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Summary of the Insurance Code of Practice

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When was it effective?	The current General Insurance Code of Practice (The Code) took effect on 1 July 2014 and was required to be adopted by 1 July 2015.
Application of the Code	<p>The Code applies to all:</p> <ul style="list-style-type: none"> ▪ new policies and renewed policies of insurance entered into with an Insurer Signatory to the Code (an IS); and ▪ new claims and Complaints received by an IS to the Code, after the adoption of the Code. <p>If the current version of the Code applies, previous codes do not.</p>
Types of Insurance covered by the Code	<p>The Code covers all general insurance products except Workers Compensation, Marine Insurance, Medical Indemnity Insurance and Motor Vehicle Injury Insurance.</p> <p>It does not cover reinsurance.</p> <p>The Code does not apply to life and health insurance products issued by life insurers or registered health insurers.</p>
The Code applies differently to Retail Insurance and Wholesale Insurance	<p>The following sections apply to Retail Insurance only:</p> <ul style="list-style-type: none"> ▪ Buying insurance – section 4; ▪ Standards for Service Suppliers – section 6 ; ▪ Claims – section 7; ▪ Catastrophes – section 9; and ▪ Complaints and disputes – section 10. <p>Retail Insurance is defined as 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:</p> <ul style="list-style-type: none"> ▪ a motor vehicle insurance product (Regulation 7.1.11); ▪ a home building insurance product (Regulation 7.1.12); ▪ a home contents insurance product (Regulation 7.1.13); ▪ a sickness and accident insurance product (Regulation 7.1.14); ▪ a consumer credit insurance product (Regulation 7.1.15);

	<ul style="list-style-type: none"> ▪ a travel insurance product (Regulation 7.1.16); ▪ a personal and domestic property insurance product (Regulation 7.1.17); or ▪ as defined in the Corporations Act 2001 and the relevant Regulations.
Buying Insurance - Retail	<p>Agreed actions, pursuant to the Code include:</p> <ul style="list-style-type: none"> ▪ the use of plain language; ▪ asking for relevant information only; ▪ if the IS identifies, or the customer identifies, an error or mistake in the customer’s application or in the information or documents the IS has relied on in assessing the insurance application, the IS will immediately initiate action to correct the error; ▪ If the IS cannot provide insurance, it will: <ul style="list-style-type: none"> ○ give reasons; ○ supply the information relied on in assessing the application if the customer requests it; ○ refer the customer to the ICA or the National Insurance Brokers Association of Australia (NIBA) for information about alternative insurance options, or another insurer; and ○ provide details of the IS’ complaints process.
Cancellation Rights	<p>If a customer cancels a policy, any money owed will be sent by the IS to the customer within 15 business days.</p>
Standards for Employees /Authorised Representatives	<p>Employeesⁱ or Authorised Representativesⁱⁱ acting on behalf of an IS will:</p> <ul style="list-style-type: none"> ▪ be provided with appropriate education and training including training on the Code; ▪ only provide services that match their expertise. <p>The IS will:</p> <ul style="list-style-type: none"> ▪ measure the effectiveness of training by monitoring the performance of its Employees’ and Authorised Representatives’ services; ▪ provide or require appropriate education and training to correct any identified performance shortcomings in Employees’ or Authorised Representatives’ services; and ▪ <u>keep Employees’ education and training records for a minimum of five years and make them available to the CGC on request, and require their Authorised Representatives to do the same.</u>

