practice-2020">https://insurancecode.org.au/resources/general-insurance-code-of-practice-2020

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Chair's message

I am pleased to present the annual report of the Committee for the period from 1 July 2020 to 30 June 2021.

Readers will note that this year's report differs significantly from previous years, in that we have separated the work of the Committee from the ADR. Going forward, the Committee intends to publish its activities and the industry data analysis separately, enabling it to provide a report of Committee activities much earlier in the new financial year.

Ongoing impact of COVID-19 pandemic

Once again, the past year has continued to challenge both industry and consumers alike. Border closures have restricted the movement of people and goods, compromising insurers' ability to assess and settle claims in a timely manner. This has understandably had real and significant flow on effects for consumers.

Workers and employers are adjusting to hybrid working becoming the new normal, as lockdowns are phased out. For consumers, their day-to-day lives look markedly different than they did two years ago.

However, while it has undoubtedly been another difficult year, these challenges have given many in the industry an opportunity to look at their existing business continuity plans and consider where these can benefit from review and improvement. Ideally, Code subscribers will emerge from this past year more flexible and resilient in the face of future crises.

Further catastrophes

It is worth remembering that the COVID-19 pandemic began to have an impact in Australia at a time when consumers and the insurance industry were dealing with the aftermath of the devastating bushfires in the summer of 2019–20. At the time of writing, as the country seemingly moves to a new phase of the pandemic, we are seeing another catastrophe unfold with the severe flooding in parts of Queensland and New South Wales.

Insurers will have an important role to play in assisting consumers as they attempt to recover, particularly those consumers who have lost their homes. The Code contains important obligations for how subscribers respond to catastrophes, and the Committee is encouraged to see the initial steps taken by the Insurance Council of Australia and its members in getting personnel on the ground as soon as possible to assist consumers in the claims process.

Implementation of the 2020 General Insurance **Code of Practice**

In 2020-21, the Committee monitored Code subscribers against the 2014 Code and relevant parts of the 2020 Code as it came into effect.

While the majority of the 2020 Code came into effect on 1 July 2021, parts of the 2020 Code affording consumer protections to vulnerable consumers and those experiencing financial hardship came into effect during the 2020-21 year. These provisions included Paragraph 95, which required Code subscribers to have a publicly available family violence policy on their websites by 1 July 2020, and Parts 9 (Supporting customers experiencing vulnerability) and 10 (Financial Hardship) which came into effect on 1 January 2021.

The new obligations for supporting customers experiencing vulnerability and the enhanced obligations for financial hardship were among the most important changes in the 2020 Code, and they can make a fundamental difference to the lives of consumers.

Overall, the Committee was pleased to see that a majority of Code subscribers had successfully implemented Paragraph 95 (96%), Part 9 (86%) and Part 10 (85%) by the relevant dates, and most planned to conduct post-implementation reviews.

I would like to acknowledge the substantial amount of work undertaken by Code subscribers to meet these deadlines in what has continued to be another challenging year, particularly in light of the ongoing impact of the COVID-19 pandemic on subscribers' operations and the need to ensure their readiness for the regulatory changes that took effect during the year.

The Committee acknowledges that the majority of Code subscribers were responsive in delivering these important changes. However, given the long lead time and the heightened vulnerability of consumers caused by the COVID-19 pandemic, I must note the Committee's disappointment that a small number of Code subscribers failed to meet the Code implementation deadlines.

Living the Code

The 2020 Code is focused on giving subscribers greater clarity around their obligations when dealing with consumers, while also ensuring that consumers are better able to understand their rights when buying insurance, making a claim or lodging a complaint.

A key purpose of the 2020 Code is to ensure that consumers are treated in a fair, reasonable and ethical manner. It is therefore essential that the actions of subscribers reflect not only the letter of the Code, but also the spirit in which it is intended, to ensure that the best interests of consumers are prioritised. To this end, it is important to remind Code subscribers that the Committee's Living the Code report³ provides guidance to help them achieve this.

Continued rise in self-reported breaches

The unpredictability we have encountered in recent years has undoubtedly impacted Code subscribers' operations. However, it is still disappointing to see the number of self-reported breaches rising over the past three years. There were 41,768 breaches of the Code reported by subscribers in 2020–21, an increase of around 27% on the previous year.

It is encouraging to see Code subscribers embrace self-reporting of breaches as part of their compliance activities, however it is important that selfreporting alone is not seen as the desired outcome. The Committee has commended subscribers in the past for improvements to their compliance frameworks leading to increased identification and reporting of breaches; however the Committee now expects to see subscribers taking appropriate action. This includes examining the root causes of breaches and where possible, putting in place preventative controls to reduce breaches and deliver on the commitments they have made to consumers.

Committee priorities for 2021–22

Although this report is primarily focused on the 2020-21 year, given the timing of its release, the Committee has elected to include a brief summary at the end of Part One that outlines the work conducted in the first half of the 2021-22 financial year.

"It is encouraging to see Code subscribers embrace self-reporting of breaches as part of their compliance activities, however it is important that selfreporting alone is not seen as the desired outcome."

³ https://insurancecode.org.au/app/uploads/2020/06/CGC_Living-the-Code_Report-June-2020.pdf

This includes our work on two operational guidance documents to assist Code subscribers in understanding the Committee's enhanced powers to impose sanctions under the 2020 Code and the scope of our responsibility to report significant breaches and serious misconduct to the Australian Securities and Investments Commission (ASIC).

The Committee is also developing a guidance note for Code subscribers to assist them to better understand the provision in the Code which provides relief from the Code's claims handling timeframes in certain circumstances (subsection 7.21 of the 2014 Code and paragraph 84 of the 2020 Code).

In November 2021, the Committee initiated a targeted inquiry to gain a better understanding of how Code subscribers are implementing their public-facing obligations in line with the 2020 Code. This is an important aspect of promoting the Code and the work of the Committee. Fourteen Code subscribers were selected to participate and we look forward to releasing our findings in the first half of 2022.

The Committee is also keen to understand more about the brands our Code subscribers operate under and whether there are any significant differences in compliance and consumer outcomes between them. To this end, the Committee used the 2020-21 ADR to begin collecting information on the brands our Code subscribers are associated with and we plan to continue this work until we have a comprehensive overview of this aspect of the industry.

"The Committee is also keen to understand more about the brands our Code subscribers operate under and whether there are any significant differences in compliance and consumer outcomes between them."

Thank you

The Insurance Council of Australia (ICA) has continued to make an important contribution to the Committee's achievements this year. I would like to thank ICA immediate Past President Sue Houghton, who was appointed to the role in July 2020 and completed her term as President at the end of 2021. Ms Houghton has provided invaluable support to the Committee and we are pleased to see she will continue to serve on the ICA Board.

I look forward to working with her successor Nick Hawkins, who the ICA Board appointed as the new President at its December 2021 meeting. I am also grateful to Andrew Hall, the Executive Director and CEO of the ICA, for his support throughout the year.

The Code Compliance and Monitoring team (Code team) at AFCA has provided critical support and assistance to the Committee. I thank our former and acting General Managers, Sally Davis and René van de Rijdt respectively, for their support and welcome our new General Manager, Prue Monument who commenced in November 2021. I'd also like to thank our former Code Compliance and Operations Manager, Elizabeth McNess and welcome her replacement, Joanna Ifield, who joined the team in January 2022. I know the rest of the Code team has worked tirelessly throughout the year to ensure the Committee was supported in its work and I would like to extend my appreciation and gratitude to them, in particular.

I would like to thank my fellow Committee members, Cheryl Chantry and Philippa Heir, for their expertise, insight and support throughout this year.

Finally, I would like to acknowledge our Code subscribers and thank them for working constructively with the Committee throughout the year to improve compliance and deliver better outcomes for insurance consumers.

Veronique Ingram PSM

Independent Chair General Insurance Code Governance Committee

About the Code Governance Committee

The Committee is the independent body that monitors and enforces subscribers' compliance with the Code.

The Committee supports the general insurance industry by assessing how well Code subscribers are complying with the Code's standards and helps subscribers improve their compliance levels by highlighting instances of best industry practice, while also identifying emerging risks. In doing so, the Committee supports insurers to deliver a customer experience that lives up to both the letter and the spirit of the Code.

The functions, responsibilities and processes of the Committee are set out in our Charter⁴ and we are supported by a secretariat at the Australian Financial Complaints Authority (AFCA).5

Committee Members

The Committee comprises three members – an Independent Chair, an Industry Member and a Consumer Member.



Veronique Ingram PSM

Independent Chair

With degrees in law and politics, Veronique Ingram has extensive experience across corporate governance and financial regulation both in Australia and internationally. She has held a number of senior positions in the Commonwealth Attorney-General's Department and the Commonwealth Treasury (Treasury).

Veronique was the Chief Executive and Inspector-General in Bankruptcy at the Australian Financial Security Authority from 2009 to 2017. Prior to this she was General Manager, Finance System Division at the Treasury, providing advice to the Treasurer on regulatory policy issues relating to banking, insurance, and superannuation. This included advising the government on financial system issues during the Global Financial Crisis in 2008, as well as the collapse of both Ansett Australia and HIH Insurance.

She also held the position of Chief Adviser, International, in the Treasury with responsibility for advising the government on international economic developments and financial policy issues as well as Australia's participation in the International Monetary Fund, World Bank, Asian Development Bank, Organisation for Economic Co-operation and Development (OECD), Asia-Pacific Economic Cooperation and G20 meetings of finance ministers.

Veronique was also the Australian Ambassador to the OECD in Paris from 2005 to 2008, serving as Chair of its Audit Committee and Committee on Corporate Governance.

Veronique was recognised in the 2016 Australia Day Honours List for her outstanding public service to the financial sector, both in Australia and internationally, in the areas of public policy, administrative initiatives, and service delivery.

⁴ https://insurancecode.org.au/resources/committee-charter-effective-from-1-july-2021/

⁵ https://www.afca.org.au/about-afca/codes-of-practice

Philippa Heir Consumer Member

Philippa Heir is currently the Managing Lawyer - Insurance at the Consumer Action Law Centre in Melbourne. After starting her career in private practice representing insurers, Philippa has spent the past six years advising and advocating for consumers experiencing insurance issues.

She is also involved in insurance campaigns at Consumer Action, including the Stop Selling Junk campaign, which involved the development of a self-help web tool, DemandARefund.com, which enables people to seek refunds for add-on insurance.

In 2018, Philippa represented and supported two clients who gave evidence at the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Royal Commission) about their experience with the insurance industry.

Cheryl Chantry Industry Member

Cheryl Chantry is an experienced senior executive with significant capability in Board engagement, governance, and management committees, as well as not-for-profit director experience.

She established her own business in early 2019, focused on executive coaching, leadership development and consulting. Prior to this Cheryl was the Executive General Manager, Customer Development, at IAG.

Having worked at senior executive level for large, complex organisations such as IAG and Suncorp, Cheryl understands and appreciates the importance of the insurance industry to the Australian economy.

Cheryl is a passionate advocate for the development of engaging organisational cultures that put employee and consumer well-being at their centre.

Committee Secretariat

Under an outsourcing agreement, the Code team at AFCA acts as Code Administrator, with responsibility for monitoring Code compliance on the Committee's behalf.

Prue Monument General Manager

Prue Monument commenced as General Manager of the AFCA Code Compliance and Monitoring team in November 2021.

Previously, Prue worked at The Education Quality and Standards Agency where she was the Executive Director of Quality Assurance and Regulatory Operations. Prior to this, she was Director of Compliance at the Australian Charities and Not-for-profit Commission where she was responsible for compliance, investigations, and intelligence work relating to Australia's 56,000 charities.

Prue has also held senior roles in the Department of Immigration and Border Protection, including as National Manager of the Allegations Assessment Team, and enjoyed postings in Beirut and Shanghai.

René van de Rijdt

Deputy General Manager

In November 2021, René van de Rijdt was appointed Deputy General Manager of the Code team.

Prior to this, from March 2021, René was the acting General Manager of the Code team. In this role, René lead the strategic direction and operational management of the Committee's work, ensuring delivery of its compliance and monitoring obligations.

René has worked in the AFCA Code team since 2017, initially as the Code Compliance Investigations Manager, and at AFCA and its predecessor schemes since 2011. René has a background in law and external dispute resolution, and holds a Bachelor of Law from Monash University and a Bachelor of Planning and Design from the University of Melbourne.



Sally Davis

Former General Manager

From September 2015 until March 2021, Sally Davis was the General Manager of the Code team at AFCA. Her role included oversight of the business plan and budget of the Committee and four other independent Committees that monitor compliance with codes of practice across the financial services industry.

Sally worked at AFCA and its predecessor schemes from 2000 to 2021, and was previously Senior Manager of the Systemic Issues team at the Financial Ombudsman Service.



Joanna Ifield

Code Compliance and Operations Manager

Joanna Ifield joined AFCA in January 2022 as the new General Insurance Code Compliance and Operations Manager. She has a strong understanding of the general insurance industry and the regulatory framework the industry is subject to, having headed up the NSW Emergency Services Levy Insurance Monitor's office between 2016 and 2020. Her work there included monitoring insurance premiums, conducting investigations into suspected breaches of applicable legislation, and advocating for policy and regulatory reform. Joanna also worked with the Insurance Policy team at the Australian Prudential Regulation Authority (APRA) immediately prior to joining the Code team.

Her early career was spent in consulting for Ernst & Young and KPMG in the areas of economics, regulation and policy. Joanna holds a Bachelor of Commerce (Hons) (Finance and Economics) from the University of Melbourne.



Elizabeth McNess

Former Code Compliance and Operations Manager

Elizabeth McNess joined AFCA in November 2020 as the Code Compliance and Operations Manager, leading the team monitoring Code compliance on the Committee's behalf until November 2021. Prior to this, she worked at ASIC in the Insurers' stakeholder team.

With experience across regulation, financial capability, policy development and consumer advocacy, Elizabeth's primary focus was on engaging with financial firms to improve consumer outcomes.

She holds a Bachelor of Economics from the Australian National University, a Masters of Social Science from the Royal Melbourne Institute of Technology and a Masters of Administrative Law and Policy at the University of Sydney.

About the Code

The Code was created by the industry and is owned by the industry peak body, the ICA.⁶ The Code commits subscribers to high standards of service that promote better and more informed relationships between insurers and their customers. All ICA members offering products covered by the Code must adopt it.

The ICA first introduced a code of practice for the general insurance industry in 1994. The 2014 Code took effect on 1 July 2015, replacing earlier versions. The 2014 Code was effective from 1 July 2015 until 1 July 2021. The first version of the 2020 Code came into effect on 1 July 2021, replacing the 2014 Code. The current version of the 2020 Code incorporates some amendments which came into effect on 5 October 2021.

Phased implementation of the 2020 Code

The ICA published the 2020 Code on 1 January 2020 with the intention that Code subscribers would implement the new Code from 1 January 2021.

However, in May 2020, the ICA announced the 2020 Code would be implemented in phases. This was largely done as a response to the general insurance industry being significantly impacted by the COVID-19 pandemic and natural disaster recovery due to the bushfire crisis and other weather events at the time.

The ICA announced the new implementation of the 2020 Code as follows:

- Paragraph 95 of the 2020 Code, setting out a requirement for subscribers to have a family violence policy published on their websites, came into effect on 1 July 2020.
- Part 9 (Supporting customers experiencing vulnerability) and Part 10 (Financial Hardship) of the 2020 Code came into effect on 1 January 2021. Part 9 of the 2020 Code introduced new standards to the Code, while Part 10 replaced Section 8 of the 2014 Code.

Although subscribers were required to comply with Parts 9 and 10 by 1 January 2021, they were expected to comply with the spirit and intention of these parts from 1 July 2020.

Code subscribers were required to comply with the remainder of the 2020 Code from 1 July 2021 in relation to:

- all new policies or renewed policies entered into on or after that date
- all new claims received on or after that date, and
- all new complaints received on or after that date.

Changes to the 2020 Code

As a living document, the Code can be updated when appropriate. The ICA introduced amendments to the 2020 Code after 1 July 2021, with those amendments coming into effect on 5 October 2021.

These changes aligned the Code with ASIC's 'Regulatory Guide 271 Internal Dispute Resolution'⁷ which provides an updated definition of 'complaint' and reduces the timeframe to resolve a complaint from 45 to 30 days (RG271.56).

The changes also included a new requirement for Code subscribers to have information about applying for financial hardship support on their websites.

Who the Code applies to

The Code applies to all Code subscribers. Each Code subscriber enters a deed of adoption with the ICA and the Code Governance Committee Association Inc (CGCA).

Members of the ICA, any other general insurers, and such other entities as are approved by the ICA, may adopt the Code. The Code also extends to Code subscribers' distributors and service suppliers.

⁶ https://insurancecouncil.com.au/

⁷ https://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-271-internal-dispute-resolution/

Code subscribers

As at 30 June 2021, there were 171 entities bound by the Code, consisting of:

- 49 Code subscribers8; and
- 112 Coverholders and 10 Claims Administrators bound by the Code through Lloyd's Deed of Adoption and individual binder agreements with Lloyd's Australia Limited for the sale of insurance and/or the handling of claims (all Coverholders and Claims Administrators provided data for the annual report).

The 49 Code subscribers comprised:

- 46 general insurers companies that issue general insurance cover to consumers usually through direct or group channels; and
- 3 other industry participants entities that operate in the general insurance industry by providing services which include selling insurance and/or handling claims, that have elected to sign up to the Code.

Code subscribers range from large insurance companies offering products in a range of different insurance classes (for example, home, motor, sickness & accident) to smaller specialist insurers with a more limited product range (for example, travel insurance or pet insurance).

Of the 49 Code subscribers, 44 (90%) are members of the ICA.

A full list of Code subscribers is in Appendix 1; Lloyd's Coverholders and Claims Administrators are listed in Appendix 1(a).

⁸ This is the number of subscribers as at 30 June 2021. 50 Code subscribers provided data for the 2020-21 year for this report, as they were subscribers for at least part of that year. The number of Code subscribers fluctuates over time with new subscribers adopting the Code and others ending their subscription.

Year on a page 2020-21





39,487,633

Total general insurance policies sold to Consumers and Businesses

Code breaches - five year trend



41,768 **Breaches** of the Code (Up 27% from 2019-20)

2017-18

Significant breaches

of the Code - up 17% from 112 in 2019-20

4,378,289

Claims lodged

- down 7% from 4,720,724 in 2019-20

48,685

Complaints

received by subscribers - up 17% from 41.608 in 2019-20

1 226,458

Declined claims

Down 2% from 231,480 in 2019-20



\$11,701,143,436 in claims paid by subscribers.



86% drop in travel insurance policies sold

- from 4,721,031 policies in 2019-20 to 657,830 policies in 2020-21



Travel insurance claims fell by 206,794 (76.5%),

while the number of home claims fell by 92,804 (11.3%). However, personal & domestic property claims increased by 107,654 (9.8%)



Section 7 (Claims) had the most breaches (62.6% with 26,152 breaches), followed by Section 10 (Complaints) (16.4% with 6,821) breaches)

PART ONE: Committee activities 2020–21

Part one:

Committee activities 2020-21

A. Code monitoring and compliance: significant breaches

- (i) Number of significant breaches
- (ii) Significant breaches by Code section
- (iii) Significant breaches by subsection
- (iv) Significant breaches top five insurance classes
- (v) Causes of significant breaches and remedial action

B. Code monitoring and compliance: breaches identified by the Committee

- (i) Sources of Code breach allegations and referrals
- (ii) Breaches identified by the Committee
- (iii) Breaches by section
- (iv) Breaches by subsection
- (v) Causes of breaches and remedial action

C. Monitoring activities

- (i) Review of Paragraph 95 of the 2020 Code
- (ii) Implementation Review of Parts 9 & 10 of the 2020 Code

D. Stakeholder engagement

- (i) Consumer advocates
- (ii) Government and regulators
- (iii) Industry
- (iv) Australian Financial Complaints Authority

E. 2019-20 Annual Data Return Outliers

- (i) High number of breaches per 10,000 policies
- (ii) No breaches reported

F. Committee meetings and strategy

G. Committee's focus for 2021-22

- (i) Operational Guidance
- (ii) Guidance Note on Subsection 7.21 of the 2014 Code and Paragraph 84 of the 2020 Code
- (iii) Inquiry Public-facing obligations in the 2020 Code
- (iv) Subscriber brands

A. Code monitoring and compliance - significant breaches

The investigation of significant breaches of the Code is an important part of the Committee's monitoring role. Significant breaches can have a considerable consumer impact, with the potential to affect large numbers of consumers, cause significant financial detriment and cause long delays in handling consumers' claims or complaints.

