



GENERAL INSURANCE
Code Governance Committee

2023-24 CGC Monitoring & Compliance Priorities Consultation Paper

December 2022

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Consultation on 2023-24 monitoring priorities

The Code Governance Committee's (CGC) purpose is to drive better compliance with the General Insurance Code of Practice, helping the insurance industry to improve its service to consumers.

The CGC is developing its monitoring and compliance priorities for the 2023-24 work program. We are interested in hearing our stakeholders' perspective on issues that may be causing detriment to general insurance customers.

Our monitoring program

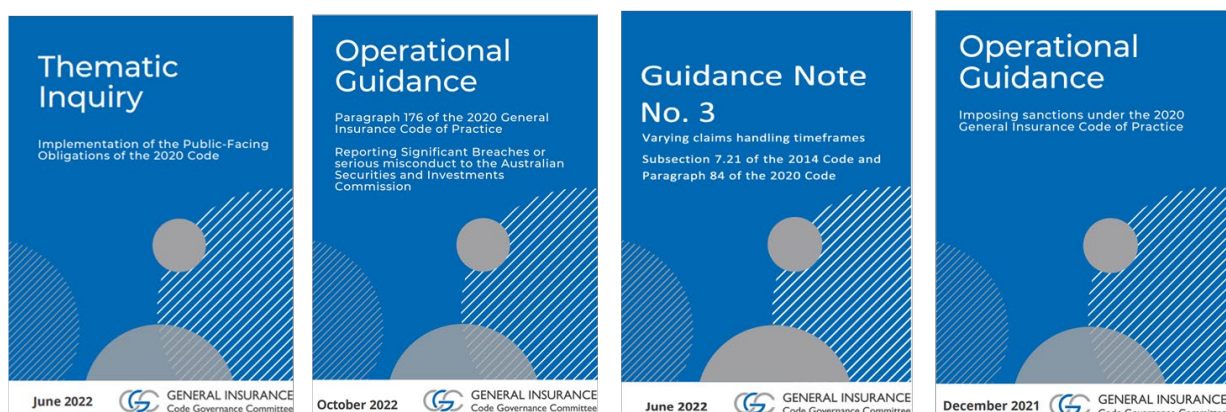
The General Insurance Code of Practice (the Code) sets out standards that insurers, who have subscribed to the Code, must meet when dealing with consumers, including small business consumers.

We assess how well Code subscribers are complying with the Code's standards, highlighting both best practice and emerging risks, and guiding insurers on how to lift compliance and, ultimately, improve service.

We do this by:

- requiring insurers to **self-report** to us on breaches and significant breaches of the Code.
- **Investigating** reports from consumers and others that an insurer has breached the Code.
- Monitoring and investigating compliance in specific areas of risk through broad-based **inquiries**.
- Providing guidance to Code subscribers on their Code obligations and how the Committee will enforce these. This guidance helps to prevent breaches of the Code and is preferable to taking action after it has occurred.

Examples of some of our recent work are shown below.



Our breach investigation work may result in a range of sanctions for a subscriber including financial compensation for direct losses or damage, a requirement for a subscriber to pay a community benefit payment of up to \$100,000, rectification of problems, and corrective advertising.

Our [Priority Monitoring Framework](#) (PMF) helps us manage our priorities and focus our work so we can help Code subscribers comply with their obligations to the Code and improve customer outcomes.

It enables us to:

- monitor compliance with the Code
- encourage best-practice compliance among subscribers, and
- identify priority focus areas.

The PMF ensures we use our resources effectively and conduct crucial aspects of our work with rigour and consistency.

When deciding whether to individually investigate a matter, the CGC will prioritise those which fall within our current priority areas. This is in addition to:

- conduct that is of significant concern or results in significant consumer or small business harm.
- conduct that has a disproportionately bigger impact on consumers experiencing vulnerability.
- conduct involving a new or emerging issue or where our involvement would likely have an educative or deterrent effect.
- where our action will assist to clarify aspects of the Code.

Deciding our priorities

Each year we aim to focus our resources on the most important code compliance issues, particularly issues that are industry-wide, serious or systemic.