<p>Other persons who are not Authorised Representatives of the IS but who are licensed by ASIC to sell insurance products</p>	<p>These may include insurance brokers, banks, or credit unions. If they do not comply with the Code when selling the products of the IS, the consumer can ask the IS to address the matter and/or report their concerns to the CGC.</p>
<p>Service Suppliersⁱⁱⁱ</p>	<p>The IS must only appoint Service Suppliers who:</p> <ul style="list-style-type: none"> ▪ are, qualified by education, training or experience to provide the required service; and ▪ hold a current licence, if required by law. <p>Contracts with IS Service Suppliers entered into after adoption of the Code must reflect the standards of the Code as they relate to the services of the Service Supplier.</p> <p>A Service Supplier must obtain the IS' approval before subcontracting their services.</p> <p>Service Suppliers will inform the customer of the service they have been authorised to provide on behalf of the IS and the identity of the IS.</p> <p>The Service Suppliers must notify the IS about any Complaint about a matter under the Code when acting on behalf of an IS.</p>
<p>Claims</p>	<p>Timeframes are specified in this part of the code. If any of the timeframes in this section are not practical due, for example, to the complex nature of a claim, the IS will agree a reasonable alternative timetable with the customer.</p> <p>Where a customer can reasonably demonstrate an urgent financial need the benefits under the policy the IS will:</p> <ul style="list-style-type: none"> ▪ fast-track the assessment and decision process of the claim; and/or ▪ make an advance payment to assist in alleviating the immediate hardship within five business days of the customer demonstrating urgent financial need; and ▪ provide details of our Complaints process, if the client is not satisfied. <p>A customer is entitled to ask us if an insurance policy covers a particular loss before a claim is lodged. In answering, the IS</p>

will not discourage the customer from lodging a claim, and will inform them that the question of coverage will be fully assessed if a claim is lodged.

If the IS does not require further information, assessment or investigation, it will decide to accept or deny your claim and notify the customer of its decision within **ten business days of receiving the claim**.

If the IS requires further information or assessment, within **ten business days of receiving the claim it will:**

- notify the customer of any information required to make a decision on the claim;
- if necessary, appoint a loss assessor or loss adjuster; and
- provide an initial estimate of the timetable and process for making a decision on the claim.

If an IS appoints a loss assessor/adjuster or investigator it **must notify the customer within 5 business days of their appointment**.

The IS will **keep the customer informed about the progress of their claim at least every 20 business days**.

The IS will **respond to routine requests made by a customer about their claim within ten business days**.

If the IS retains an External Expert to provide a report which is necessary to assess the claim, the IS will request their report be provided **within 12 weeks of the date of their engagement**. If the External Expert cannot meet or fails to meet this timeframe, the IS will inform the customer.

On receipt of the relevant information, a decision to accept or deny the claim will be made within **10 business days**.

A decision will be made within **four months of receiving a claim**, unless Exceptional Circumstances apply.

Where Exceptional Circumstances apply, a decision will be made within **12 months of receiving the claim**.

If the claim is denied the IS will:

- give reasons in writing;
- inform of the right to ask for the information relied on in assessing the claim, and supply the information within **ten business days** if requested;

	<ul style="list-style-type: none"> ▪ inform of the right to ask for copies of any Service Suppliers' or External Experts' reports relied on in assessing the claim, and ▪ supply the reports within ten business days if requested; and ▪ provide details of the IS complaints process.
Catastrophes	If a property claim resulting from a Catastrophe is finalised within one month after the event, <u>a customer can request a review of their claim if they think the assessment of loss was not complete or accurate, even though they may have signed a release.</u> The customer will have 12 months from the date of finalisation of the claim to ask for a review.
Complaints	<p>The IS will inform the customer about its complaints process.</p> <p>The IS will supply the customer with the information we relied on in assessing their complaint within ten business days of a request.</p> <p>An initial response to the complaint ought be provided in 15 business days.</p> <p>The complaints process should take no longer than 45 days.</p>
Governance	The Code Governance Committee (GCE) is the independent body responsible for monitoring and enforcing compliance with the Code and reports to the ICA.
Monitoring, Enforcement and Sanctions	<p>Customers can report breaches of the Code.</p> <p>IS have agreed to:</p> <ul style="list-style-type: none"> ▪ have appropriate systems and processes in place to enable the CGC to monitor compliance with the Code; ▪ prepare an annual return to the CGC on compliance with the Code; and ▪ have a governance process in place to report on IS compliance with the Code to the IS Board of Directors or executive management. <p>If the IS identifies a Significant Breach of the Code, it will report it to the CGC within ten business days.</p> <p>The IS will be in breach of this Code if its Employees, Authorised Representatives or Service Suppliers fail to comply with</p>