What is a significant breach?

A breach is determined to be significant⁹ by reference to:

- a. the number and frequency of similar previous breaches;
- b. the impact of the breach, or likely breach, on a subscriber's ability to provide its services;
- c. the extent to which the breach or likely breach indicates that a subscriber's arrangements to ensure compliance with the Code are inadequate;
- d. the actual, or potential, financial loss caused by the breach; and
- e. the duration of the breach.

Code subscribers must assess a breach of the Code against each of these five criteria. It does not need to meet all five criteria to be significant, that is, if a breach meets only one of these criteria, it is still considered to be a significant breach.

Reporting a significant breach

Code subscribers have an obligation to report a significant breach to the Committee within 10 business days of identifying it.10

While the Committee is responsible for monitoring and enforcing compliance with the Code, it is the responsibility of Code subscribers to determine whether a breach of the Code is significant and therefore needs to be reported to the Committee.

The Committee published Guidance Note No. 2 Significant breach obligations¹¹ in June 2020 which sets out the Committee's expectations of Code subscribers in reporting significant breaches and possible significant breaches.

Why significant breaches matter

Significant breaches are an important warning sign for Code subscribers as they tend to flag systemic problems that need to be addressed.

Identifying and reporting significant breaches to the Committee, and taking corrective actions to remediate consumers and minimise the occurrence of future breaches, will result in improved consumer outcomes. This aligns with the purpose and spirit of the Code.

⁹ See definition of "Significant Breach" in Part 16 of the 2020 Code.

¹⁰ See paragraph 181 of the 2020 Code.

¹¹ https://insurancecode.org.au/resources/guidance-note-no-2-significant-breach-obligation/

Significant breaches 2020-21

Code subscribers reported a total of 131 significant breaches of the Code to the Committee during 2020-21. Code subscribers informed us that these 131 significant breaches affected over 1.4 million consumers and resulted in remediation payments of more than \$42 million.¹²

(i) Number of significant breaches

21 Code subscribers reported 57 significant breach matters to the Committee during 2020-21, comprising a total of 131 individual significant breaches.¹³ This outcome represents a 17 per cent growth in significant breaches over the previous year.

As shown in Figure 1 below, from 2015 to 2018, subscribers reported less than 30 significant breaches per financial year. However, this number increased from 2018, with subscribers reporting well in excess of 100 significant breaches each year since then.



Figure 1: Significant breaches reported by subscribers - six-year trend

This uptick is likely to have been prompted by the Royal Commission and the Committee's work to sharpen Code subscribers' attention to compliance following its own motion inquiry into the adequacy of Code subscribers' compliance frameworks.14

This inquiry established that Code breaches and significant breaches were being significantly under-reported and the Committee has worked with Code subscribers since then to help them better understand their Code compliance obligations and more effectively identify and report breaches and significant breaches.

The numbers of significant breaches reported by Code subscribers in the last three years are closer to what the Committee would expect to see, given the nature and scope of Code subscribers' operations.

The Committee has continued to observe a noticeable increase in significant breaches reported during the first half of 2021-22, with Code subscribers reporting 54 significant breach matters and a total of 97 individual significant breaches. The Committee anticipates that the level of significant breach reporting will remain high, if not increase, in the foreseeable future, particularly given ASIC's enhanced breach reporting obligations for Australian Financial Services License (AFSL) holders.¹⁵

¹² These figures are approximate at the time of publication. The total number of consumers affected and the total amount of remediation payments to consumers are based on the information reported by subscribers at the time of writing. As some matters are still being investigated, these figures are subject to change.

¹³ Many significant breach matters included significant breaches of more than one subsection of the 2014 Code.

¹⁴ https://insurancecode.org.au/resources/living-the-code-culture-leadership-and-governance/

¹⁵ https://asic.gov.au/about-asic/news-centre/find-a-media-release/2021-releases/21-235mr-asic-publishes-guidance-on-breach-reporting/

Transparency over significant breaches remains important to the Committee. However, the Committee also expects subscribers to focus on the prevention of such breaches by closely examining their root causes, and the implementation of solutions to help deliver better consumer experiences.

(ii) Significant breaches by Code section

For the fourth year running, the top three categories for significant breaches in relation to the 2014 Code, were Section 7 (Claims), Section 4 (Buying Insurance) and Section 10 (Complaints and Disputes), respectively, reflecting the main touch points for consumers when dealing with insurers - the claims process, the sales process and consumer complaints. These sections of the Code accounted for just over two thirds of all significant breaches reported in 2020-21. Around 98% of all the significant breaches reported by Code subscribers in 2020-21 related to just five Code sections (Figure 2).

The 51 significant breaches of Section 7 impacted over 520,000 consumers, with a financial impact of just over \$3.3 million.16 Many of these significant breaches involved standards in the Code related to the timeliness of claims handling (in particular, subsections 7.13 and 7.16), meaning that the consumer impact related more to delays in resolving claims, rather than direct financial loss.

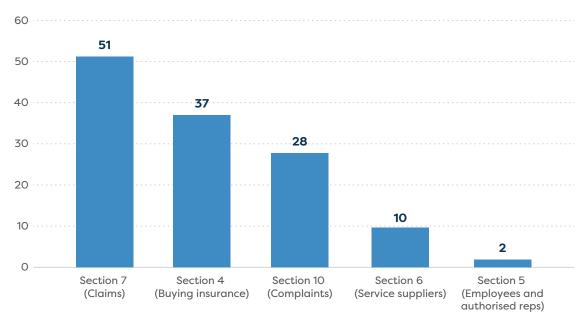


Figure 2: Significant breaches – Top five Code sections for significant breaches 2020–21

(iii) Significant breaches by subsection

Three of the top five subsections for significant breaches in 2020-21 were from section 7 (subsections 7.2, 7.13 and 7.16). However, subsection 4.4 once again had the highest number of significant breaches in 2020-21 (see Figure 3).

Buying insurance

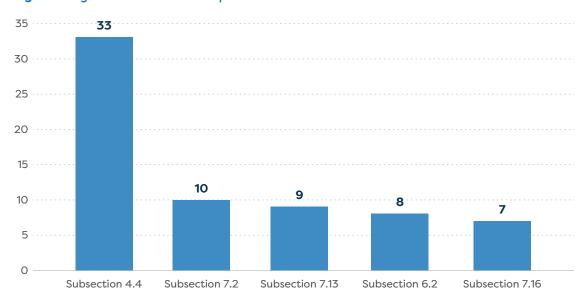
Subsection 4.4 of the 2014 Code requires that sales processes and services of Code subscribers' employees and Authorised Representatives are conducted in an efficient, honest, fair and transparent manner.

In 2020-21, there were 33 significant breaches of this subsection which accounted for just over a quarter of all significant breaches. Over 920,000 consumers were affected by these significant breaches with a financial impact of almost \$39 million.¹⁷

¹⁶ These figures are approximate at the time of publication. The total number of consumers affected and financial impact are based on the information reported by subscribers at the time of writing. As some matters are still being investigated, these figures are subject to change.

¹⁷ These figures are approximate at the time of publication. The total number of consumers affected and financial impact are based on the information reported by subscribers at the time of writing. As some matters are still being investigated, these figures are subject to change.

Figure 3: Significant breaches – Top five subsections in 2020–21¹⁸



The most common issue arising in significant breaches of subsection 4.4 is where Code subscribers have overcharged consumers because premiums have been calculated incorrectly due to errors in the Code subscribers' systems and/or pricing algorithms. These errors can exist for many years before being identified, meaning large numbers of consumers can be affected by the significant breach for a significant period of time.

Case study

A Code subscriber reports a significant breach after discovering certain consumers did not receive full discounts

The Code subscriber reported a significant breach of subsection 4.4 of the 2014 Code after discovering that there were discrepancies between percentage discounts shown in the Code subscriber's promotional material and the promotional codes in its quote system - meaning eligible customers of motor insurance policies did not receive the full discount advertised.

This breach was discovered after a staff member of the Code subscriber identified the issue while reviewing promotional material. The period of the breach was nine months.

To remediate this breach, the Code subscriber updated the impacted promotional codes and relevant discount components in the insurance quote system. The subscriber also tested new promotional codes before they were used in advertising material, provided remedial staff training and provided compensation of approximately \$105,000 to 3,800 consumers.

¹⁸ Subsection 4.4: Our sales process and the services of our Employees and our Authorised Representatives will be conducted in an efficient, honest, fair and transparent manner, in accordance with this section.

Subsection 7.2: We will conduct claims handling in an honest, fair, transparent and timely manner, in accordance with this section.

Subsection 7.13: We will keep you informed about the progress of your claim at least every 20 business days.

Subsection 6.2: Our Service Suppliers will provide services on our behalf in an honest, efficient, fair and transparent manner, in accordance with

Subsection 7.16: Once we have all relevant information and have completed all enquiries, we will decide whether to accept or deny your claim and notify you of our decision within ten business days.

This is the fourth year in a row that subsection 4.4 has attracted the highest number of significant breaches. Encouragingly, the number has been declining with this year's total of 33 down from 37 last year and 49 in 2018-19.

The Committee is pleased to see the number of significant breaches of subsection 4.4 continuing to decrease, particularly following its recommendation in last year's annual report that Code subscribers test sales processes, including pricing systems, and address any problematic areas. However, this is still an area that requires attention from subscribers, due to the nature of these breaches and their detrimental impact on consumers, including financial loss.

Claims handling

Section 7 of the 2014 Code accounted for three of the five most frequently breached subsections of the Code with 26 significant breaches (relating to subsections 7.2, 7.13, and 7.16).

Subsection 7.2 refers to Code subscribers' obligations to conduct claims handling in an honest, fair, transparent and timely manner, and subsections 7.13 and 7.16 refer to Code subscribers' obligations to meet specified timeframes in keeping consumers informed of the progress of their claims and in making claim decisions.

Third party claims handling

Subsection 6.2, which accounted for eight significant breaches, also relates to claims handling as it requires Service Suppliers (such as an Investigator, Loss Assessor or Loss Adjuster, Collection Agent, Claims Management Service) to provide services on behalf of a Code subscriber in an honest, efficient, fair and transparent manner.

(iv) Significant breaches – top five insurance classes

Travel insurance was the insurance class with the highest number of significant breaches in 2020-21, accounting for 32% of all significant breaches reported during the year. This was driven largely by Code subscribers' failure to comply with claims and complaints handling timeframes, as a result of the surge of claims and complaints related to the COVID-19 pandemic.

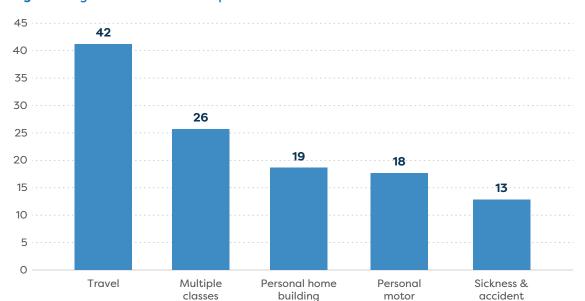


Figure 4: Significant breaches - Top five insurance classes in 2020-21¹⁹

¹⁹ Multiple classes means the significant breach impacted more than one class of insurance.

Case study

COVID-19 and international travel restrictions lead to a significant breach of the Code's claims and complaints handling standards

Due to COVID-19 related travel restrictions in Australia and worldwide, the Code subscriber experienced an unprecedented level of travel insurance claims and complaints from March 2020 onwards. The number of claims and complaints lodged in March 2020 was more than three times higher than the same period in 2019.

The pressure on the Code subscriber's operational team resulted in breaches of the claims and complaints handling timeframes in the Code (subsections 7.9, 7.10, 7.13, 7.14, 7.16, 10.11 and 10.12(b) of the 2014 Code). The breaches impacted 7,864 consumers in relation to claims handling and 12,820 consumers in relation to complaints handling.

The Code subscriber determined this to be a significant breach of those subsections, and reported the matter to the Committee in July 2020.

In response, the Code subscriber undertook the following measures to remedy the significant breach and process the backlog of claims and complaints as efficiently as possible:

- Introducing new business initiatives such as offering travel credits and premium refunds to consumers;
- Temporarily not offering new travel insurance to consumers;
- Redirecting all resources available within the business to support various operational aspects of claims and complaints handling;
- Recruiting additional resources to further expedite claims and complaints handling;
- Increasing communication with consumers to provide regular status updates and setting appropriate expectations in light of the situation; and
- · Monitoring and reinforcing the identification and fast-tracking of cases of vulnerability and financial distress.

(v) Causes of significant breaches and remedial action

The top three causes of significant breaches during 2020-21 were:

- 1. Poor processes and procedures
- 2. Processes and procedures not being followed; and
- 3. Weaknesses in monitoring.

The main cause in relation to significant breaches has shifted away from 'systems failure' and 'too few staff' in 2017-18 to 'poor processes and procedures' in the last three years. This appears to reflect the increased scrutiny following the Royal Commission together with greater attention being given by Code subscribers to their compliance frameworks.

The top three remedial actions that subscribers undertook to address significant breaches in 2020-21 were:

- 1. Payment to consumers, improved monitoring and processes and remedial training;
- 2. Processes and procedures improved; and
- 3. Payment to consumers and improved processes and procedures.

'Payments to consumers' was previously the most common corrective action in 2017-18, but there has since been increased focus on further remediation actions such as improvements to processes and procedures, as well as increased staffing and remedial training.

Supporting consistency in significant breach reporting

The Committee has observed inconsistencies in the reporting of significant breaches by Code subscribers, with some failing to provide the information needed, which then requires the Committee to follow up with the Code subscriber.

The Committee takes this opportunity to remind Code subscribers to use the template set out in Appendix 1 to Guidance Note No. 2 Significant breach obligations²⁰ when reporting significant breaches to the Committee. This template outlines the information Code subscribers need to provide when reporting a significant breach.

The Committee also encourages Code subscribers to communicate their reports clearly and in plain English where possible, to ensure the issues underlying the significant breach can be understood by a non-technical audience.

B. Code monitoring and compliance - breaches identified by the Committee

In addition to the Code breaches that subscribers self-report as part of the annual data return (ADR) (presented in Part 2 of this report), the Committee also identifies Code breaches through the investigation of breach allegations and referrals.

How are breaches identified by the Committee?

The 2020 Code allows anyone to report alleged breaches of the Code to the Committee at any time.²¹ The Committee frequently receives allegations from consumers, their legal representatives or consumer advocates, as well as referrals of Code breach allegations from the Australian Financial Complaints Authority (AFCA).

The Code gives the Committee the power to investigate these matters, determine whether any breaches have occurred and work with Code subscribers to agree on any corrective measures they should apply. However, the Committee cannot investigate all of the allegations and referrals it receives, as some matters fall outside the jurisdiction of the Code. The Committee must also exercise its discretion as to whether it is best to use its resources to investigate individual matters, or whether the issues raised in allegations and referrals are better investigated as part of a broader industry inquiry.

Why do breaches identified by the Committee matter?

The Committee's investigative work plays a vital role in pinpointing issues that subscribers may not identify through their own monitoring. For example, in past years, the Committee has identified breaches of the Code's financial hardship standards following allegations from consumers and consumer advocates. Without these investigation findings, subscribers would have been unaware of the breaches and of the gaps in their processes that needed to be addressed.

Committee-identified breaches can also trigger broader reviews by Code subscribers that may help uncover significant breaches impacting larger numbers of consumers that may have occurred over a long period of time.

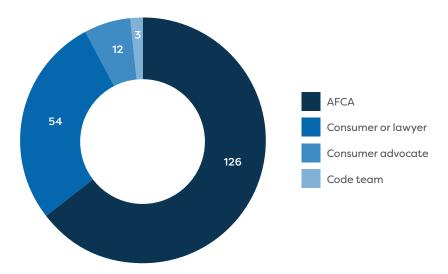
The insights gleaned from breach investigations also help the Committee to make decisions on its monitoring activities.

(i) Sources of Code breach allegations and referrals

During 2020-21, the Committee opened 195 investigation matters and closed 184. The investigation matters opened during the year resulted from:

- 126 referrals of Code breach allegations from AFCA;
- 54 Code breach allegations from consumers or their legal representatives;
- 12 Code breach allegations from consumer advocate organisations on behalf of consumers; and
- 3 matters opened by the Code team.

Figure 5: 2020–21 Sources of Code breach allegations



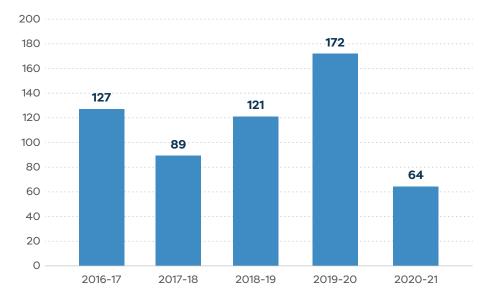
(ii) Breaches identified by the Committee

As a result of its investigations, the Committee identified 64 breaches of the Code in 2020-21.

This represents a decrease of 63% compared to 2019-20, when the Committee identified 172 breaches (Figure 6). It should be noted however that there were 255 investigation matters opened in 2019-20 and 288 matters closed.

The lower number of investigations opened by the Committee in 2020-21 was a result of fewer allegations being received. As of 1 July 2021, the Committee has been focusing more of its resources on broader thematic inquiries rather than individual investigations. The Committee publishes the outcomes of its thematic inquiries, meaning that the findings and recommendations for improved practice are available to all stakeholders.

Figure 6: Code breaches identified by the Committee – Five year trend



(iii) Breaches by section

Figure 7 below shows the top five Code sections among the breaches identified by the Committee in 2020-21.

Figure 7: Committee-identified breaches 2020–21 – top five code sections/parts

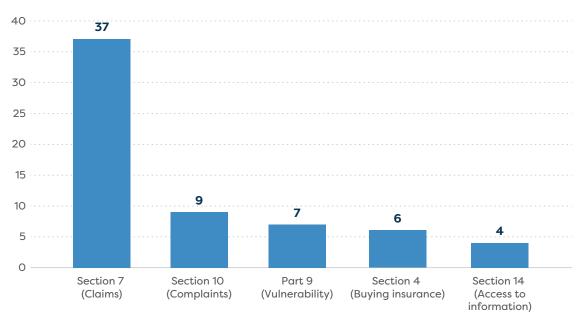


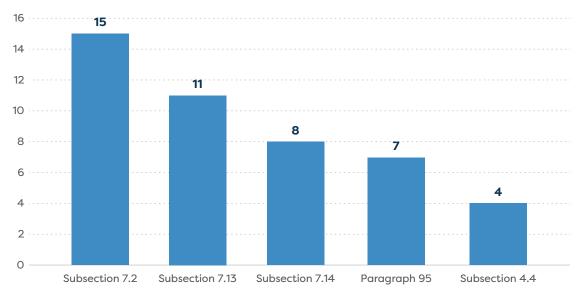
Figure 7 shows that the top two sections for Committee-identified breaches in 2020-21 were sections 7 (Claims) and 10 (Complaints and Disputes) of the 2014 Code, as was the case in both 2019-20 and 2018-19. Both of these sections also featured in the top five sections for significant breaches reported by Code subscribers (Figure 2).