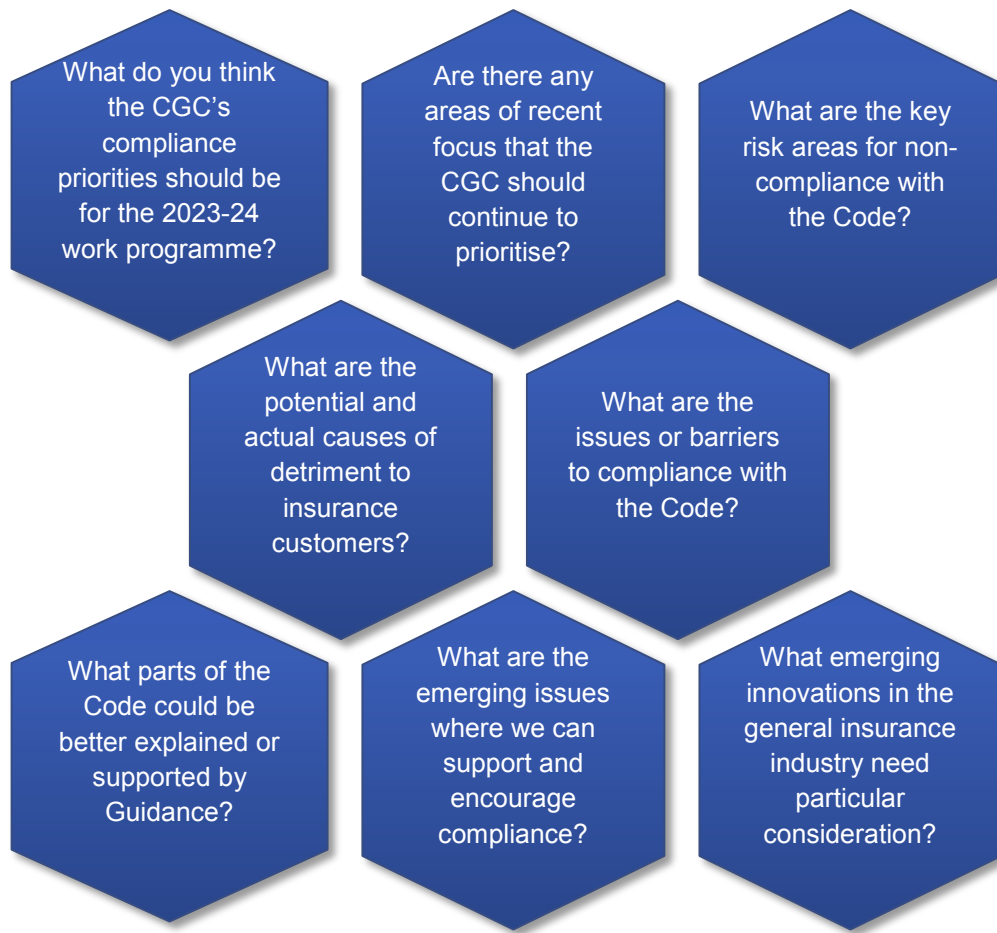
We value the perspective of general insurance customers, consumer advocates, Code subscribers, regulators and other stakeholders. Stakeholder feedback is used to inform the PMF and our priorities going forward.

Some of the trends that the Committee is observing through the PMF are highlighted in Appendix A.

In selecting our priorities for 2023-24, the CGC may also consider the need for targeted follow-up work to assess how general insurers have implemented recommendations from our past inquiries and reports.

Have your say

As we develop our compliance priorities for the 2023-24 work program, we would like to hear about any new issues, particularly those that are causing or may cause harm to general insurance customers, including individuals and small businesses. Your views will help us to ensure our monitoring work, reports and resources are targeted effectively.



Making a submission

The CGC invites formal written submissions or general comments by email on its 2023-24 monitoring and compliance priorities.

Submissions and comments should be marked “**CGC 2023-24 Monitoring & Compliance Priorities Consultation**” and sent to info@codecompliance.org.au

The closing date for submissions is **Tuesday 31 January 2023**.

If you would like to make a submission but have difficulties meeting the consultation deadline due to the holiday season, please email us at info@compliance.org.au to propose an extension. We will generally consider extensions of up to one week.

Publication of submissions

We intend to publish submissions on our website.

If you do not want your submission to be published, in whole or in part, please let us know and provide a redacted copy of your submission where relevant.

Submissions that are confidential must be clearly marked “Confidential”.

For more information about how we handle personal information, please refer to our [privacy policy](#).