	<p>this Code when acting on behalf of the IS.</p> <p>The CGC will prepare annual public reports containing aggregate industry data and consolidated analysis on Code compliance.</p>
<p>Sanctions</p>	<p>If the CGC considers the IS has failed to correct a Code breach, it will:</p> <ul style="list-style-type: none"> ▪ notify the CEO of the IS in writing; and ▪ provide an opportunity for the IS to respond within 15 business days. <p>The CGC will notify the CEO in writing of its decision regarding any failure to correct a Code breach and any sanctions to be imposed.</p> <p>The CGC may impose one or more of the following sanctions:</p> <ul style="list-style-type: none"> ▪ a requirement that particular rectification steps be taken; ▪ a requirement that a compliance audit be undertaken; ▪ corrective advertising; and/or ▪ publication of the non-compliance. <p>The CGC's decisions are binding on an IS.</p>

List of Insurer Signatories to the Code

The General Insurance Code of Practice website: codeofpractice.com.au lists the following companies that have adopted the 2014 General Insurance Code of Practice on June 30, 2015, unless an earlier date is noted below:

1. AAI Limited
2. ACE Insurance Ltd
3. AIG Australia Ltd
4. AIOI Nissay Dowa Insurance Company Australia Pty Limited (ADICA)
5. Allianz Australia Insurance Ltd
6. Ansvar Insurance Ltd
7. Assetinsure Pty Ltd
8. Auto & General Insurance Company Ltd
9. AVEA Insurance Ltd
10. Calliden Insurance Ltd
11. Catholic Church Insurance Ltd
12. CGU Insurance Ltd
13. Chubb Insurance Company of Australia Ltd
14. Commonwealth Insurance Ltd
15. Credicorp Insurance Pty Ltd
16. Defence Service Homes Insurance Scheme
17. Factory Mutual Insurance Co. - **compliant from July 1, 2014**
18. Genworth Financial Mortgage Insurance Pty Ltd
19. Great Lakes Re-insurance (UK) PLC
20. Guild Insurance Ltd
21. Hallmark General Insurance Company Ltd
22. Insurance Australia Ltd
23. Insurance Manufacturers of Australia Pty Ltd
24. LawCover Insurance Pty Ltd - **compliant from July 1, 2014**
25. Lloyd's Australia Ltd
26. Mitsui Sumitomo Insurance Co Ltd
27. MTA Insurance Ltd
28. NTI Ltd
29. OnePath General Insurance Pty Ltd
30. Progressive Direct Insurance Pty Ltd
31. QBE Insurance (Australia) Ltd
32. QBE Lenders' Mortgage Insurance Ltd
33. RAA Insurance Ltd

34. RAC Insurance Pty Ltd
35. RACQ Insurance Ltd
36. RACT Insurance Pty Ltd
37. Sompo Japan Nipponkoa Insurance Inc
38. Southern Cross Benefits Ltd
39. St Andrew's Insurance (Australia) Pty Ltd
40. Sunderland Marine Mutual Insurance Company Ltd
41. Swann Insurance (Aust) Pty Ltd
42. The Hollard Insurance Company Pty Ltd
43. The Tokio Marine & Nichido Fire Insurance Co Ltd
44. Virginia Surety Company Inc
45. Westfarmers General Insurance Ltd
46. Westpac General Insurance Ltd
47. XL Insurance Company Ltd
48. Youi Pty Ltd
49. Zurich Australian Insurance Ltd

ⁱ Employee means a person employed by us or by a related entity that provides services to which this Code applies.

ⁱⁱ Authorised Representative means a person, company or other entity authorised by the IS to provide financial services on behalf of the IS under its Australian Financial Services licence, in accordance with the Corporations Act 2001.

ⁱⁱⁱ Service Supplier means an Investigator, Loss Assessor or Loss Adjuster, Collection Agent, Claims Management Service (including a broker who manages claims on behalf of an insurer) or its approved sub-contractors acting on behalf of an IS.