Part 9 of the 2020 Code (specifically Paragraph 95) had the third highest number of Committee-identified breaches in 2020-21. Paragraph 95, which was the first obligation in the 2020 Code to come into effect on 1 July 2020, requires Code subscribers to have a publicly available family violence policy published on their website.

(iv) Breaches by subsection

Among the breaches identified by the Committee during 2020-21, the top three subsections all related to claims handling, and in particular, timeliness in the claims handling process.

Figure 8: Committee-identified breaches 2020-21 - top five subsections/paragraphs²²



(v) Causes of breaches and remedial action

When the Committee identifies that a subscriber breached the Code, it works with the subscriber to ensure that appropriate remedial action is undertaken.

Part of this work involves establishing the underlying or root cause of the breach. Once the root cause has been determined, the Committee considers whether the remedial actions proposed by the subscriber are sufficient to address the impact of the breach and prevent similar breaches in future.

The main causes of the breaches identified by the Committee in 2020-21 were:

- processes and procedures not being followed
- poor processes and procedures; and
- administrative error.

The main methods that subscribers used to remedy these breaches were:

- improvements to processes and procedures;
- payments to consumers;
- increased staff resources; and
- remedial training and system fixes.

²² Subsection 7.2: We will conduct claims handling in an honest, fair, transparent and timely manner, in accordance with this section.

Subsection 7.13: We will keep you informed about the progress of your claim at least every 20 business days.

Subsection 7.14: We will respond to routine requests made by you about your claim within ten business days.

Paragraph 95: We will have a publicly available policy about how we will support you if you are affected by family violence. This policy will be published on our website.

Subsection 4.4: Our sales process and the services of our Employees and our Authorised Representatives will be conducted in an efficient, honest, fair and transparent manner, in accordance with this section.

C. Monitoring activities

The Committee monitors how well Code subscribers are complying with their obligations under the Code through a range of activities. It has recently completed reviews of important parts of the 2020 Code which provide consumer protections that support vulnerable consumers and individuals experiencing financial hardship.

The insurance industry committed itself to the earlier adoption of these consumer protections set out in Paragraph 95 and Parts 9 and 10 of the 2020 Code, when it deferred the commencement of the full 2020 Code until 1 July 2021. Code subscribers were required to comply with these obligations from 1 July 2020 and 1 January 2021 respectively.

(i) Review of Paragraph 95 of the 2020 Code

In March 2021, the Committee published its report Assessment of Compliance with new provision on family violence policies, which is available on its website.23

This report examined subscriber compliance with the obligation in Paragraph 95 of the 2020 Code to have a publicly available policy (published on their website) about how the subscriber will support the consumer if they are affected by family violence. Paragraph 95 applies to retail insurance products and became applicable to all Code subscribers on 1 July 2020.

Findings

The Committee analysed the websites of 47 of the 52 Code subscribers at that time, excluding five subscribers who deal only in wholesale general insurance products. Of the 47 Code subscribers, 45 (96%) complied with Paragraph 95 of the 2020 Code and made their family violence policies publicly available 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.

The Committee considers that it is important for subscribers to not just meet the obligation to have a family violence policy on their website, but to make the policy highly visible and accessible by consumers. The Committee found eleven of the 47 subscribers (23%) and four of the 36 brands (11%) had policies that were considered 'easy to find'. The 'easy to find' policies were visible at the bottom of the website's home page.

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%).

Breaches recorded

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.

Recommendations

The Committee encourages Code subscribers to consider the examples of good practice in the Report and to continue to focus on meeting this important obligation. The two case studies included in the Report were examples of Code subscribers who had considered the needs of consumers affected by family violence with sensitivity and provided thoughtful and well-constructed measures to comply with paragraph 95 of the 2020 Code.

(ii) Implementation review of Parts 9 & 10 of the 2020 Code

Parts 9 and 10 of the 2020 Code came into effect on 1 January 2021, ahead of the majority of the Code on 1 July 2021. Part 9 introduced new obligations for supporting customers experiencing vulnerability, while Part 10 contains enhanced standards for supporting consumers experiencing financial hardship.

The Committee chose to review subscribers' implementation of these parts of the Code as they are some of the most significant changes in the 2020 Code and have come into effect at a time of heightened vulnerability. This is especially true in the current context of the COVID-19 pandemic, when consumers may be experiencing high levels of stress and financial hardship.

Process

The implementation review was conducted via a questionnaire sent to all Code subscribers in March 2021, examining their implementation of Parts 9 and 10. Following the questionnaire, the Committee undertook further targeted follow up work with specific Code subscribers. In November 2021, the Committee published its report Parts 9 and 10 of the 2020 Code. Review of subscribers' implementation of vulnerability and financial hardship obligations.²⁴

The Committee also looked at examples from its investigations work to assess the real-world responses of Code subscribers in cases where consumers had identified as vulnerable and/or experiencing financial hardship.

Findings

The investigation revealed 86% of Code subscribers had completed implementation of Part 9 by 1 January 2021 and 85% of Code subscribers told the Committee they either conducted or intended to conduct a postimplementation review.

Nineteen Code subscribers have elected to apply Part 9 to their Wholesale Insurance operations, notwithstanding the 2020 Code says the Part 9 obligations apply to Retail Insurance products only.

In relation to Part 10, the investigation revealed 85% of Code subscribers completed implementation by 1 January 2021 and 77 % of Code subscribers told the Committee they either conducted or intended to conduct a postimplementation review.

The Committee was disappointed that a number of Code subscribers did not meet the 1 January 2021 deadline for implementation. The ICA had communicated the date publicly in May 2020, and the Committee also engaged regularly with Code subscribers about 2020 Code implementation through the ICA's National Code Committee (NCC) meetings.

Implementation of these provisions occurred alongside a wide program of regulatory change; however, given the importance of these obligations, the Committee expected subscribers to ensure these obligations were met.

Recommendations

If they have not already done so, the Committee encourages Code subscribers to undertake a post-implementation review to ensure these important obligations are fully embedded. It is critical that Code subscribers sustainably embed the obligations into their ways of everyday working. The Committee encourages Code subscribers to frequently test and review their vulnerability and financial hardship processes to ensure they are supporting the better consumer outcomes intended.

D. Stakeholder engagement

The Committee remained committed to engaging with a range of stakeholders during 2020-21, including consumer groups, Code subscribers, regulators and AFCA.

(i) Consumer advocates

The Committee and the Secretariat met with representatives of various consumer advocate groups throughout

We met with the Financial Rights Legal Centre to discuss the 2020 Code and consumer vulnerability issues.

We met with the Financial Counselling Foundation to discuss the Foundation's approach to managing any payments received because of a community benefit payment agreed between ASIC and a financial firm.

At the ICA's Consumers Experiencing Vulnerability Working Group meeting, we presented on the Assessment of compliance with new provision on family violence policy report to an audience of consumer advocates.

We attended the Financial Counselling Australia conference in Darwin, Northern Territory.

We delivered a presentation on the 2020 Code to a group of financial counsellors during a training session on financial services industry codes organised by Uniting.

The Committee's engagement with consumer advocates has been strengthened by these activities and it has used these opportunities to gain valuable insights into issues affecting consumers, particularly those who are vulnerable or those experiencing financial hardship.

(ii) Government and regulators

During 2020-21, the Committee and the Secretariat engaged with ASIC, APRA and Treasury to share updates on work in progress and discuss regulatory matters relevant to the general insurance industry.

The Secretariat continued to hold quarterly and ad hoc meetings with ASIC about issues such as industry Code reform, the impact of the COVID-19 pandemic, governance and work activities being undertaken by both ASIC and the Committee.

On 8 July 2020, we attended a meeting with Treasury to discuss Code enforceability. This meeting included a discussion to provide feedback on the wording Treasury proposed for a portion of the revised Explanatory Memorandum relating to the implementation of recommendation 1.15 of the Hayne Royal Commission, which refers to a framework for establishing mandatory codes of conduct for the financial services industry through regulations.

On 14 September 2020, we met with the Australian Competition and Consumer Commission (ACCC) in relation to the Northern Australia Insurance Inquiry. This Inquiry was focussed on addressing concerns about insurance availability and affordability, to promote more informed and competitive insurance markets and make a difference for consumers in Northern Australia.²⁵ Our discussions with the ACCC covered topics including financial hardship obligations, the impact of COVID-19 and industry self-regulation.

We met with the Australian Small Business and Family Enterprise Ombudsman (ASBFEO) on three occasions:

- On 20 August 2020, we discussed how the Code applies to small businesses, the importance of reinsurance in the general insurance industry and insurance affordability.
- On 16 October 2020, we discussed availability and affordability for insurance and transparency of information in the general insurance market.
- On 11 November 2020, we met to discuss the ASBFEO's inquiry into the availability and affordability of essential small business insurance products, in particular the effectiveness of relevant codes and legislation.²⁶

On 2 June 2021, members of the Code Team attended a meeting with representatives of the ICA, ASIC and APRA to discuss the development of a common framework for the collection of general insurance industry data.

²⁵ https://www.accc.gov.au/focus-areas/inquiries-finalised/northern-australia-insurance-inquiry

²⁶ https://www.asbfeo.gov.au/policy-advocacy/reports/insurance-inquiry

(iii) Industry

The Committee and Secretariat maintained regular communication with the ICA during the year including welcoming ICA representatives to Committee meetings and providing the ICA Board with quarterly reports on the Committee's activities, meeting monthly with ICA staff to discuss issues relating to the general insurance industry and the Code, as well as providing feedback at ICA workshops about the collection of industry data and the 2020 Code.

The Committee also worked closely with the ICA and the ICA's National Code Committee (NCC) during the year, meeting regularly with both bodies to discuss the Committee's activities and Code matters. The Committee met with the NCC on a quarterly basis and with the ICA monthly.

The Secretariat met with 20 individual Code subscribers during 2020-21 as part of its regular engagement meetings. At these, the Secretariat discussed topics such as progress in implementing the 2020 Code, including Paragraph 95 and Parts 9 & 10 for the implementation review, the impact of COVID-19 on Code subscribers' obligations and the effect of catastrophes on insurers' obligations, any other emerging issues, data collection and any early insights from the ADR.

The Secretariat also met with individual Code subscribers to discuss Code breach investigations and Code subscribers' reports of significant breaches. A total of 55 meetings were held with individual Code subscribers throughout the year, providing the opportunity to progress investigations, identify where breach acknowledgements were appropriate, discuss the interpretation of Code standards, and check that Code subscribers' remedial actions addressed the underlying causes of Code breaches.

(iv) Australian Financial Complaints Authority

The Committee enjoyed a close working relationship with AFCA during 2020-21. The Committee and Secretariat worked closely with AFCA, meeting regularly to share insights and updates on our work.

E. 2019-20 Annual Data **Return Outliers**

Part of the Committee's engagement with subscribers was driven by findings and insights gleaned from the 2019-20 ADR.

In March 2021, the Committee published its Annual Industry Data and Compliance Report 2019-20.27 The report included a new table in Appendix 5 which outlined the number of self-reported breaches for each Code subscriber per 10,000 policies.

As part of our analysis of the 2019-20 industry data for last year's annual report, we identified two groups of Code subscribers who were 'outliers' in terms of breach reporting - those that had a high number of breaches per 10,000 policies and those who reported no breaches at all.

We wrote to each Code subscriber in these 'outlier' groups, with questions about their processes for breach identification and reporting, to better understand the circumstances and reasons for their number of breaches reported.

(i) High number of breaches per 10,000 policies

The Committee issued a questionnaire to three Code subscribers that reported high breach numbers per 10,000 policies. All three Code subscribers confirmed that they had strong processes and procedures in place to identify and record Code breaches. They all explained they had robust frameworks for identifying and reporting breaches, including breach registers, monitoring and quality assurance activities, internal and external audits, written policies and procedures and Code training for employees.

Two of the Code subscribers identified increases in claims volumes due to COVID-19 as a reason for an increase in breaches during 2019-20.

All three Code subscribers told us they had not identified a similar number of breaches in the 2020-21 reporting period and had reported reduced numbers of breaches for 2020-21.

(ii) No breaches reported

The Committee issued a questionnaire to ten Code subscribers that reported no breaches for 2019-20. All ten Code subscribers confirmed that they have strong processes and procedures in place to identify and record Code breaches.

Seven of the Code subscribers explained their business was either predominantly or wholly wholesale insurance and therefore the Code has limited applicability to their operations.

One Code subscriber told us the reason it reported no breaches was that it had not sufficiently embedded the 2014 Code into its practices. It informed us that it had now fully implemented the 2020 Code and had strengthened its risk and compliance management procedures. This Code subscriber also told us it had identified breaches in the 2020-21 year.

Of the ten Code subscribers who recorded no breaches for the 2019-20 reporting period, seven of these Code subscribers again reported no breaches for 2020-21. The remaining three reported low numbers of breaches for 2020-21.

The Committee will continue to analyse outliers and anomalies in breach reporting, and engage with Code subscribers to better understand the reasons. The Committee's aim is to achieve greater transparency and consistency in breach reporting across the industry, leading to more accurate and reliable yearly data.

F. Committee meetings and strategy

The Committee met nine times in 2020-21, in line with its Charter and Deed obligations. Meetings took place via video conference due to COVID-19 related restrictions.

The Committee's annual strategy meeting was held in February 2021. This meeting is an opportunity for the Committee to consider its aims and where it will focus its monitoring efforts in the coming year. The Committee considers information from its own annual data collection, recent monitoring activities, Code breach investigations and significant breach reports, as well as information on the activities of ASIC, the ICA, AFCA and input from consumer advocate organisations. This builds a picture of industry trends, consumer experience and areas of emerging risk that informs the Committee's strategic decisions.

G. Committee's focus for 2021-22

(i) Operational guidance

a) Imposing sanctions under the 2020 General Insurance Code of Practice

In December 2021, the Committee published Operational Guidance - Imposing sanctions under the 2020 General Insurance Code of Practice²⁸ to help stakeholders understand how the Committee determines whether it should impose a sanction on a Code subscriber and the types of sanctions that are available to it.

Background

Under the 2020 Code, the Committee has enhanced and strengthened powers to impose sanctions on Code subscribers for non-compliance. Paragraphs 170 to 178 in Part 13 'Enforcement, sanctions and compliance' outline the Committee's powers to sanction Code subscribers for breaches and significant breaches.

The new Committee Charter also supports the Committee's power to enforce Code compliance through the sanctions mechanism. It confers additional powers and responsibilities around the publication of Committee decisions that impose sanctions.

Consultation

The Committee consulted with key stakeholders prior to finalising the Operational Guidance for publication. The stakeholders comprised AFCA, ASIC, all Code subscribers, consumer advocates (community legal centres, Statebased legal aid providers and consumer advocacy groups) and the ICA.

Ongoing work

The Committee considers the Operational Guidance to be a living document - this means that it reflects the Committee's views at the time of publication and may be reviewed in the future in consultation with stakeholders.

The Committee and the ICA are continuing to work together to finalise how any payments under a community benefit payment sanction for a significant breach will be managed.

b) Reporting significant breaches and serious misconduct to ASIC

The Committee is developing Operational Guidance in relation to its reporting responsibilities to ASIC, outlined in paragraph 176 of the 2020 Code.²⁹ These reporting responsibilities are also supported by the new Committee Charter.

The Operational Guidance is intended to set out how the Committee will meet its obligations, and to assist stakeholders to understand:

- the Committee's approach to reporting significant breaches and serious misconduct to ASIC
- whether the Committee must report all significant breaches and all findings of serious misconduct to ASIC
- matters that might give rise to serious misconduct
- identifying Code subscribers in reports to ASIC, and
- the timeframe in which the Committee will report significant breaches and serious misconduct to ASIC.

Consultation

In October 2021, the Committee invited key stakeholders to provide feedback on a draft of the proposed Operational Guidance. The stakeholders comprised AFCA, ASIC, all Code subscribers, consumer advocates (community legal centres, State-based legal aid providers and consumer advocacy groups) and the ICA.

Following this consultation, the Committee has had meetings with stakeholders to understand the issues raised in their feedback. The Committee will continue to liaise with stakeholders as it looks to finalise its Operational Guidance.

(ii) Guidance Note on Subsection 7.21 of the 2014 Code and Paragraph 84 of the 2020 Code

The Committee is currently developing a guidance note for industry about the Committee's approach to subsection 7.21 of the 2014 Code and paragraph 84 of the 2020 Code, which relate to compliance with claims handling timeframes.

Relevant sections of the codes

Subsection 7.21 of the 2014 Code

7.21 We must comply with the timetables in this section, unless:

- a) our conduct complied with an alternative timetable agreed with you; or
- b) our conduct and the timetable were reasonable in all the circumstances; or
- c) the cause of the non-compliance was a delay in the supply of a report from an External Expert and we had engaged the External Expert in accordance with this section, and used our best endeavours to obtain the report in time.

Paragraph 84 of the 2020 Code

84. We must comply with the timeframes in this part of the Code, unless any of the following apply:

- a. we have complied with an alternative timetable to which you agreed;
- b. our conduct, and the actual timeframe, were reasonable in all the circumstances;
- c. the reason we did not comply with the timeframe was that a report from an External Expert was delayed, even though we used our best endeavours to obtain the report in time.

²⁹ Paragraph 176. The Code Governance Committee will report Significant Breaches or serious misconduct to the Australian Securities and Investments Commission.

The Committee undertook this work after Code subscribers requested more guidance on the use of these provisions after facing challenges meeting the Code's claims handling timeframes during the COVID-19 pandemic.

The Committee is developing the guidance note for use both in response to COVID-19 as well as other events that may arise in the future which could impact Code subscribers' ability to comply with the Code's claims handling timeframe obligations.

The guidance note will include information for Code subscribers about:

- when they can rely on subsection 7.21 or paragraph 84
- what steps subscribers should take when they are unable to meet claims handling timeframes
- record keeping when seeking to rely on either subsection 7.21 or paragraph 84.

(iii) Inquiry - public-facing obligations in the 2020 Code

In November 2021, the Committee initiated a targeted inquiry to understand how Code subscribers have implemented those aspects of the 2020 Code that require them to make specified information publicly available.

The 2020 Code has introduced obligations for Code subscribers to make certain information publicly available, to provide specific support to consumers and generally promote Code subscribers' adoption of the 2020 Code.

The purpose and scope of the inquiry is to review:

- how Code subscribers have implemented paragraphs 43, 48, 140 and 186(a) as at 1 July 2021
- how Code subscribers have implemented the new paragraph 105 as at 5 October 2021
- the accessibility of the required information, and
- whether Code subscribers' interpretation of these public-facing obligations varies.

Paragraphs 95 and 103 of the 2020 Code are not within the inquiry's scope, given that the Committee has already reviewed Code subscribers' implementation of these two obligations as part of previous inquiries.

The Committee selected 14 Code subscribers to participate in the inquiry. As well as requesting information through a questionnaire, we met with participating subscribers to discuss their responses and any issues in relation to how they approach these public-facing obligations.

The Committee expects to publish a de-identified report on the outcomes of the inquiry in the first half of 2022 to assist all Code subscribers in meeting these important obligations.

(iv) Subscriber brands

As part of its annual industry data collection, the Committee has begun collecting data on Code subscribers' brands to enable it to identify and better understand subscribers' operating models.

The Committee collects a range of data from Code subscribers on policies, claims, disputes and breaches. This data is provided by class of insurance for each subscriber and is not broken down according to brands. However, it is often the brands in the market that consumers are aware of/identify with, rather than the Code subscribers behind them.

