



Insurance Council
of Australia

31 January 2023

Attention: Veronique Ingram
Independent Chair
General Insurance Code Governance Committee

Sent by email to: info@codecompliance.org.au

cc: Prue.Monument@codecompliance.org.au, RvandeRijdt@codecompliance.org.au,
joanna.ifield@codecompliance.org.au

Dear Veronique,

CGC CONSULTATION: CGC'S MONITORING AND COMPLIANCE PRIORITIES FOR 2023-2024

Thank you for inviting the Insurance Council of Australia (Insurance Council) and its members to comment on the Code Governance Committee (CGC)'s possible monitoring and compliance priorities for financial year 2024.

We welcome the consultation process as a new initiative and valuable way for the CGC to gauge where it might focus its attention when carrying out a thematic inquiry into the performance of Code subscribers against certain commitments in the 2020 General Insurance Code of Practice¹, developing Guidance and how the CGC might more generally encourage and support enhanced Code compliance.

We value the critical role of the CGC in promoting best practice examples of Code compliance, benchmarking industry performance against the Code, lifting compliance standards and identifying opportunities for our sector's continuous improvement. When deciding its monitoring and compliance priorities, we know the CGC considers wherever possible the context of the broader operating environment and regulatory ecosystem the industry is working within. For example, regulators like ASIC have set their enforcement priorities for 2023² and it would be desirable to avoid double up.

We note the Code is due for an independent review in 2023, and this will provide an additional opportunity for stakeholders to express views on how the updated Code has delivered benefits to consumers and any key issues arising. We provide some ideas in the **attachment** to this letter and hope they will assist the CGC with setting its monitoring and compliance priorities for 2023-2024.

We would welcome the opportunity to discuss this letter. If you have any queries, please feel free to contact me or Ai-Lin Lee, Senior Policy Advisor, Consumer Outcomes at alee@insurancecouncil.com.au or 0400 124 746.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Hall'.

Andrew Hall
CEO and Executive Director

¹ ICA, [2020 General Insurance Code of Practice](#)

² 22-302MR [ASIC announces Enforcement Priorities for 2023](#) (3 November 2022); [ASIC Enforcement Priorities for 2023](#)

ATTACHMENT: INSURANCE COUNCIL OF AUSTRALIA FEEDBACK TO THE CGC CONSULTATION - CGC'S MONITORING AND COMPLIANCE PRIORITIES FOR 2023-2024

Possible areas for focus

The Insurance Council recognises the value of the data collected by the CGC in relation to compliance and monitoring and we also see opportunities for this data to potentially provide greater positive insights into general insurers support for customers experiencing vulnerability. For example, in the areas of:

- family violence, to be able to establish a baseline about the level of engagement with customers in light of the *National Plan to End Violence against Women and Children 2022-2032*³. The National Plan calls out the role of general insurers not just as employers, but also as providers of consumer products;
- urgent financial hardship, to provide insights into how the industry works to meet the needs of customers and given ASIC relief regarding Cash Settlement Fact Sheets⁴.

We would be interested in whether existing data, or enhanced data collection may provide some of these insights, recognising changes to data collection would require notice and potential changes to Code subscriber's systems and processes, as well as staff training.

The 2020 Code followed an extensive review, setting out a range of new obligations on subscribers, including whole new parts for the Code. With an independent review of the Code scheduled to commence in 2023, our members suggest it might be valuable for the CGC to consider a thematic inquiry focus into whether the Code's new Investigation Standards in Part 15 of the 2020 Code have achieved their intended objectives since the CGC's last thematic inquiry⁵.

Avoiding duplication

Our members support the CGC setting its monitoring and compliance priorities to ensure efficiencies and avoid duplication in areas ASIC has already foreshadowed it will prioritise or can look into, for example complaints handling covered by ASIC RG 271, and areas ASIC has announced it will prioritise for enforcement in 2023, such as the design, pricing and distribution of products⁶.

Possible emerging areas

Our members identify as a possible emerging area for continuous improvement and evolution, the topic of customer inclusion. The Insurance Council continues to work closely with its members regarding new opportunities for how general insurance is accessible to a diverse range of customers (such as Indigenous and Torres Strait Islander background, LGBTIQ+ customers, customers with a mental health condition) and taking into account the customer experience journey.

Possible emerging innovations

Our members identify as a possible area of emerging innovation, the use of Artificial Intelligence (AI) and technology, mass communication with customers (which may also have associated issues relating to spoofing and scams, cybersecurity and transferring of information).

³ Department of Social Services, [National Plan to End Violence against Women and Children 2022-2032](#) (17 October 2022)

⁴ 22-034MR [ASIC streamlines process for insurers to provide consumers cash in emergency situations](#) (2 March 2022)

⁵ CGC Own Motion Inquiry [Investigations and outsourced services](#) (1 May 2017)

⁶ See above, note 2