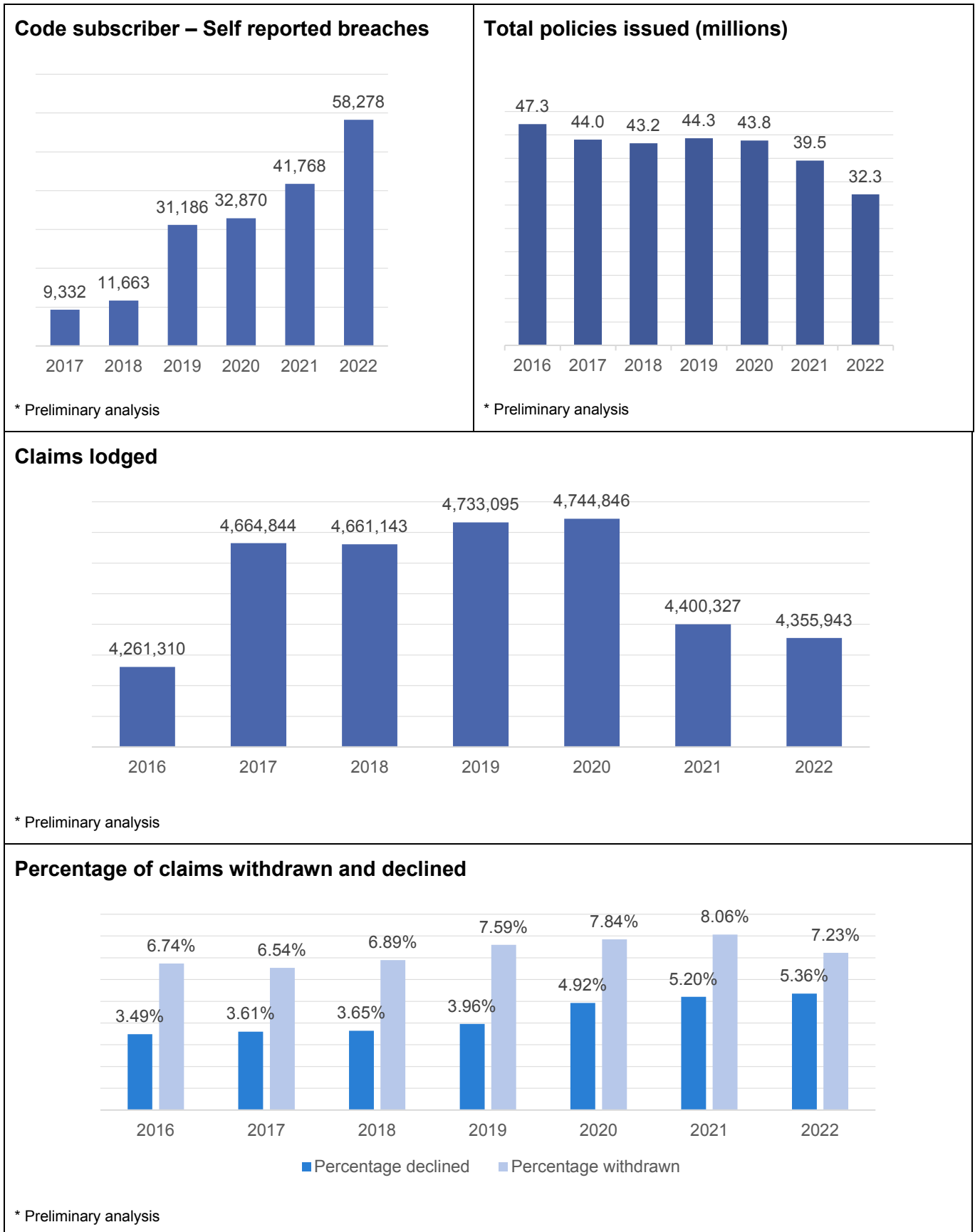
Questions?

If you have any questions prior to providing a written response, please contact the Code Team at info@codecompliance.org.au marked to the attention of:

Joanna Ifield
Code Compliance & Operations Manager

Sinead Malady
Senior Code Compliance Analyst

Appendix A: Priority Monitoring Framework Insights



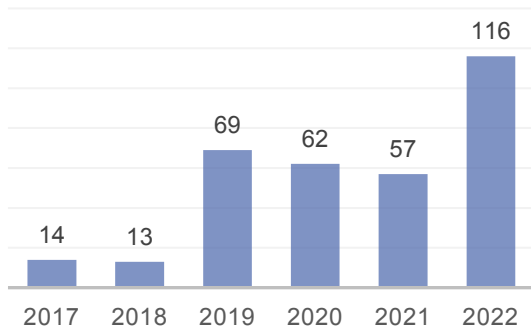
AFCFA top five general insurance complaints received by product

GI product	2019	2020	2021	2022
Home building	1,887	3,616	3,527	6,120
Motor vehicle-comprehensive	2,680	4,104	4,386	5,791
Home contents	478	946	1,079	1,289
Consumer credit insurance	96	723	506	951
Motor vehicle - uninsured third party	798	1,189	934	891

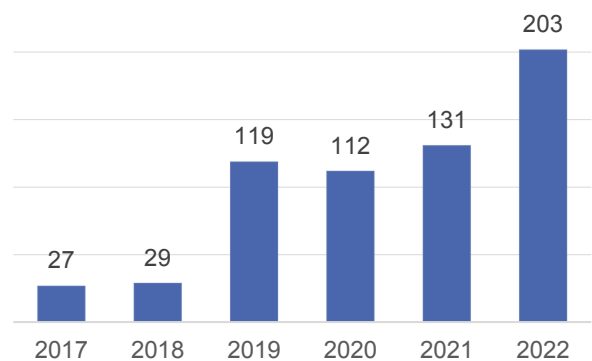
AFCFA Top five general insurance complaints by issue

Issue	2019	2020	2021	2022
Delay in claim handling	2,023	3,521	3,126	4,804
Claim amount	1,989	3,171	3,161	3,747
Denial of claim - exclusion / condition	1,667	3,032	3,146	3,111
Denial of claim	1,366	2,337	2,479	2,125
Service quality	666	1,353	1,164	1,503

Significant Breach Matters



Significant breaches of individual Code obligations



2021-22 Significant breaches of the 2020 and 2014 Codes