The Committee is keen to understand more about the brands subscribers operate under and whether, for example, there are differences in compliance and consumer outcomes between different brands used by a subscriber.

As a result, in the ADR for 2020-21, the Committee included a question asking subscribers to provide the names of all brands they are associated with, under both proprietary brands (those owned and administered by the Code subscriber) and through partner brands.

In 2021-22 and 2022-23, we aim to collect more detailed information on brands to ensure the Committee can obtain a full picture of subscribers' brands and understand their compliance with the Code.

PART TWO: IndustryReported Data

Part Two:

Industry-Reported Data

Under the Code and its Charter, the Committee is required each year to collect and report on aggregated industry data and provide a consolidated analysis of compliance with the Code. Part 2 of this report is based on data provided by 50 Code subscribers and 122 Lloyd's Coverholders and Claims administrators, using a questionnaire that was developed through stakeholder consultation.

The aggregated industry data is presented in a series of tables and charts, including year on year comparative data and five-year trend analysis. The data is presented on a de-identified basis in line with clause 11.2 of the Committee's Charter. The Committee welcomes feedback from the readers of the report about the types of data it has collected and reported and what information is most useful to stakeholders.

The data collected includes, for both direct and group channels:

- the volumes and types of cover in force
- the volume of claims lodged, declined and withdrawn; the main reasons claims were declined or withdrawn by type of cover
- the number, type and resolution of disputes by type of cover
- the number of Code breaches by Code section and subsection; and
- the corrective action taken.

The questionnaire also requests information about subscribers' workforce and training.

Expanded data collection in 2020-21

This year the Committee collected new data from subscribers, including claims accepted and partially accepted, breaches by insurance class, the number of customers impacted by breaches, and the financial impact of breaches.

While these new datasets were introduced following a two-phase pilot program, some subscribers were still unable to provide all of the data requested. This means that for some categories the Committee has an incomplete set of data, making it difficult to analyse and report in a meaningful way.

Reliable, accurate, and consistent data is vital for providing a complete picture of the general insurance industry, including how subscribers are complying with the Code and living up to their promises to consumers. The Committee will continue to work with subscribers to ensure they can provide all of the data requested, and it encourages subscribers to address any deficiencies in their data collection and reporting frameworks.

Breach data and comparisons

In addition to analysing the total number of breaches reported by subscribers, last year's annual report introduced a new table outlining the number of breaches per 10,000 policies sold. For this year's breach data analysis, we divided subscribers into 'peer-groups' based on the number of policies sold, allowing for more meaningful comparisons.

Subscriber group	Number of policies sold
Very large	>3,000,000
Large	1,500,001 to 3,000,000
Medium large	650,001 to 1,500,000
Medium	100,001 to 650,000
Small	0 to 100,000

Subscriber brands

As explained in Part 1 of this report, the Committee is keen to understand more about the brands in the general insurance market that Code subscribers operate under. The 2020-21 ADR questionnaire asked subscribers to list all of the proprietary brands and distributor/partner brands they are associated with.

Out of the total of 50 subscribers, 37 confirmed that they had proprietary and/or distributor brands. However, subscribers' responses showed that there is considerable variation and inconsistency in the interpretation of brands across the industry. Some subscribers did not list brands that we expected them to, while others listed a much larger number than anticipated.

The Committee intends to expand the data it collects at a brand level in future data collections. It plans to work with subscribers to better understand the different types of brands and deliver consistent reporting of activity in this area across the industry.

Key takeaways from the data

Some of the key insights drawn from the Committee's analysis are outlined below. Many of the year-on-year changes can be linked to restrictions and changes in consumer behaviour as a result of the COVID-19 pandemic. Consumers travelled less during 2020-21 and spent more time at home, resulting in changes in the data for travel, home, and personal & domestic property insurance.

Policies

- Subscribers issued a total of 39,487,633 policies in 2020-21, a decrease of 4,296,874 (9.81%) compared to 2019-20. This was also the lowest number of policies issued over the past five years.
- The decrease in policies issued was driven by an 86% drop in travel insurance from 4,721,031 policies in 2019-20 to 657,830 policies in 2020-21.
- Subscribers issued 36,452,505 retail insurance policies in 2020-21, an 11% decrease on the previous year.
- The majority of retail policies issued were in motor (44.5% with 16,223,902 policies issued), home (31.4% with 11,432,651 policies issued) and personal & domestic property (20.4% with 7,449,277 policies issued).
- The number of group policies³⁰ issued by subscribers fell by 17.92% (66,780) in 2020–21, driven by an 83.98% drop (106,590) in the number of group travel insurance policies.
- The overall decrease in group policies meant that 3,247,228 fewer people and assets were covered by group policies in 2020-21 - a drop of 12.84%.

Claims

Retail insurance

- There were 3,902,257 retail insurance claims lodged in 2020-21, representing a 5.3% decrease compared to 2019-20
- The majority of retail insurance claims were in motor (45.3% with 1,766,682 claims lodged), personal & domestic property (31% with 1,209,789 claims lodged), and home (18.7% with 731,318 claims lodged).
- Travel insurance claims fell by 206,794 (76.5%), while the number of home claims fell by 92,804 (11.3%). However, personal & domestic property claims increased by 107,654 (9.8%).
- The number of retail motor claims decreased by less than 1% in 2020-21, perhaps surprising given the lockdowns experienced around the country during the year.

Declined or withdrawn claims

- Despite the decrease in claims lodged for retail insurance, the number of claims declined during 2020-21 increased
- While the number of travel insurance claims declined dropped by 70.2% (reflecting the decrease in travel insurance claims lodged), this was offset by increases in declined claims in personal & domestic property, home, and residential strata.
- The number of retail insurance claims withdrawn fell by 17,067 (5.1%) in 2020-21. The decrease was largely due to a drop in withdrawn claims for travel insurance, while there were also fewer withdrawn claims for home and motor.

³⁰ Group policy means a master general insurance policy held by an insured that provides cover for numerous people or assets within a defined group.

Accepted claims and partially accepted claims

- The 2020-21 ADR was the first year that the Committee collected data on accepted claims³¹ and partially accepted claims. 32 Subscribers reported 2,989,881 accepted claims and 68,786 partially accepted claims.
- Personal & domestic property insurance accounted for the majority of partially accepted claims (73.5% with 50,582 partially accepted claims).
- Subscribers reported that the value of claims paid in 2020-21 was \$11,701,143,436.

Breaches

- Subscribers reported a total of 41,768 breaches for 2020-21. This represents a 27.1% increase in breaches compared to 2019-20 and maintains the continual increase in breaches reported over the past five years.
- Subscribers informed us that these breaches affected a total of 56,127 consumers and had a financial impact of \$1,310,699.
- Section 7 (Claims) had the most breaches (62.6% with 26,152 breaches), followed by Section 10 (Complaints) (16.4% with 6,821 breaches).
- Three of the top five subsections for breaches related to claims handling timeframes, with subsection 7.13³³ accounting for 12,448 breaches, subsection 7.2³⁴ accounting for 4,072 breaches and subsection 7.14³⁵ accounting for 3,799 breaches.

Parts 9 and 10

- This was the first year that subscribers reported breaches of the 2020 Code, as Parts 9 (Supporting customers experiencing vulnerability) and 10 (Financial Hardship) came into effect on 1 January 2021.
- Subscribers reported 165 breaches of Part 9 and 141 breaches of Part 10.

Breaches per 10,000 policies sold³⁶

- The average number of breaches per 10,000 policies was highest in the 'Medium-Large' (13 breaches per 10,000 policies) and 'Very Large' (11 breaches per 10,000 policies) subscriber groups.
- It is apparent that there are notable outliers within the subscriber peer groups some with figures far above the average, and some with figures far below the average.
- The Committee will continue to engage with breach reporting outliers to better understand the reasons for these discrepancies, and to achieve more consistent breach reporting across subscribers.

Causes and corrective actions

- The most common cause of breaches in 2020–21 was 'Processes and procedures not followed' (63.5% with 26,532 breaches), followed by 'Unexpected event' (23.3% with 9,712 breaches), and 'Poor processes and procedures' (6.4% with 2.682 breaches).
- The most common corrective actions taken by subscribers to address breaches involved remedial training, improvements to processes and procedures, and improved monitoring.

³¹ Accepted claim means that a Code subscriber accepted responsibility for all aspects of a consumer's claim for coverage. This does not include partially accepted claims or claims paid on an ex gratia basis.

³² Partially accepted claim is a claim where a Code subscriber determines that part of what is claimed falls within the terms and conditions of the policy and part is not accepted. It does not include an accepted claim, a denied claim or an ex gratia claim. It does not include caps and limits within the policy. Claims paid to the limits and sub-limits of the policy are not deemed partially accepted and are not required as part of this data set. They can be recorded under accepted claims.

^{33 7.13:} We will keep you informed about the progress of your claim at least every 20 business days.

^{34 7.2:} We will conduct claims handling in an honest, fair, transparent and timely manner, in accordance with this section.

^{35 7.14:} We will respond to routine requests made by you about your claim within ten business days.

³⁶ We analysed subscribers' numbers of breaches and 'breaches per 10,000 policies sold' within peer-groups according to the size of organisation (by policies sold).

Complaints

- Code subscribers received a total of 48,685 complaints³⁷ from consumers in 2020-21, with 46,388 complaints (95.3%) relating to retail insurance products.
- The majority of complaints were in relation to motor (46.6% with 21,615 complaints) and home insurance (38.5% with 17,879 complaints).
- The number of complaints relating to retail insurance increased for the fifth consecutive year, rising by 17.4% compared to 2019-20.
- The increase in 2020-21 was driven by motor and home insurance, where the number of complaints rose by 35.1% and 34.2% respectively.
- The increase in the number of complaints reported is at least partly due to subscribers classifying complaints differently for the purposes of the ADR. Some subscribers informed us that they adapted their complaints process during the year to meet the requirements of Part 11 of the 2020 Code³⁸, including moving to a one-stage complaints handling process. Subscribers who did this reported all of the complaints handled within their process, unlike in previous years when they would only have reported those complaints that progressed to stage two.
- Subscribers finalised 45,879 complaints about retail insurance in 2020-21, an increase of 21.4% on the previous year.
- Declined claims was the most common reason for complaints, with 14,240 complaints (29.2%). This was followed by 'Other disputes about claims' with 13,348 complaints (27.4%) and 'Buying insurance' with 7,430 complaints (15.3%).
- The Committee will continue to monitor patterns and trends in relation to complaints, to better understand the reasons behind complaints as well as how subscribers are using complaints data to improve services to consumers.

³⁷ For the purpose of the annual data return, 'complaint' means a complaint that is in or has completed Stage Two of a Code subscriber's internal complaints process.

³⁸ Part 11 of the 2020 Code has new and enhanced complaints handling obligations for subscribers. As well as changing from a two-stage internal complaints handling process to a one-stage process, from 5 October 2021 subscribers are required to provide a final decision on a complaint within 30 calendar days (rather than 45 calendar days), and subscribers' complaints processes must comply with ASIC RG 271 (Internal dispute resolution).

Aggregated industry data 2020–21

Policies and claims

Insurance class	Individual policies	Group policies	Total policies	Lodged claims	Declined claims	Withdrawn claims
Retail	36,408,323	44,182	36,452,505	3,902,257	215,048	320,842
Wholesale	2,773,424	261,704	3,035,128	476,032	11,410	29,622
Total	39,181,747	305,886	39,487,633	4,378,289	226,458	350,464

Retail Total	36,408,323	44,182	36,452,505	3,902,257	215,048	320,842
Travel	637,497	20,333	657,830	63,491	12,350	9,508
Sickness & Accident	160,627	20,307	180,934	28,255	1,104	1,717
Residential Strata	230,556	641	231,197	53,010	4,992	5,007
Personal & Domestic Property	7,448,743	534	7,449,277	1,209,789	102,376	52,360
Motor Retail	16,223,813	89	16,223,902	1,766,682	10,176	145,885
Home	11,430,392	2,259	11,432,651	731,318	81,878	105,336
Consumer Credit	276,695	19	276,714	49,712	2,172	1,029
Retail	Individual policies	Group policies	Total policies	Lodged claims	Declined claims	Withdrawn claims

Wholesale	Individual policies	Group policies	Total policies	Lodged claims	Declined claims	Withdrawn claims
Business	153,139	6,267	159,406	44,955	6,249	2,764
Business Pack	1,185,906	20,216	1,206,122	77,175	2,645	7,418
Contractors All Risks	41,569	64,380	105,949	5,714	74	68
Industrial Special Risks	51,126	2,795	53,921	20,224	406	1,790
Liability	621,677	63,850	685,527	34,333	737	2,849
Motor Wholesale	210,407	35,037	245,444	190,150	271	10,808
Other	193,509	64,831	258,340	46,924	127	701
Primary Industries	35,330	818	36,148	4,346	21	205
Primary Industries Pack	280,761	3,510	284,271	52,211	880	3,019
Wholesale Total	2,773,424	261,704	3,035,128	476,032	11,410	29,622

Received internal complaints (Stage Two complaints received by subscribers)

Insurance Class	Access to information	Authorised reps	Buying	Catastr- ophes	Claims	Employees	Financial hardship: customers	Financial hardship: recoveries	Total
Retail	539	367	7,254	2,740	32,904	1,213	1,367	4	46,388
Consumer Credit	1	0	287	1	82	115	0	0	486
Home	176	116	2,081	1,909	12,841	458	298	0	17,879
Motor Retail	331	202	3,952	242	15,266	600	1,021	1	21,615
Personal & Domestic Property	28	30	536	11	1,711	16	29	0	2,361
Residential Strata	1	1	28	34	593	13	1	3	674
Sickness & Accident	0	6	86	7	254	4	0	0	357
Travel	2	12	284	536	2,157	7	18	0	3,016
Wholesale	5	6	176	195	1,865	34	10	6	2,297
Business	1	0	24	4	202	3	0	0	234
Business Pack	2	4	57	101	610	16	1	0	791
Contractors All Risks	0	0	0	0	9	0	0	0	9
Industrial Special Risks	0	0	6	1	72	0	0	0	79
Liability	2	1	15	28	223	7	2	0	278
Motor Wholesale	0	1	17	7	450	3	5	2	485
Other	0	0	45	1	69	5	2	4	126
Primary Industries	0	0	1	13	48	0	0	0	62
Primary Industries Pack	0	0	11	40	182	0	0	0	233
Total	544	373	7,430	2,935	34,769	1,247	1,377	10	48,685

Finalised internal complaints (Stage Two complaints finalised by subscribers)

Insurance class	Dispute resolved in Consumer favour 2020-21	Dispute resolved in subscriber favour 2020-21	Dispute finalised 2020-21
Retail	17,508	28,371	45,879
Access to information	209	422	631
Authorised Representatives	82	253	335
Buying Insurance	2,620	4,038	6,658
Catastrophes	1,493	1,287	2,780
Claims	4,719	8,428	13,147
Declined claims	4,803	8,193	12,996
Employees	363	782	1,145
Financial hardship – customers	1,136	411	1,547
Financial hardship – recoveries	8	12	20
Quantum/value	2,075	4,545	6,620
Wholesale	511	1,709	2,220
Access to information	2	4	6
Authorised Representatives	1	3	4
Buying insurance	35	128	163
Catastrophes	29	165	194
Claims	136	333	469
Declined claims	189	846	1,035
Employees	5	27	32
Financial hardship – customers	17	18	35
Financial hardship – recoveries	2	5	7
Quantum/value	95	180	275
Total	18,019	30,080	48,099

Group policies and people and assets covered

Category insurance class	Group Policies	People and Assets
Retail	44,182	11,858,158
Consumer Credit	19	0
Home	2,259	5,932
Motor Retail	89	8,808
Personal & Domestic Property	534	1,722,444
Residential Strata	641	718
Sickness & Accident	20,307	7,574,508
Travel	20,333	2,545,748
Wholesale	261,704	10,181,670
Business	6,267	67,885
Business Pack	20,216	51,142
Contractors All Risks	64,380	215,493
Industrial Special Risks	2,795	1,215
Liability	63,850	8,977,757
Motor Wholesale	35,037	359,118
Other	64,831	507,933
Primary Industries	818	1,127
Primary Industries Pack	3,510	0
Total	305,886	22,039,828

Workforce and training

Workforce type	Trained ³⁹	Not trained	Total workforce
Claims Management Services	2,662	117	2,780
Collection Agents	705	90	800
Corporate Authorised Representatives	3,934	112	4,549
Employees including employees of related entities	42,283	8,789	51,068
Independent Contractors	2,968	1,967	4,935
Individual Authorised Representatives	5,704	57	5,761
Investigators	1,230	52	1,284
Loss Assessors or Adjusters	6,235	1,079	7,307
Other external sellers	21,689	790	22,903
Total	87,410	13,053	101,387

 $^{39\,}$ The number of people or organisations that received Code training.

