

Key Changes in the 2014 General Insurance Code of Practice

Rose-Marie Galea, FOS Code, 17 March 2015

| 2014 Code sections | Is Retail Covered? | Is Wholesale Covered? | Key features of the new 2014 Code Words in bold text are defined by the new Code: http://codeofpractice.com.au/ |
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| Section 4 – Buying Insurance | Yes | No | <ul style="list-style-type: none"> Applies to Insured but <i>not</i> to Third Party Beneficiary. Sales processes & services will be conducted efficiently, honestly, fairly & transparently. Ensure communications with Insured are in plain language. Provide notices in writing to Insured about non-payment of premium instalment & cancellation of Instalment Policy. |
| Section 5 – Employees and Authorised Representatives | Yes | Yes | <ul style="list-style-type: none"> Code Subscriber (CS) will provide Employees & Authorised Representatives with, or require them to receive, appropriate education & training to provide their services professionally & competently, including Code training. |
| Section 6 – Service Suppliers | Yes | No | <ul style="list-style-type: none"> Service Suppliers will conduct their services efficiently, honestly, fairly and transparently. Contracts with Service Suppliers must reflect Code standards relevant to the services that they provide. |
| Section 7 – Claims | Yes | No | <ul style="list-style-type: none"> Applies to Insured <i>including</i> Third Party Beneficiary - they may make a Complaint about any aspect of claims process. CS can't discourage Insured/Third Party Beneficiary from lodging a claim & must inform them that coverage will be fully assessed if asked whether loss is covered. Claims handling will be conducted honestly, fairly, transparently & in a timely manner. Claim decision will be made within four months of receiving claim unless exceptional circumstances apply. If unable to meet timeframe must provide Insured/Third Party Beneficiary with details of Complaints process. Claim denial must be in writing including reasons & right to access information underlying decision & Complaints process. |
| Section 8 – Financial Hardship | Yes | Yes | <ul style="list-style-type: none"> Now applies to individual Insured <i>including</i> Third Party Beneficiary who owes money to CS - <i>excluding</i> payment of premiums. |

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| | | | <ul style="list-style-type: none"> • Applies to an individual where recovery is sought for damage/loss caused by them to Insured/Third Party Beneficiary. • Individual in Financial Hardship may ask for assessment of entitlement to assistance; must be provided with application form for Financial Hardship assistance & contact details for the National Financial Counselling Hotline; CS must put recovery action on hold if hardship assistance is requested. If hardship assistance is refused CS must inform individual of reasons for decision & right to access Complaints process. • If unable to reach agreement on repayment, including where individual intends to declare bankruptcy CS must provide details of its Complaints process. • Agent must provide information about CS's Financial Hardship process and notify CS, or tell individual to inform CS, of Financial Hardship. • CS & agents must comply with ACCC & ASIC debt collection guidelines. |
| Section 9 – Catastrophes | Yes | No | <ul style="list-style-type: none"> • Applies to Insured including Third Party Beneficiary. • CS must respond to Catastrophes efficiently & professionally & in a practical & compassionate manner. • Timeframe for review of a catastrophe property claim extended to 12 months. |
| Section 10 – Complaints and Disputes | Yes | No | <ul style="list-style-type: none"> • Applies to Insured including Third Party Beneficiary & individuals who have caused damage/loss to Insured including Third Party Beneficiary. • Applies to all complaints except a Complaint resolved within five business days of receipt if written response not requested. Exemption does <i>not</i> apply to a Complaint about a Declined Claim, claim value or Financial Hardship. • Must conduct complaints handling fairly, transparently & in a timely manner. Timeframes apply to Stages One & Two of Complaints process. • At end of Stage One, CS must provide a written response to a Complaint including reasons for decision, right to take the Complaint to Stage Two if unhappy with decision & right to go to FOS if unhappy with Stage Two outcome. • At end of Stage Two, CS must provide a written response to the Complaint including its final decision, its reasons, right to take Complaint to FOS if unhappy with Stage Two outcome, FOS contact details & timeframe for lodgement of complaint at FOS. |