Aggregated Code breach data 2020-21

Breaches by Code section and insurance class

Code section	Consumer credit	Home	Motor retail	Personal & domestic property	Residential Strata	Sickness & accident	Travel	No Insurance class provided	Total
Section 4	577	337	243	39	0	1	253	2,243	3,693
Section 5	0	9	2	5	0	0	0	37	53
Section 6	0	7	1	1	0	0	0	44	53
Section 7	218	3,873	4,818	211	29	376	1,093	15,534	26,152
Section 8	0	4	30	0	0	0	0	292	326
Section 9	0	0	1	0	0	0	0	24	25
Section 10	139	1,055	794	44	17	15	122	4,635	6,821
Section 11	1	0	0	0	0	0	0	0	1
Section 13	0	1	0	0	0	0	0	1	2
Section 14	1	72	60	2	0	6	7	4,188	4,336
Part 9	0	14	20	0	0	9	0	122	165
Part 10	0	2	17	0	0	3	0	119	141
Total	936	5,374	5,986	302	46	410	1,475	27,239	41,768

Top five areas of non-compliance

Total	26,908
4.4 - Sales process/services of employees/authorised representatives efficient/honest/fair/transparent	2,281
7.14 - Respond to routine requests within 10 business days	3,799
7.2 - Claims handling fair, transparent and timely	4,072
14.1 - Abide by privacy laws when collect/store/use/disclose personal information	4,308
7.13 – Inform on claim progress every 20 business days	12,448
Code subsection	Number of breaches

Breaches by insurance class – consumers affected and financial impact

Insurance class	Total breaches	Total affected consumers	Total financial impact (\$AUD)
No Insurance class provided	27,239	21,985	\$80,563
Motor Retail	5,986	9,907	\$26,631
Home	5,374	19,565	\$830,994
Travel	1,475	2,243	\$46,304
Consumer Credit	936	948	\$282,951
Sickness & Accident	410	440	\$O
Personal & Domestic Property	302	1,003	\$43,256
Residential Strata	46	36	\$0
Total	41,768	56,127	\$1,310,699

Breaches by Code section and subsection

Section 4 - Buying insurance

Code subsection	Number of breaches
4.4 - Sales process/services of employees/authorised representatives efficient/honest/fair/transparent	2,281
4.5 - Communications in plain language	5
4.7 - Correct error/mistake in application or assessing application	7
4.8 - Cannot provide insurance	36
4.8(a) – Reasons why insurance cannot be provided	23
4.8(c) - ICA/NIBA referral for alternative insurance options	12
4.9 - Entitled to cancel policy, refund within 15 business days	1,327
4.10 - 14 days notice of instalment non - payment prior cancellation	2
Total	3,693

Section 5 – Standards for our employees and authorised representatives

Total	53
5.1(d) - Education/training to correct employees/authorised representatives shortcomings	3
5.1(c) - Monitoring performance of employees/authorised representatives to measure training effectiveness	2
5.1(b) - Employees/authorised representatives provide only services within expertise	6
5.1(a) – Education/training of employees/authorised representatives to provide competent/professional service	7
5.1 - Employees/authorised representatives acting on behalf of insurer	35
Code subsection	Number of breaches

Section 6 - Standards for our services suppliers

Code subsection	Number of breaches
6.2 - Service suppliers honest/efficient/fair/transparent	39
6.3 - Appointing of Service suppliers	7
6.4 - Service supplier contracts reflect code standards	2
6.6 - Service suppliers to inform of insurer's identity & services provided on their behalf	1
6.7 - Service suppliers to notify of complaints, to be handled under complaints process	4
Total	53

Section 7 - Claims

Code subsection	Number of breaches
7.2 - Claims handling fair, transparent and timely	4,072
7.3 - Ask for/rely on relevant information only in deciding claim	29
7.4 - Correct error/mistake in dealing with claim	43
7.5 - Reasonable alternative time frame	17
7.6 - Complaints process available to policy holders	63
7.7 - Urgent financial need of insurance policy benefit	10
7.7(a) - Fast track claim assessment/decision process	1
7.7(b) - Advance payment within 5 business days to alleviate hardship	1
7.7(c) - Provide details of complaints process	2
7.7 - Urgent financial need of insurance policy benefit	10
7.8 - Prior to lodging claim can ask if policy covers the loss. Will not discourage lodging claim & coverage to be fully assessed	210
7.9 - Notify within 10 business days of claim acceptance/denial	749
7.10 - Notify within 10 business days of further info/assessment required	688
7.10(a) – Notify of any information required to make decision	18
7.10(b) - Appointment of loss assessor/adjuster	3
7.10(c) – Provide initial estimate of timetable/decision-making process	6
7.11 - Claim assessed on facts/policy terms/law	110
7.12 - Notify within 5 business days of loss assessor/adjuster/investigator appointment	115
7.13 - Inform on claim progress every 20 business days	12,448
7.14 - Respond to routine requests within 10 business days	3,799
7.15 - External Expert report provided within 12 weeks of engagement or inform of report progress/delay	11
7.16 - Decision made once all info/enquiries received/completed & notification within 10 business days of decision	2,234
7.17-Decision made within 4 months of receiving claim unless except circumstances, if no decision provide details of complaints process	641
7.18-Decision made within 12 months if except circumstances, if no decision provide details of complaints process	31
7.19 - Denial of claim	505
7.19(a) - Reasons for decision to be in writing	55
7.19(b) - Inform of right to ask for info relied on in assessing claim, to be supplied within 10 business days	155
7.19(c) – Inform of right to request copies of service suppliers/external expert reports, to be supplied within 10 business days	44
7.19(d) - Provide details of complaints process	52
7.20(a) - Accept responsibility for materials/workmanship quality	13
7.20(b) - Handle any complaint re quality/timeliness/conduct of work/repairer	6
7.20 - Selection & authorisation of repairer	21
Total	26,152

Section 8 – Financial hardship

Code subsection	Number of breaches
8.3 - If money owed & experiencing financial hardship may ask if entitled to assistance	3
8.4 - Upon informing of financial hardship, must supply financial hardship application & counselling hotline	76
8.6 - Notify as reasonably practicable of financial hardship assessment. If no entitlement, provide reasons for decision & info on complaints process.	61
8.7 - Collections put on hold until financial hardship request is assessed & notification of decision given.	172
8.8 - Entitled to financial hardship assistance	6
8.8(a) - Work together to consider an arrangement	1
8.8(e) - If unable to reach an agreement, provide details of complaints process	1
8.11 - Agents notified of financial hardship required to provide details of financial hardship process	2
8.12 - Any recovery action must comply with ACCC/ASIC guidelines	4
Total	326

Section 9 - Catastrophes

Code subsection	Number of breaches
9.2 - Respond to catastrophes in efficient/professional/practical/compassionate manner	6
9.3 - If property claim arising from catastrophe finalised within 1 month, may request a review within 12 months of decision, even if released signed	19
Total	25

Section 10 – Complaints and disputes

Code subsection	Number of breaches
10.3 - Entitled to make complaint about any aspect of relationship	241
10.4 - Complaints handling fair/transparent/timely	769
10.5 - Inform of right to make complaint & complaints process on website/written communications	19
10.6 - Only ask for/rely on relevant info in dealing with complaints. If requested, supply within 10 business days info relied on in complaint assessment	16
10.7 - Correct error/mistake in complaint handling	56
10.8 - Notify name/contact details of assigned complaint handling employee	309
10.9 - Complaints process not apply if complaint resolved within 5 business days & response not requested in writing, except for declined claim/claim value/financial hardship complaints.	27
10.10 - Stage 1 & 2 of complaints process not exceed 45 calendar days. If unable, will inform of reasons for delay & right to go to AFCA.	1,498
10.11 - Respond to complaint within 15 business days if has all necessary info/completed investigation	883
10.12 - Cannot respond within 15 business days because doesn't have all necessary info/completed investigation	343
10.12(a) - Notify as reasonably practicable within 15 business day of delay & agree to reasonable timeframe. If no agreement, advise of right to move to stage 2	49
10.12(b) - Inform of progress every 10 business days unless otherwise agreed	109
10.13 - Respond to complaint in writing	404
10.13(a) – Decision in relation to complaint in writing	57
10.13(b) – Reasons for decision in writing	65
10.13(c) - Right to take complaint to stage 2 if not satisfied with stage 1 decision	57
10.13(d) - If not satisfied with stage 2 decision, notify of right to go to AFCA	7
10.14 - If not satisfied stage 1 decision, can advise to move to stage 2	14
10.15 – Stage 2 complaint reviewed by employee(s) with appropriate experience/knowledge/authority & different to person subject of complaint/involved in stage 1	10
10.16 – Inform of progress every 10 business days	912
10.17 - Respond within 15 business days after advised of move to stage 2, provided has all necessary info/completed investigation	538
10.18 - Notify as reasonably practicable within 15 business days of delay & agree to reasonable timeframe. If no agreement, advise of right to move to AFCA	388
10.19 - Response to complaint to be in writing	21
10.19(b) - Notify of right to go to AFCA including AFCA timeframe/contact details	3
10.22 - If not satisfied with decision at stage 2 or complaint unresolved within 45 calendar days, may refer complaint to AFCA	21
10.23 - AFCA determinations binding	5
Total	6,821

Section 11 - Information and education

Code subsection	Number of breaches
11.6 - Provide code info on website/product info	1
Total	1

Section 13 – Monitoring, enforcement and sanctions

Code subsection	Number of breaches
13.1 - Can report code breach allegations to CGC	1
13.2(a) - Have appropriate systems/processes to enable CGC compliance monitoring	1
Total	2

Section 14 - Access to information

Code subsection	Number of breaches
14.1 - Abide by privacy laws when collect/store/use/disclose personal information	4,308
14.2 - If requested, provide access to info relied on in assessing application/claim/complaint	6
14.3 - If requested, provide access to Service Supplies/External Experts reports relied on in assessing claim	4
14.4 - May decline to provide access/disclose info in special circumstances	1
14.4(a) - Info protected by privacy laws	14
14.5 - Decline to provide access/disclose info	3
Total	4,336

2020 Code Part 9 - Supporting customers experiencing vulnerability

Code paragraph	Number of breaches
99 – Additional support includes easier way to liaise, financial or community support services	1
98 - Allow for and recognise authority of vulnerable consumer's support person	6
97 - Work with vulnerable consumer to give timely support or assistance and protect privacy	109
96 - Have internal policies & provide appropriate training to Employees on consumer vulnerability	11
96(b) - Help Employees decide the best way to support a consumer	1
95 - Publicly available family violence policy on website	13
92 - A persons vulnerability may be due to a range of factors	1
91 - Committed to taking extra care with customers who experience vulnerability	7
103 - Provide easy-to-find links on website to language support services on website	1
100 - Provide support or assistance to meet identification requirements	15
Total	165

2020 Code Part 10 – Financial hardship

Code paragraph	Number of breaches
101 - Provide access to an interpreter if required, record use or reasons if unable to arrange	1
103(a) – Link to information on interpreting services	2
106 - Consumer has right to ask for fast - tracking of claim if in urgent financial need	2
109 – Have internal policies & train Employees to identify person in Financial Hardship	1
111 - Type of information given to a person in Financial Hardship	28
111(a) – Provide details about how to apply for Financial Hardship support	3
111(b) – If appropriate give contact details for the National Debt Helpline	1
112 - Contact person about their application using their preferred communication method	3
116 - When more information is needed about Financial Hardship before a decision can be made	3
117 - 21 Calendar Days to provide information unless a different timeframe has been agreed	3
118 - Place recovery action on hold if identify Financial Hardship or person asks for support	13
119 - Contact Collection Agent or solicitor and tell them action is on hold	1
120 - Action on hold until application for support is assessed & have notified person of decision	2
121 – Give written decision on support request within 21 Calendar Days unless more info needed	31
122 - If more information is needed under paragraph 116	4
122(b) - If info overdue give written decision on Hardship support within 7 calendar Days after due date	4
123 - If entitled to Financial Hardship support work with person to implement an arrangement	3
125 - Notify person in writing about Complaints process if unable to agree on type of support	1
128 - On request tell financial firm of entitlement to Financial Hardship support in writing	1
129 – Notify person of reasons for declining financial hardship application	32
130 - Person may re - apply for Financial Hardship support if circumstances change	1
131 - Comply with ACCC & ASIC Debt collection guideline for collectors and creditors	1
133(c) – Evidence relied on when amount calculated	1
134(a) - Information about Financial Hardship process	2
Total	141

Breaches per 10,000 policies sold

Subscriber ZWI 12,387 18,77 29,90% Subscriber KE3 8,052 11,54 19,44% Subscriber DK5 5,453 28,21 13,16% Subscriber WXI 4,741 13,19 11,44% Subscriber LQ1 3,232 21,80 7,80% Subscriber XH1 2,206 22,86 5,33% Subscriber NE4 1,085 7,05 2,62% Subscriber AM9 1,038 5,20 2,51% Subscriber WY2 439 0,78 1,06% Subscriber WY2 439 0,78 1,06% Subscriber PZ5 308 3,25 0,74% Subscriber NB5 260 4,46 0,63% Subscriber NB5 260 4,46 0,63% Subscriber PD8 127 2,13 0,33% Subscri	Subscriber	Total breaches	Breaches per 10,000 policies	% of total breaches
Subscriber DK5 5,453 28.21 13.16% Subscriber WXI 4,741 13.19 11.44% Subscriber LQI 3,232 21.80 7.80% Subscriber NH1 2,206 22.86 5,33% Subscriber NE4 1,085 7.05 2,62% Subscriber AM9 1,038 5,20 2,51% Subscriber WY2 439 0,78 1,06% Subscriber WY2 439 0,78 1,06% Subscriber JU2 318 18,77 0,77% Subscriber PU2 318 18,77 0,77% Subscriber RE5 308 3,25 0,74% Subscriber NB5 260 4,46 0,63% Subscriber PD8 127 2,13 0,31% Subscriber PD8 127 2,13 0,31% Subscriber PD8 127 2,13 0,30% Subscriber PD8 127 2,13 0,30% Subscriber PD9 92 8,85 0,22% Subscriber PD9<	Subscriber ZW1	12,387	18.77	29.90%
Subscriber WXI 4,741 13.19 11.44% Subscriber LQ1 3,232 21.80 7.80% Subscriber XHI 2,206 22.86 5,33% Subscriber NE4 1,085 7.05 2,62% Subscriber AM9 1,038 5,20 2,51% Subscriber YQ7 687 12,56 1,66% Subscriber WY2 439 0,78 1,06% Subscriber WY2 318 18,77 0,77% Subscriber JU2 318 18,77 0,77% Subscriber FZ5 308 3,25 0,74% Subscriber PS5 260 4,46 0,63% Subscriber NB5 260 4,46 0,63% Subscriber PD8 127 2,13 0,31% Subscriber PD8 127 2,13 0,26% Subscriber PD9 <td>Subscriber KE3</td> <td>8,052</td> <td>11.54</td> <td>19.44%</td>	Subscriber KE3	8,052	11.54	19.44%
Subscriber LQ1 3,232 21.80 7.80% Subscriber XH1 2,206 22.86 5.33% Subscriber NE4 1,085 7.05 2.62% Subscriber AM9 1,038 5.20 2.51% Subscriber YQ7 687 12.56 1,66% Subscriber WY2 439 0.78 1,06% Subscriber UU2 318 18.77 0.77% Subscriber FZ5 308 3.25 0.74% Subscriber PB5 260 4.46 0.63% Subscriber NB5 260 4.46 0.63% Subscriber PD8 127 2.13 0.31% Subscriber PD8 127 2.13 0.31% Subscriber PD8 127 2.13 0.30% Subscriber EW3 107 0.56 0.26% Subscriber EW3 107 0.56 0.26% Subscriber BK5 75 2.71 0.18% Subscriber TS2 63 12.48 0.15% Subscriber VO7	Subscriber DK5	5,453	28.21	13.16%
Subscriber XHI 2,206 22,86 5,33% Subscriber NE4 1,085 7,05 2,62% Subscriber AM9 1,038 5,20 2,51% Subscriber YQ7 687 12,56 1,66% Subscriber WY2 439 0,78 1,06% Subscriber WY2 318 18,77 0,77% Subscriber UU2 318 18,77 0,77% Subscriber PZ5 308 3,25 0,74% Subscriber NB5 260 4,46 0,63% Subscriber DA6 247 2,03 0,60% Subscriber PD8 127 2,13 0,31% Subscriber PD8 127 2,13 0,31% Subscriber PD8 127 2,13 0,30% Subscriber PD8 127 2,13 0,30% Subscriber PD8 127 2,13 0,30% Subscriber PD8 127 2,13 0,26% Subscriber PW3 107 0,56 0,26% Subscriber PS9	Subscriber WX1	4,741	13.19	11.44%
Subscriber NE4 1,085 7.05 2,62% Subscriber AM9 1,038 5,20 2,51% Subscriber YQ7 687 12,56 1,66% Subscriber WY2 439 0,78 1,06% Subscriber UU2 318 18,77 0,77% Subscriber PZ5 308 3,25 0,74% Subscriber NB5 260 4,46 0,63% Subscriber OA6 247 2,03 0,60% Subscriber PD8 127 2,13 0,31% Subscriber PD8 127 2,13 0,31% Subscriber PU4 125 3,61 0,30% Subscriber EW3 107 0,56 0,26% Subscriber HC9 92 8,85 0,22% Subscriber BK5 75 2,71 0,18% Subscriber PQ3 19 4,64 0,05% Subscriber QO3 19 4,64 0,05% Subscriber VO7 19 57,70 0,05% Subscriber LR5	Subscriber LQ1	3,232	21.80	7.80%
Subscriber AM9 1,038 5,20 2,51% Subscriber YQ7 687 12,56 1,66% Subscriber WY2 439 0,78 1,06% Subscriber JU2 318 18,77 0,77% Subscriber FZ5 308 3,25 0,74% Subscriber NB5 260 4,46 0,63% Subscriber OA6 247 2,03 0,60% Subscriber HL1 137 2,32 0,33% Subscriber PD8 127 2,13 0,31% Subscriber D14 125 3,61 0,30% Subscriber EW3 107 0,56 0,26% Subscriber HC9 92 8,85 0,22% Subscriber BK5 75 2,71 0,18% Subscriber TS2 63 12,48 0,15% Subscriber QO3 19 4,64 0,05% Subscriber IN2 19 0,00 0,05% Subscriber VO7 19 5,70 0,05% Subscriber LR5 13<	Subscriber XH1	2,206	22.86	5.33%
Subscriber YQ7 687 12.56 1.66% Subscriber WY2 439 0.78 1.06% Subscriber JU2 318 18.77 0.77% Subscriber FZ5 308 3.25 0.74% Subscriber NB5 260 4.46 0.63% Subscriber OA6 247 2.03 0.60% Subscriber PD8 127 2.13 0.31% Subscriber PD8 127 2.13 0.31% Subscriber DI4 125 3.61 0.30% Subscriber EW3 107 0.56 0.26% Subscriber HC9 92 8.85 0.22% Subscriber BK5 75 2.71 0.18% Subscriber TS2 63 12.48 0.15% Subscriber QO3 19 4.64 0.05% Subscriber IN2 19 0.00 0.05% Subscriber VO7 19 57.70 0.05% Subscriber LR5 13 5.62 0.03% Subscriber VT4 13 <td>Subscriber NE4</td> <td>1,085</td> <td>7.05</td> <td>2.62%</td>	Subscriber NE4	1,085	7.05	2.62%
Subscriber WY2 439 0.78 1.06% Subscriber JU2 318 18.77 0.77% Subscriber FZ5 308 3.25 0.74% Subscriber NB5 260 4.46 0.63% Subscriber OA6 247 2.03 0.60% Subscriber HL1 137 2.32 0.33% Subscriber PD8 127 2.13 0.31% Subscriber DI4 125 3.61 0.30% Subscriber EW3 107 0.56 0.26% Subscriber HC9 92 8.85 0.22% Subscriber BK5 75 2.71 0.18% Subscriber TS2 63 12.48 0.15% Subscriber QO3 19 4.64 0.05% Subscriber VO7 19 57.70 0.05% Subscriber W66 15 2.18 0.04% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber UN2 9	Subscriber AM9	1,038	5.20	2.51%
Subscriber JU2 318 18.77 0.77% Subscriber FZ5 308 3.25 0.74% Subscriber NB5 260 4.46 0.63% Subscriber OA6 247 2.03 0.60% Subscriber HL1 137 2.32 0.33% Subscriber PD8 127 2.13 0.31% Subscriber DI4 125 3.61 0.30% Subscriber EW3 107 0.56 0.26% Subscriber HC9 92 8.85 0.22% Subscriber BK5 75 2.71 0.18% Subscriber TS2 63 12.48 0.15% Subscriber QO3 19 4.64 0.05% Subscriber VO7 19 57.70 0.05% Subscriber VA6 15 2.18 0.04% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber UN2 9 2.73 0.02% Subscriber SB9 3	Subscriber YQ7	687	12.56	1.66%
Subscriber FZ5 308 3.25 0.74% Subscriber NB5 260 4.46 0.63% Subscriber OA6 247 2.03 0.60% Subscriber HL1 137 2.32 0.33% Subscriber PD8 127 2.13 0.31% Subscriber DI4 125 3.61 0.30% Subscriber EW3 107 0.56 0.26% Subscriber HC9 92 8.85 0.22% Subscriber BK5 75 2.71 0.18% Subscriber TS2 63 12.48 0.15% Subscriber QO3 19 4.64 0.05% Subscriber IN2 19 0.00 0.05% Subscriber VO7 19 57.70 0.05% Subscriber KM6 15 2.18 0.04% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber AV2 6 0.58 0.01% Subscriber SB9 3	Subscriber WY2	439	0.78	1.06%
Subscriber NB5 260 4.46 0.63% Subscriber OA6 247 2.03 0.60% Subscriber HL1 137 2.32 0.33% Subscriber PD8 127 2.13 0.31% Subscriber DI4 125 3.61 0.30% Subscriber EW3 107 0.56 0.26% Subscriber HC9 92 8.85 0.22% Subscriber BK5 75 2.71 0.18% Subscriber TS2 63 12.48 0.15% Subscriber QO3 19 4.64 0.05% Subscriber IN2 19 0.00 0.05% Subscriber VO7 19 57.70 0.05% Subscriber KM6 15 2.18 0.04% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber UN2 9 2.73 0.02% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2	Subscriber JU2	318	18.77	0.77%
Subscriber OA6 247 2.03 0.60% Subscriber HL1 137 2.32 0.33% Subscriber PD8 127 2.13 0.31% Subscriber DI4 125 3.61 0.30% Subscriber EW3 107 0.56 0.26% Subscriber HC9 92 8.85 0.22% Subscriber BK5 75 2.71 0.18% Subscriber TS2 63 12.48 0.15% Subscriber QO3 19 4.64 0.05% Subscriber IN2 19 0.00 0.05% Subscriber VO7 19 57.70 0.05% Subscriber KM6 15 2.18 0.04% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber AV2 6 0.58 0.01% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber FZ5	308	3.25	0.74%
Subscriber HL1 137 2.32 0.33% Subscriber PD8 127 2.13 0.31% Subscriber DI4 125 3.61 0.30% Subscriber EW3 107 0.56 0.26% Subscriber HC9 92 8.85 0.22% Subscriber BK5 75 2.71 0.18% Subscriber TS2 63 12.48 0.15% Subscriber QO3 19 4.64 0.05% Subscriber IN2 19 0.00 0.05% Subscriber VO7 19 57.70 0.05% Subscriber KM6 15 2.18 0.04% Subscriber LR5 13 5.62 0.03% Subscriber VT4 13 0.83 0.03% Subscriber UN2 9 2.73 0.02% Subscriber AV2 6 0.58 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber NB5	260	4.46	0.63%
Subscriber PD8 127 2.13 0.31% Subscriber DI4 125 3.61 0.30% Subscriber EW3 107 0.56 0.26% Subscriber HC9 92 8.85 0.22% Subscriber BK5 75 2.71 0.18% Subscriber TS2 63 12.48 0.15% Subscriber QO3 19 4.64 0.05% Subscriber IN2 19 0.00 0.05% Subscriber VO7 19 57.70 0.05% Subscriber KM6 15 2.18 0.04% Subscriber LR5 13 5.62 0.03% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber AV2 6 0.58 0.01% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber OA6	247	2.03	0.60%
Subscriber DI4 125 3.61 0.30% Subscriber EW3 107 0.56 0.26% Subscriber HC9 92 8.85 0.22% Subscriber BK5 75 2.71 0.18% Subscriber TS2 63 12.48 0.15% Subscriber QO3 19 4.64 0.05% Subscriber IN2 19 0.00 0.05% Subscriber VO7 19 57.70 0.05% Subscriber KM6 15 2.18 0.04% Subscriber LR5 13 5.62 0.03% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber UN2 9 2.73 0.02% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber HL1	137	2.32	0.33%
Subscriber EW3 107 0.56 0.26% Subscriber HC9 92 8.85 0.22% Subscriber BK5 75 2.71 0.18% Subscriber TS2 63 12.48 0.15% Subscriber QO3 19 4.64 0.05% Subscriber IN2 19 0.00 0.05% Subscriber VO7 19 57.70 0.05% Subscriber KM6 15 2.18 0.04% Subscriber LR5 13 5.62 0.03% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber UN2 9 2.73 0.02% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber PD8	127	2.13	0.31%
Subscriber HC9 92 8.85 0.22% Subscriber BK5 75 2.71 0.18% Subscriber TS2 63 12.48 0.15% Subscriber QO3 19 4.64 0.05% Subscriber IN2 19 0.00 0.05% Subscriber VO7 19 57.70 0.05% Subscriber KM6 15 2.18 0.04% Subscriber LR5 13 5.62 0.03% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber UN2 9 2.73 0.02% Subscriber AV2 6 0.58 0.01% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber DI4	125	3.61	0.30%
Subscriber BK5 75 2.71 0.18% Subscriber TS2 63 12.48 0.15% Subscriber QO3 19 4.64 0.05% Subscriber IN2 19 0.00 0.05% Subscriber VO7 19 57.70 0.05% Subscriber KM6 15 2.18 0.04% Subscriber LR5 13 5.62 0.03% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber UN2 9 2.73 0.02% Subscriber AV2 6 0.58 0.01% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber EW3	107	0.56	0.26%
Subscriber TS2 63 12.48 0.15% Subscriber QO3 19 4.64 0.05% Subscriber IN2 19 0.00 0.05% Subscriber VO7 19 57.70 0.05% Subscriber KM6 15 2.18 0.04% Subscriber LR5 13 5.62 0.03% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber UN2 9 2.73 0.02% Subscriber AV2 6 0.58 0.01% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber HC9	92	8.85	0.22%
Subscriber QO3 19 4.64 0.05% Subscriber IN2 19 0.00 0.05% Subscriber VO7 19 57.70 0.05% Subscriber KM6 15 2.18 0.04% Subscriber LR5 13 5.62 0.03% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber UN2 9 2.73 0.02% Subscriber AV2 6 0.58 0.01% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber BK5	75	2.71	0.18%
Subscriber IN2 19 0.00 0.05% Subscriber VO7 19 57.70 0.05% Subscriber KM6 15 2.18 0.04% Subscriber LR5 13 5.62 0.03% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber UN2 9 2.73 0.02% Subscriber AV2 6 0.58 0.01% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber TS2	63	12.48	0.15%
Subscriber VO7 19 57.70 0.05% Subscriber KM6 15 2.18 0.04% Subscriber LR5 13 5.62 0.03% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber UN2 9 2.73 0.02% Subscriber AV2 6 0.58 0.01% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber QO3	19	4.64	0.05%
Subscriber KM6 15 2.18 0.04% Subscriber LR5 13 5.62 0.03% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber UN2 9 2.73 0.02% Subscriber AV2 6 0.58 0.01% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber IN2	19	0.00	0.05%
Subscriber LR5 13 5.62 0.03% Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber UN2 9 2.73 0.02% Subscriber AV2 6 0.58 0.01% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber VO7	19	57.70	0.05%
Subscriber VT4 13 0.83 0.03% Subscriber UF7 10 0.66 0.02% Subscriber UN2 9 2.73 0.02% Subscriber AV2 6 0.58 0.01% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber KM6	15	2.18	0.04%
Subscriber UF7 10 0.66 0.02% Subscriber UN2 9 2.73 0.02% Subscriber AV2 6 0.58 0.01% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber LR5	13	5.62	0.03%
Subscriber UN2 9 2.73 0.02% Subscriber AV2 6 0.58 0.01% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber VT4	13	0.83	0.03%
Subscriber AV2 6 0.58 0.01% Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber UF7	10	0.66	0.02%
Subscriber SB9 3 1.68 0.01% Subscriber JH1 2 0.27 <0.01%	Subscriber UN2	9	2.73	0.02%
Subscriber JH1 2 0.27 <0.01%	Subscriber AV2	6	0.58	0.01%
	Subscriber SB9	3	1.68	0.01%
Subscriber MR3 2 0.07 <0.01%	Subscriber JH1	2	0.27	<0.01%
	Subscriber MR3	2	0.07	<0.01%

Comparative data

Total policies (individual + group)

Insurance class	Total policies 2019–20	Total policies 2020–21	% difference – total policies	Absolute difference – total policies
Retail	40,935,388	36,452,505	-10.95%	-4,482,883
Motor Retail	16,080,905	16,223,902	0.89%	142,997
Home	11,188,464	11,432,651	2.18%	244,187
Personal & Domestic Property	8,111,637	7,449,277	-8.17%	-662,360
Travel	4,721,031	657,830	-86.07%	-4,063,201
Consumer Credit	347,056	276,714	-20.27%	-70,342
Sickness & Accident	252,434	180,934	-28.32%	-71,500
Residential Strata	233,861	231,197	-1.14%	-2,664
Wholesale	2,849,119	3,035,128	6.53%	186,009
Business Pack	1,144,823	1,206,122	5.35%	61,299
Liability	606,046	685,527	13.11%	79,481
Primary Industries Pack	286,785	284,271	-0.88%	-2,514
Other	237,981	258,340	8.55%	20,359
Motor Wholesale	236,332	245,444	3.86%	9,112
Business	162,184	159,406	-1.71%	-2,778
Contractors All Risks	92,972	105,949	13.96%	12,977
Industrial Special Risks	55,814	53,921	-3.39%	-1,893
Primary Industries	26,182	36,148	38.06%	9,966
Total	43,784,507	39,487,633	-9.81%	-4,296,874

Individual policies only

Insurance class	Total Individual policies 2019–20	Total Individual policies 2020–21	% difference – individual policies	Absolute difference – individual policies
Retail	40,781,359	36,408,323	-10.72%	-4,373,036
Motor Retail	16,080,761	16,223,813	0.89%	143,052
Home	11,186,304	11,430,392	2.18%	244,088
Personal & Domestic Property	8,110,370	7,448,743	-8.16%	-661,627
Travel	4,594,108	637,497	-86.12%	-395,6611
Consumer Credit	347,045	276,695	-20.27%	-70,350
Residential Strata	233,349	230,556	-1.20%	-2,793
Sickness & Accident	229,422	160,627	-29.99%	-68,795
Wholesale	2,630,482	2,773,424	5.43%	142,942
Business Pack	1,127,346	1,185,906	5.19%	58,560
Liability	570,737	621,677	8.93%	50,940
Primary Industries Pack	282,826	280,761	-0.73%	-2,065
Motor Wholesale	200,436	210,407	4.97%	9,971
Other	176,801	193,509	9.45%	16,708
Business	154,762	153,139	-1.05%	-1,623
Industrial Special Risks	52,567	51,126	-2.74%	-1,441
Contractors All Risks	38,880	41,569	6.92%	2,689
Primary Industries	26,127	35,330	35.22%	9,203
Total	43,411,841	39,181,747	-9.74%	-4,230,094

Group policies only

Insurance class	Total group policies 2019–20	Total group policies 2020–21	% difference - group policies	Absolute difference – group policies
Retail	154,029	44,182	-71.32%	-109,847
Travel	126,923	20,333	-83.98%	-106,590
Sickness & Accident	23,012	20,307	-11.75%	-2,705
Home	2,160	2,259	4.58%	99
Personal & Domestic Property	1,267	534	-57.85%	-733
Residential Strata	512	641	25.20%	129
Motor Retail	144	89	-38.19%	-55
Consumer Credit	11	19	72.73%	8
Wholesale	218,637	261,704	19.70%	43,067
Other	61,180	64,831	5.97%	3,651
Contractors All Risks	54,092	64,380	19.02%	10,288
Motor Wholesale	35,896	35,037	-2.39%	-859
Liability	35,309	63,850	80.83%	28,541
Business Pack	17,477	20,216	15.67%	2,739
Business	7,422	6,267	-15.56%	-1,155
Primary Industries Pack	3,959	3,510	-11.34%	-449
Industrial Special Risks	3,247	2,795	-13.92%	-452
Primary Industries	55	818	1387.27%	763
Total	372,666	305,886	-17.92%	-66,780

People and assets covered by group policies

Insurance class	Total people & assets 2019–20	Total people & assets 2020–21	% difference – people & assets	Absolute difference – people & assets
Retail	17,328,088	11,858,158	-31.57%	-5,469,930
Sickness & Accident	8,242,418	7,574,508	-8.10%	-667,910
Travel	7,998,934	2,545,748	-68.17%	-5,453,186
Personal & Domestic Property	1,045,340	1,722,444	64.77%	677,104
Home	23,192	5,932	-74.42%	-17,260
Motor Retail	17,615	8,808	-50.00%	-8,807
Residential Strata	589	718	21.90%	129
Consumer Credit	0	0	0	0
Wholesale	7,958,968	10,181,670	27.93%	2,222,702
Liability	5,666,461	8,977,757	58.44%	3,311,296
Motor Wholesale	1,390,716	359,118	-74.18%	-1,031,598
Other	563,495	507,933	-9.86%	-55,562
Contractors All Risks	213,688	215,493	0.84%	1,805
Business	78,639	67,885	-13.68%	-10,754
Business Pack	34,839	51,142	46.80%	16,303
Primary Industries Pack	7,015	0	-100.00%	-7,015
Primary Industries	2,311	1,127	-51.23%	-1,184
Industrial Special Risks	1,804	1,215	-32.65%	-589
Total	25,287,056	22,039,828	-12.84%	-3,247,228

Lodged claims

Insurance class	2019-20	2020-21	No. (change)	% change
Retail	4,119,130	3,902,257	-216,873	-5.27%
Motor Retail	1,784,418	1,766,682	-17,736	-0.99%
Personal & Domestic Property	1,102,135	1,209,789	107,654	9.77%
Home	824,122	731,318	-92,804	-11.26%
Travel	270,255	63,491	-206,764	-76.51%
Residential Strata	57,501	53,010	-4,491	-7.81%
Consumer Credit	50,337	49,712	-625	-1.24%
Sickness & Accident	30,362	28,255	-2,107	-6.94%
Wholesale	601,594	476,032	-125,562	-20.87%
Motor Wholesale	205,248	190,150	-15,098	-7.36%
Business	125,743	44,955	-80,788	-64.25%
Business Pack	94,366	77,175	-17,191	-18.22%
Primary Industries Pack	58,076	52,211	-5,865	-10.10%
Other	50,700	46,924	-3776	-7.45%
Liability	33,045	34,333	1,288	3.90%
Industrial Special Risks	25,736	20,224	-5,512	-21.42%
Contractors All Risks	7,141	5,714	-1,427	-19.98%
Primary Industries	1,539	4,346	2,807	182.39%
Total	4,720,724	4,378,289	-342,435	-7.25%

Declined claims

Insurance class	2019-20	2020-21	No. (change)	% (change)
Retail	208,091	215,048	6,957	3.34%
Personal & Domestic Property	84,866	102,376	17,510	20.63%
Home	65,674	81,878	16,204	24.67%
Travel	41,441	12,350	-29,091	-70.20%
Motor Retail	9,642	10,176	534	5.54%
Consumer Credit	3,182	2,172	-1,010	-31.74%
Residential Strata	1,762	4,992	3,230	183.31%
Sickness & Accident	1,524	1,104	-420	-27.56%
Wholesale	23,389	11,410	-11,979	-51.22%
Business	18,522	6,249	-12,273	-66.26%
Business Pack	2,649	2,645	-4	-0.15%
Primary Industries Pack	736	880	144	19.57%
Liability	658	737	79	12.01%
Motor Wholesale	349	271	-78	-22.35%
Industrial Special Risks	290	406	116	40.00%
Contractors All Risks	85	74	-11	-12.94%
Other	85	127	42	49.41%
Primary Industries	15	21	6	40.00%
Total	231,480	226,458	-5,022	-2.17%

Withdrawn claims

Insurance class	2019-20	2020-21	No. (change)	% change
Retail	337,909	320,842	-17,067	-5.05%
Motor Retail	147,772	145,885	-1,887	-1.28%
Home	109,352	105,336	-4,016	-3.67%
Personal & Domestic Property	48,580	52,360	3,780	7.78%
Travel	26,831	9,508	-17323	-64.56%
Residential Strata	2,889	5,007	2118	73.31%
Sickness & Accident	1,399	1,717	318	22.73%
Consumer Credit	1,086	1,029	-57	-5.25%
Wholesale	28,672	29,622	950	3.31%
Motor Wholesale	12,630	10,808	-1,822	-14.43%
Business Pack	6,394	7,418	1,024	16.02%
Liability	2,833	2,849	16	0.56%
Business	2,370	2,764	394	16.62%
Primary Industries Pack	2,285	3,019	734	32.12%
Industrial Special Risks	1,622	1,790	168	10.36%
Other	212	701	489	230.66%
Contractors All Risks	197	68	-129	-65.48%
Primary Industries	129	205	76	58.91%
Total	366,581	350,464	-16,117	-4.40%

Received internal disputes (Stage Two complaints received by subscribers)

Insurance class	2019-20	2020-21	No. (change)	% change
Retail	39,509	46,388	6,879	17.41%
Motor Retail	15,997	21,615	5,618	35.12%
Home	13,316	17,879	4,563	34.27%
Travel	5,805	3,016	-2,789	-48.04%
Personal & Domestic Property	2,788	2,361	-427	-15.32%
Consumer Credit	789	486	-303	-38.40%
Residential Strata	514	674	160	31.13%
Sickness & Accident	300	357	57	19.00%
Wholesale	2,099	2,297	198	9.43%
Business Pack	741	791	50	6.75%
Motor Wholesale	444	485	41	9.23%
Liability	225	278	53	23.56%
Primary Industries Pack	223	233	10	4.48%
Other	177	126	-51	-28.81%
Business	134	234	100	74.63%
Industrial Special Risks	81	79	-2	-2.47%
Primary Industries	60	62	2	3.33%
Contractors All Risks	14	9	-5	-35.71%
Total	41,608	48,685	7,077	17.01%

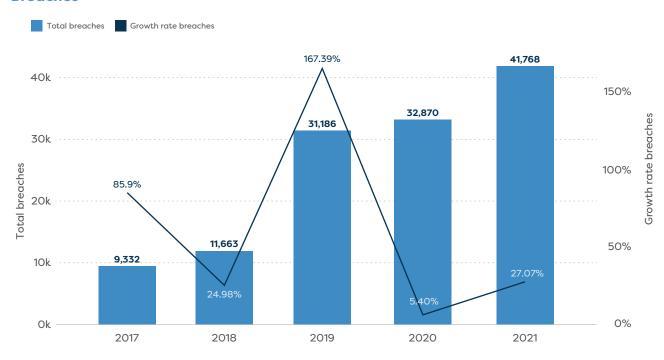
Reviewed internal disputes (Stage Two complaints finalised by subscriber)

Insurance class	2019-20	2020-21	No. (change)	% change
Retail	37,799	45,879	8,080	21.38%
Motor Retail	15,653	21,079	5,426	34.66%
Home	12,894	17,848	4,954	38.42%
Travel	5,126	3,188	-1,938	-37.81%
Personal & Domestic Property	2,726	2,293	-433	-15.88%
Consumer Credit	634	467	-167	-26.34%
Residential Strata	475	649	174	36.63%
Sickness & Accident	291	355	64	21.99%
Wholesale	1,968	2,220	252	12.80%
Business Pack	628	767	139	22.13%
Motor Wholesale	433	481	48	11.09%
Primary Industries Pack	225	222	-3	-1.33%
Liability	221	275	54	24.43%
Other	172	112	-60	-34.88%
Business	129	229	100	77.52%
Industrial Special Risks	87	72	-15	-17.24%
Primary Industries	58	57	-1	-1.72%
Contractors All Risks	15	5	-10	-66.67%
Total	39,767	48,099	8,332	20.95%

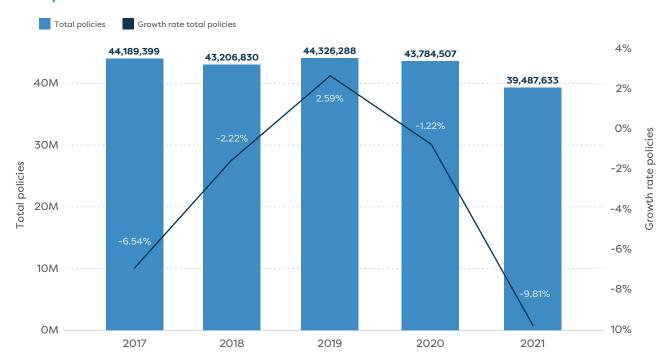
Chart pack

Five year data comparisons

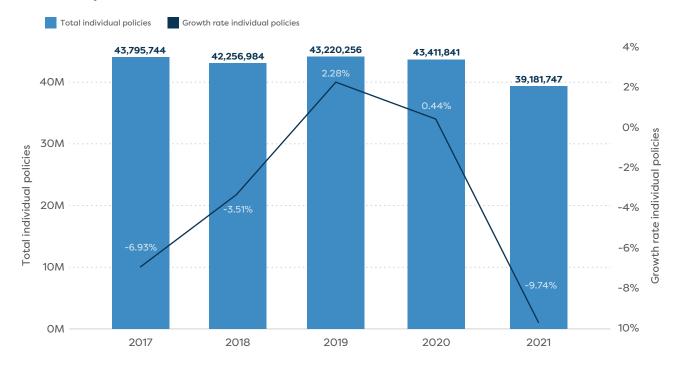
Breaches



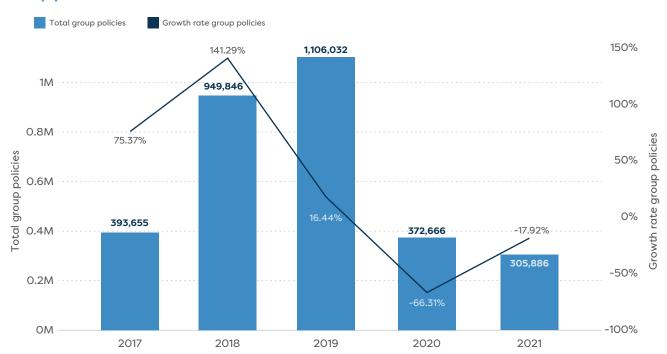
Total policies



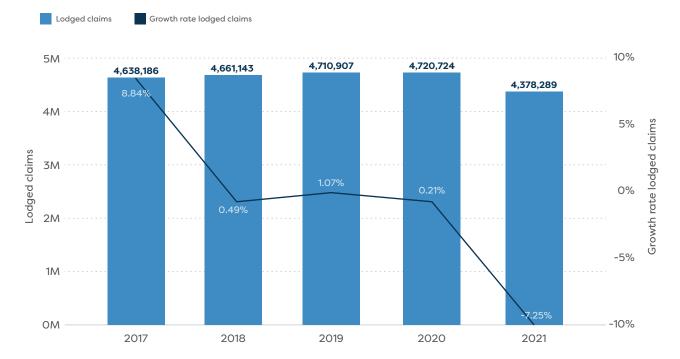
Individual policies



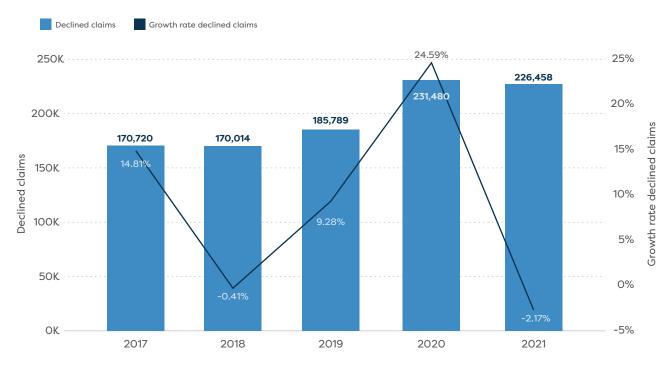
Group policies



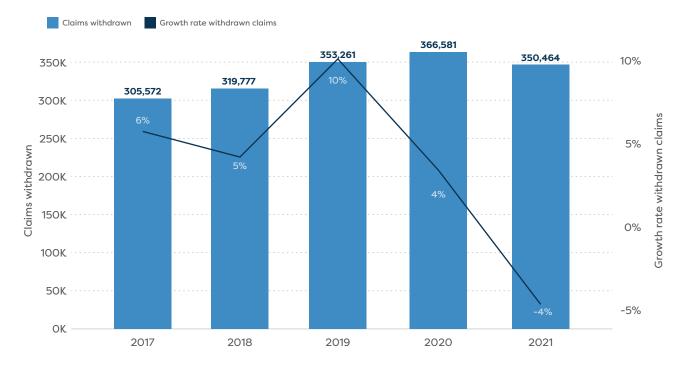
Lodged claims



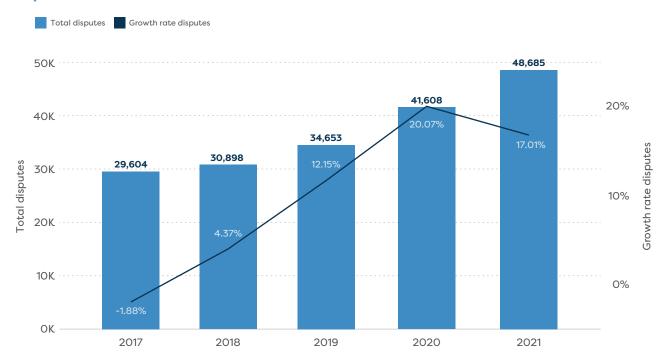
Declined claims



Withdrawn claims

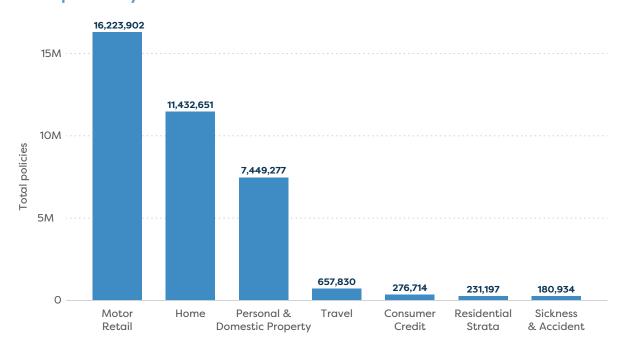


Disputes received

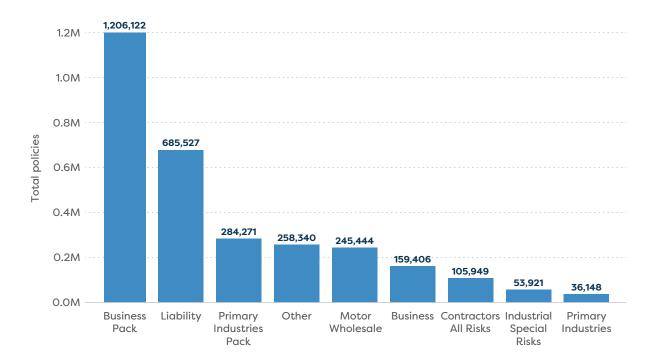


2020–21 Policy and claim data charts

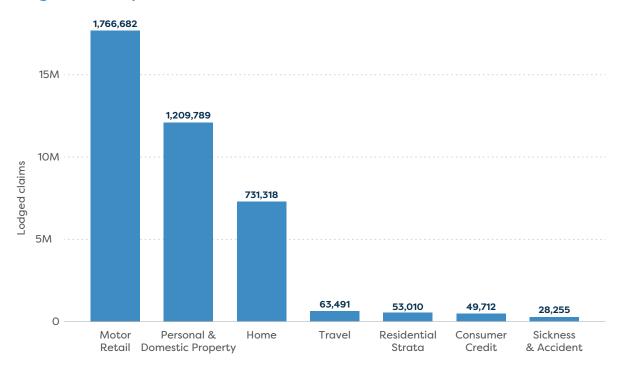
Retail policies by insurance class



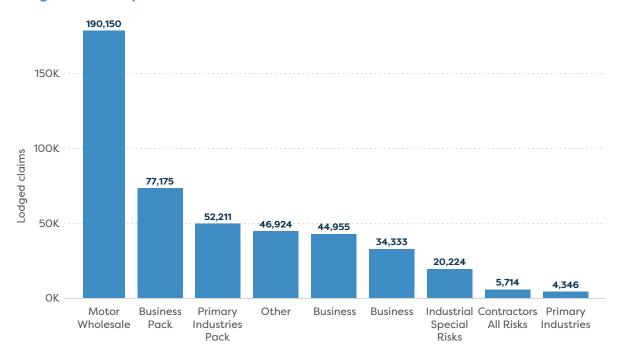
Wholesale policies by insurance class



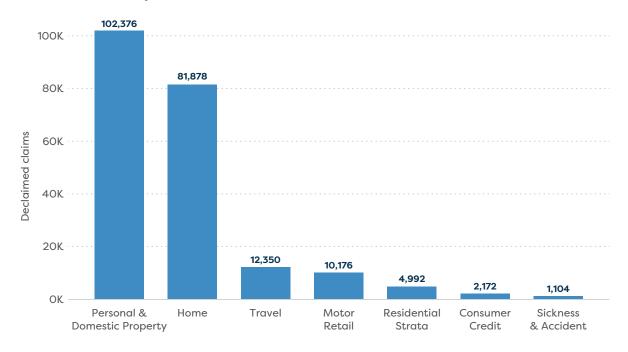
Lodged claims by retail insurance class



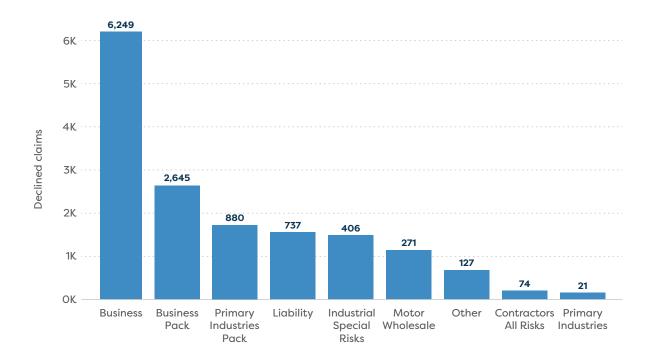
Lodged claims by wholesale insurance class



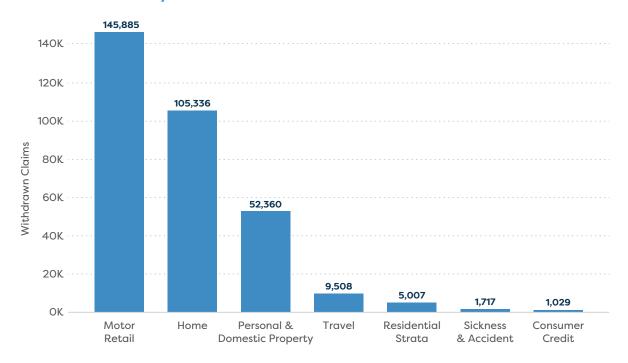
Declined claims by retail insurance class



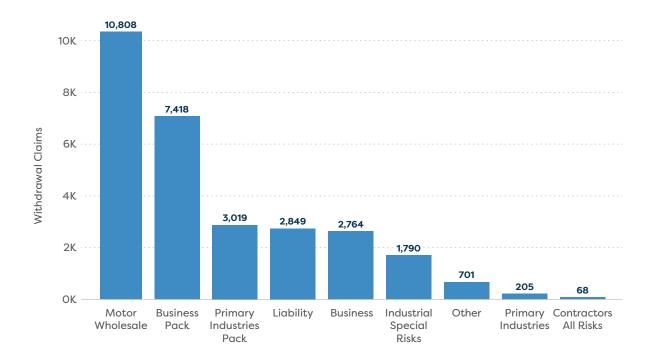
Declined claims by wholesale insurance class



Withdrawn claims by retail insurance class



Withdrawn claims by wholesale insurance class



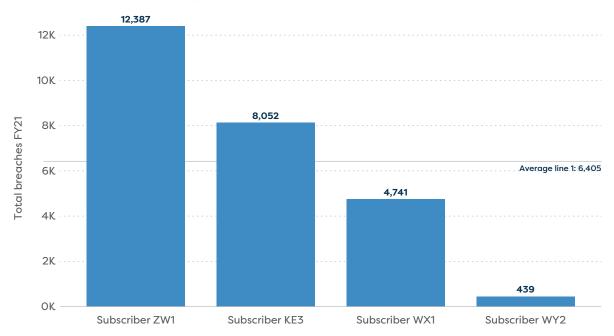
Claims accepted and partially accepted

Insurance class	Accepted	Claims paid (\$AUD)	Partially declined due to 'No Cover'	Partially declined due to standard policy exclusion	Partially declined – 'Other'
Travel	72,086	196,719,749	873	941	1,964
Sickness & Accident	25,321	250,076,905	57	374	586
Residential Strata	35,514	429,129,221	101	513	28
Personal & Domestic Property	915,383	808,392,383	14,165	30,361	6,056
Motor Retail	1,417,050	5,166,952,072	10	67	683
Home	478,130	4,805,013,976	192	2,846	8,954
Consumer Credit	46,397	44,859,130	0	15	0
Total	2,989,881	11,701,143,436	15,398	35,117	18,271

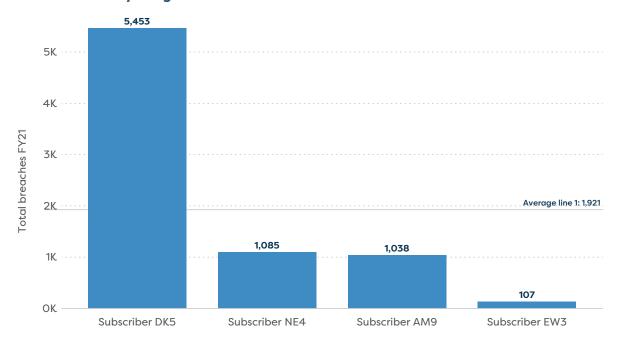
2020-21 Self-reported breach data charts

Breaches by subscriber - peer group average comparisons

Total breaches by 'Very Large' subscribers



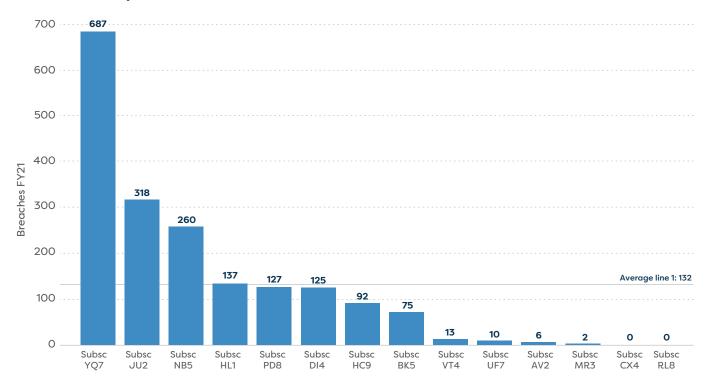
Total breaches by 'Large' subscribers



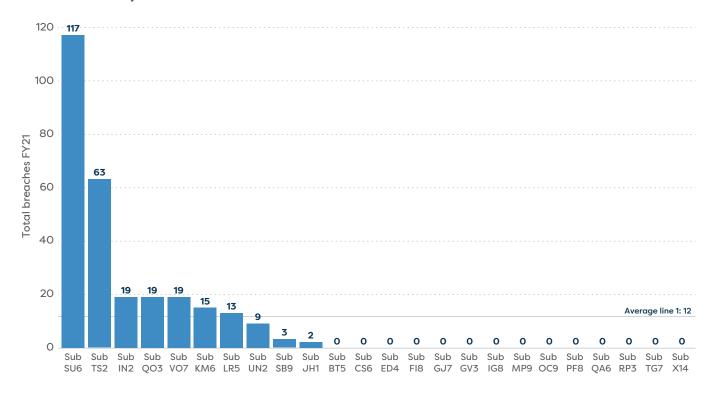
Total breaches by 'Medium-Large' subscribers



Total breaches by 'Medium' subscribers



Total breaches by 'Small' subscribers



Breaches per 10,000 policies – peer group average comparisons

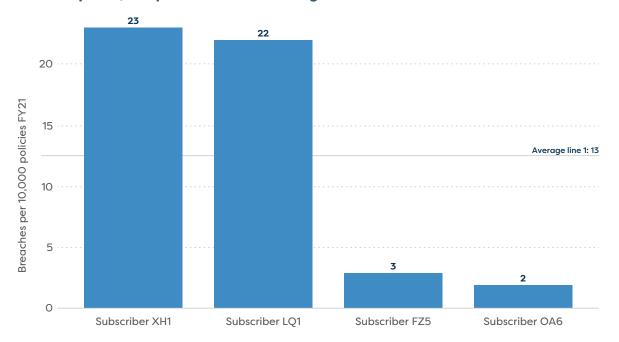
Breaches per 10,000 policies – 'Very Large' subscribers



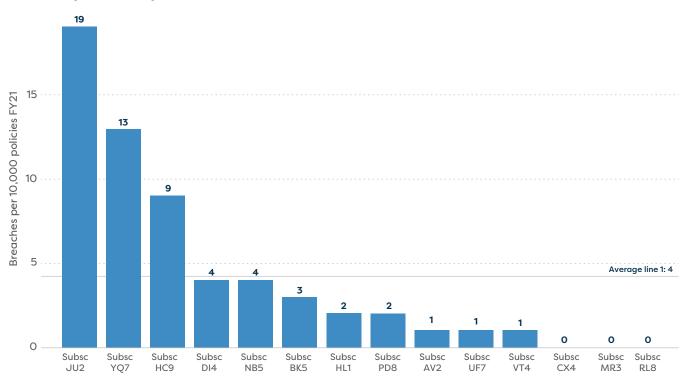
Breaches per 10,000 policies – 'Large' subscribers



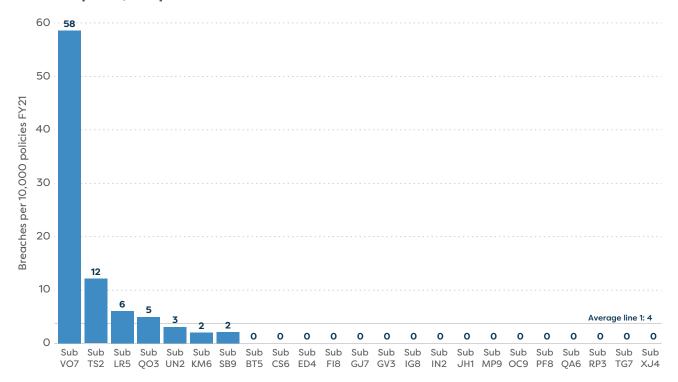
Breaches per 10,000 policies – 'Medium-Large' subscribers



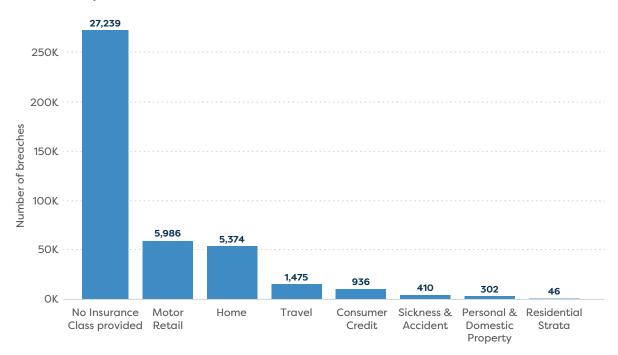
Breaches per 10,000 policies – 'Medium' subscribers



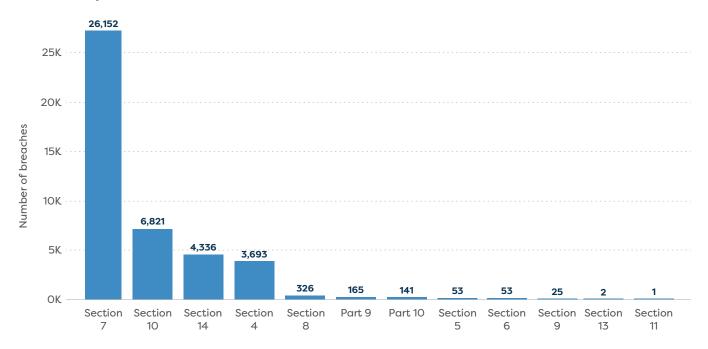
Breaches per 10,000 policies – 'Small' subscribers



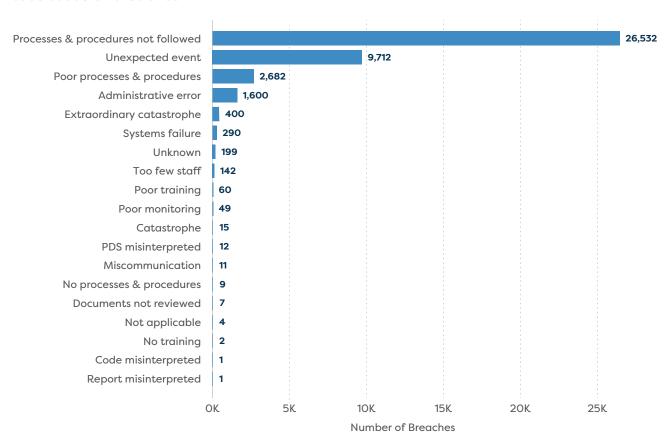
Breaches by Retail insurance class



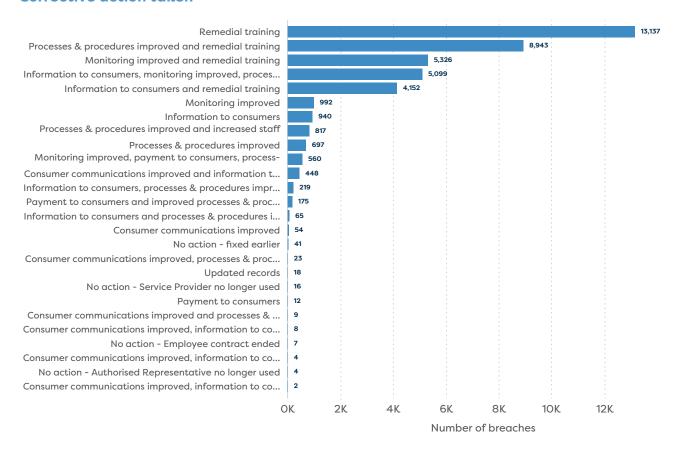
Breaches by Code section



Root cause of breaches

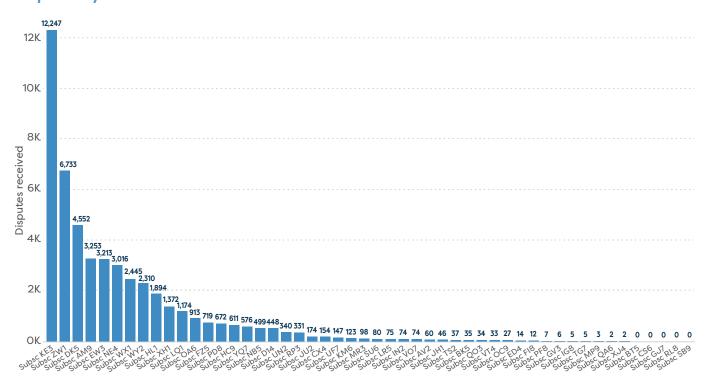


Corrective action taken

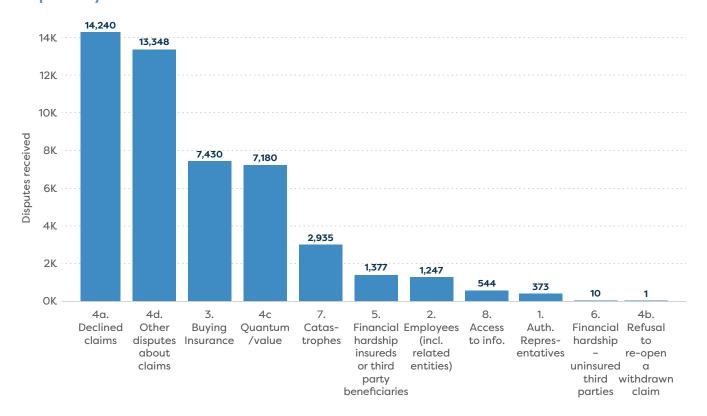


2020-21 Disputes data charts

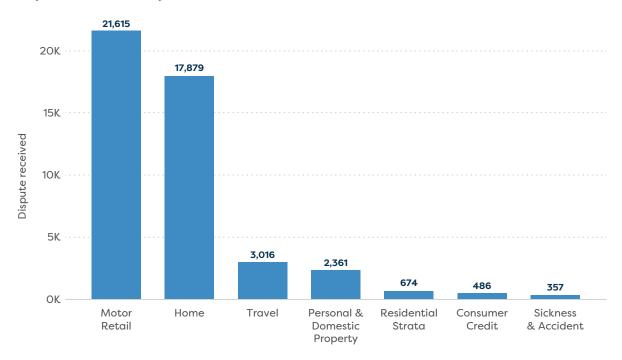
Disputes by subscriber



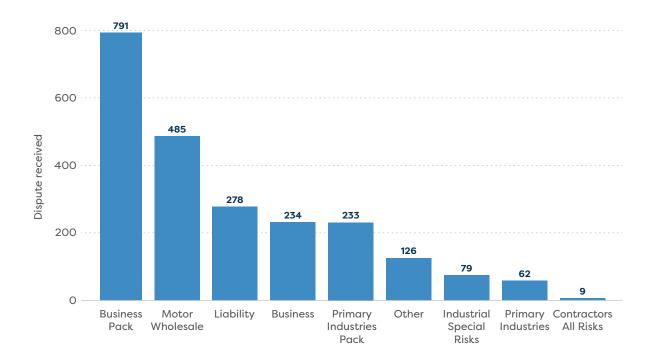
Disputes by reason



Disputes received by retail insurance class



Disputes received by wholesale insurance class



Glossary of terms

Glossary of terms

The following is a list of the key terms used in this report.

2014 Code means the 2014 General Insurance Code of Practice.

2020 Code means the 2020 General Insurance Code of Practice.

Authorised Representative means a person, company or other entity authorised by a Code Subscriber to provide financial services on its behalf under its Australian Financial Services licence, in accordance with the Corporations Act 2001 (Cth). An authorised representative is a type of external seller.

Breach means a failure to comply with a **Code** standard.

CGC, the Committee or Code Governance Committee means the independent body responsible for monitoring, reporting and enforcing Code compliance.

Claim means a formal request from an insured or third party beneficiary for coverage of loss or damage under a general insurance policy.

Code Subscriber means an organisation that has adopted the Code.

Code Team means the Code Compliance and Monitoring Team at the Australian Financial Complaints Authority (AFCA, previously the Financial Ombudsman Service Limited) appointed as Code administrator to monitor Code compliance on behalf of the CGC.

Complaint means an expression of dissatisfaction made to a **Code Subscriber**, related to its products or services, or its **complaints** handling process, where a response or resolution is explicitly or implicitly expected.

Corporate authorised representative means a company authorised by a **Code Subscriber** to provide financial services on its behalf under its Australian Financial Services license (AFSL), in accordance with the Corporations Act 2001 (Cth). A corporate authorised representative is a type of external seller.

Data set means a collection of related sets of information

Declined claim means a **claim** on a general insurance policy that a **Code Subscriber** has declined or not

Dispute means a complaint that is at or has completed Stage Two of a Code Subscriber's internal complaints process.

Dispute type means a category used to aggregate data about similar types of disputes.

Distributor means a person, company or entity when acting on behalf of a Code subscriber, that is not an Employee, and;

- a. is authorised to provide financial services, other than a claims handling and settling service, under a **Code** Subscriber's Australian Financial Services Licence, in accordance with the Corporations Act 2001; or
- b. has authority to issue, vary or dispose of, a general insurance product covered by the 2020 Code under a binder with a Code Subscriber (excluding an interim contract).

Employee means a person employed by a Code Subscriber, or related entity, that provides services to which the Code applies.

External seller means a person, company or other entity that sells or offers for sale a Code subscriber's general insurance products.

Group policy means a master general insurance policy held by an **insured** that provides cover for numerous people or assets within a defined group.

Individual authorised representative means a person or partnership authorised by a Code subscriber to provide financial services on its behalf under its Australian Financial Services license (AFSL), in accordance with the Corporations Act 2001 (Cth).

Individual policy means a general insurance policy held by an **insured** that is not a **group policy**.

Contractor means a person, company or other entity engaged by a Code Subscriber to provide insurancerelated services, excluding the distribution of general insurance products.

Industry data means data about:

- 1. workforce
- 2. compliance
- 3. policies
- 4. claims
- 5. declined claims
- 6. withdrawn claims
- 7. internal disputes
- 8. brands.

Insurance class means a category used to aggregate data about similar types of general insurance products. **Insured** means a person, company or entity seeking to hold or holding a general insurance product covered by the Code, but excludes a third party beneficiary.

Internal complaints process means a Code subscriber's internal process for dealing with complaints, broadly defined by subsections 10.3 to 10.10 of the 2014 Code and by Part 11 of the 2020 Code.

Lodged claim means a claim made on a general insurance policy.

Other external seller means a person, company or other entity that is not an **authorised representative** but is engaged in the distribution of a Code Subscriber's general insurance products.

Policy means a contract of insurance.

Retail Insurance means a general insurance product that is provided to, or to be provided to, an individual or for use in connection with a Small Business, and is one of the following types:

- a. a motor vehicle insurance product (Regulation 7.1.11);
- b. a home building insurance product (Regulation 7.1.12);
- c. a home contents insurance product (Regulation 7.1.13);
- d. a sickness and accident insurance product (Regulation 7.1.14);
- e. a Consumer Credit insurance product (Regulation 7.1.15);
- f. a travel insurance product (Regulation 7.1.16); or
- g. a personal & domestic property insurance product (Regulation 7.1.17), as defined in the Corporations Act 2001 (Cth) and the relevant Regulations.

Service Supplier means an Investigator, Loss Assessor or Loss Adjuster, Collection Agent, or a person, company or entity who is not an **Employee** but is contracted by the **Code Subscriber** to manage the claim on its behalf (including a broker who manages claims for the **Code Subscriber**) and any of their sub-contractors who the Code subscriber has approved and who are also acting on its behalf.

Small Business means a business that employs:

a. less than 100 people, if the business is or includes the manufacture of goods; or

b. otherwise, less than 20 people.

Stage One means the first stage of a Code subscriber's internal complaints process and is described in subsections 10.11, 10.12 and 10.13 of the **2014 Code**.

Stage Two means the second stage of a **Code Subscriber's internal complaints process** and is described in subsections 10.14 to 10.19 of the 2014 Code. Third Party Beneficiary means a person, company or entity who is not an **insured** but is seeking to be or is specified or referred to in a general insurance policy covered by the **Code**, whether by name or otherwise, as a person to whom the benefit of the insurance cover provided by the **policy** extends.

Withdrawn claim means a claim that does not proceed to a decision to accept or deny it and includes a **claim** that may be described as 'cancelled', 'closed', 'discontinued' or 'withdrawn'.

Wholesale Insurance means a general insurance product covered by the Code which is not **Retail** Insurance.

Appendix

Appendix 1:

General Insurance Code subscribers as at 30 June 2021

- 1 **AAI** Limited
- 2 AIG Australia Pty Ltd
- 3 AIOI Nissay Dowa Insurance Company Australia Ltd
- Allianz Australia Insurance Ltd 4
- 5 Ansvar Insurance Ltd
- 6 ANZ Lenders Mortgage Insurance Pty Ltd
- 7 Assetinsure Pty Ltd
- Auto & General Insurance Company Ltd 8
- 9 Berkshire Hathaway Specialty Insurance Company
- 10 Catholic Church Insurance Limited
- 11 Chubb Insurance Australia Limited
- 12 Commonwealth Insurance Limited
- 13 Credicorp Insurance Limited
- 14 Defence Services Home Insurance Scheme
- 15 Domestic & General Insurance PLC
- Eric Insurance Ltd 16
- **17** Factory Mutual Insurance Company
- 18 Genworth Financial Mortgage Insurance Pty Ltd
- 19 Great Lakes Insurance SE
- Guild Insurance Limited 20
- 21 Hallmark General Insurance Company Limited
- Insurance Australia Limited
- 23 Insurance Manufacturers of Australia Pty Ltd
- 24 LawCover Insurance Pty Limited
- 25 LFI Group Pty Ltd
- 26 Lloyds Australia Limited
- Mitsui Sumitomo Insurance Co Ltd
- NIB Travel Insurance (Australia) Pty Ltd 28
- 29 NTI Limited

- Open Insurance Pty Ltd
- 31 Pacific International Insurance Pty Limited
- 32 Petsure (Australia) Pty Ltd
- QBE Insurance (Australia) Ltd 33
- 34 QBE Lenders Mortgage Insurance Limited
- 35 **RAA Insurance Limited**
- 36 **RAC Insurance Pty Limited**
- **RACQ Insurance Limited 37**
- **RACT Insurance Pty Limited** 38
- Sompo Japan Nipponkoa Insurance Inc. 39
- Southern Cross Benefits Limited 40
- Swiss Re International SE
- 42 The Hollard Insurance Company Pty Ltd
- The North of England Protecting and Indemnity Association Ltd t/a Sunderland Marine
- The Tokio Marine & Nichido Fire Insurance Co Ltd
- 45 Virginia Surety Company Inc
- Westpac General Insurance Limited 46
- XL Insurance Company SE 47
- 48 Youi Pty Ltd
- 49 Zurich Australian Insurance Ltd

For current list of General Insurance Code Subscribers, see https://insurancecouncil.com.au/code-of-practice/code-subscribers/

Appendix 1(a):

Lloyd's Coverholders and **Claims Administrators** as at 30 June 2021

- 1 @ Risk Underwriting Pty Ltd
- 2 1Cover Pty Ltd
- 3 360 Accident and Health Pty Ltd
- 360 Farm and Regional Pty Ltd 4
- 360 Financial Lines Pty Ltd 5
- 6 360 Underwriting Solutions Pty Ltd
- 7 A.I.S Insurance Brokers Pty Ltd
- 8 About Underwriting Pty Ltd
- 9 Agile Underwriting Services Pty Ltd
- Amazon Underwriting Pty Ltd 10
- 11 AON Risk Services Australia Ltd
- Arch Underwriting at Lloyd's (Australia) Pty Ltd & Arch Underwriting Agency (Australia) Pty Ltd
- 13 Argenta Underwriting Asia Pte Ltd
- Arthur J. Gallagher & Co (Aus) Limited
- 15 ASG Insurances Pty Limited
- 16 Aspect Underwriting (MJW Langston Pty Ltd (t/as Aspect Underwriting) and McLardy McShane Partners Pty Ltd)
- ASR Underwriting Agencies Pty Ltd
- 18 Aster Underwriting Pty Ltd
- 19 ATC Insurance Solutions Pty. Ltd
- Australian Warranty Network Pty Ltd 20
- 21 AWIB Pty Ltd
- Axis Underwriting Services Pty Ltd
- 23 Blue Zebra Insurance Pty Ltd
- BMS Risk Solutions Pty Ltd 24
- 25 Canopius Australia & Pacific
- Catalyst Aviation Insurance (Catalyst Consulting (Aust) Pty Ltd

- Catlin Australia Pty Ltd
- Cerberos Brokers Pty Ltd
- Chase Underwriting Group
- Coffre-Fort Pty Ltd 30
- Community Broker Network Pty Limited 31
- Coverlink Pty Ltd 32
- Downunder Insurance
- **DUAL Australia Pty Limited**
- EastWest Insurance Brokers Pty Ltd (rebranded as 35 ShieldCover)
- 36 Eclipse Business Insurance Pty Ltd
- **37** Edge Underwriting Pty Ltd
- Edgewise Insurance Brokers Pty Ltd 38
- 39 Emergence Pty Ltd
- Ensurance Underwriting Pty Ltd (part of 360 Underwriting)
- Epsilon Insurance Broking Services Pty Ltd 41
- 42 Evari Insure Pty Ltd
- 43 Fitton Insurance Brokers Australia Pty Ltd
- Frontier Global UW (Australia) Pty Ltd
- 45 FTA Insurance Pty Ltd
- Fusion Specialty Insurance Pty Ltd 46
- Gard Insurance Pty Ltd
- 48 Genesis Underwriting Pty Ltd
- Glenowar Pty Ltd t/as Fenton Green & Co 49
- 50 Go Unlimited Pty Ltd
- Gow-Gates Pty Ltd 51
- H W Wood Australia Pty Ltd
- High Street Underwriting Agency Pty Ltd

54 Honan Insurance Group Pty Lt	54	Honan	Insurance	Group	Pty	Lto
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⁵⁵ Hostsure Underwriting Agency Pty Ltd

- **HQ Insurance Pty Ltd** 56
- **57** IBL Limited (t/as Focus Underwriting)
- 58 Imalia Pty Ltd
- 59 Insurance Geeks (t/as Zoom Travel Insurance)
- 60 Insurance Investment Solutions Pty Ltd
- 61 Intuitive Insurance Solutions (an authorised representative of Community Broker Network)
- 62 iTrek Pty Ltd
- JUA Underwriting Agency Pty Ltd
- 64 Keystone Underwriting Australia Pty Ltd
- Lion Underwriting Pty Ltd 65
- Logan Livestock Insurance Agency Pty Ltd 66
- London Australia Underwriting Pty Ltd 67
- 68 Mainstay Underwriting Pty Ltd
- 69 Manufactured Homes Insurance Agency Limited
- Marsh & McLennan Agency Pty Ltd 70
- 71 Millennium Underwriting Agencies Pty Ltd
- 72 Miramar Underwriting Agency Pty Ltd
- **73** Newline Australia Insurance Pty Ltd
- 74 Nova Underwriting Pty Limited
- **75** One Underwriting Pty Ltd
- Pen Underwriting Pty Ltd 76
- **77** Petcover
- 78 Petplan
- 79 Point Underwriting Agency Pty Ltd
- 80 Precision Underwriting Pty Limited
- 81 Procover Underwriting Agency Pty Ltd
- Professional Risk Underwriting Pty Ltd 82
- PSC NFIB Markets trading as Skyline Underwriting
- Quanta Insurance Group Pty Ltd 84
- 85 Quantum Underwriting Agencies Pty Ltd
- RedSky Insurance Pty Ltd 86
- 87 RM Specialty Pty Limited
- Rural Affinity Insurance Agency Pty Ltd 88

- 89 SLE Worldwide Australia Pty Limited
- 90 Solution Underwriting Agency Pty Ltd
- Specialist Underwriting Agencies Pty Ltd 91
- 92 Sportscover Australia Pty Ltd
- 93 Starr International Company Inc
- 94 Sterling Insurance Pty Limited
- 95 SURA Construction Pty Ltd
- 96 SURA Film and Entertainment Pty Ltd
- SURA Hospitality Pty Ltd 97
- SURA Labour Hire Pty Ltd 98
- 99 Sura Professional Risks
- 100 SURA Pty Ltd
- 101 SURA Speciality Pty Ltd
- 102 Tego Insurance Pty Ltd
- 103 The Barn Underwriting Agency Pty Ltd
- 104 Timark Casualty Solutions Pty Ltd
- 105 Topsail Insurance Pty Ltd
- 106 Trident Insurance Group Pty Ltd
- 107 Victor Insurance Australia Pty Ltd
- 108 Wellington Underwriting Agencies Pty Ltd
- 109 William Inglis & Son Limited
- 110 Windsor Income Protection Pty Ltd
- Woodina Underwriting Agency Pty Ltd 111
- YourCover Pty Ltd 112
- *Broadspire (Crawford & Company (Australia) 113 Pty Ltd)
- 114 *Claims Management Australasia
- *Corporate Services Network Pty Ltd 115
- *DWF Claims (Australia) Pty Ltd 116
- *Employers Mutual Management Pty Ltd 117
- *Gallagher Bassett Services Pty Ltd 118
- *Insurance Service Holdings Pty Ltd (ISH) trading as 119 Claims Services
- 120 *InsurX Pty Ltd
- *Proclaim Management Solutions Pty Ltd
- 122 *Sedgwick Australia Pty Ltd

^{*}Claims Administrators