

14 February 2025

Tuesday, 25 March 2025

By email: [info@codecompliance.org.au](mailto:info@codecompliance.org.au)

Dear Code Governance Committee

### **Monitoring priorities for 2025-6**

Thank you for the opportunity to respond to the Committee's monitoring priorities for the upcoming year. We are pleased to note that the Committee's existing workplan includes targeted reviews of cash settlement practices and assessing the acceptance of third-party authorities.

Insurance files form a large part of our legal casework and frequently involve clients in personal or financial crisis. While many claims may appear straightforward to an insurer, no claim is simple to the person making it. The Committee's work has been invaluable in driving better outcomes for consumers.

### **Identifying and supporting vulnerable customers**

Many of the responses to last year's consult highlighted failings by insurers to identify and support customers experiencing vulnerability, which the Committee was unable to prioritise. It has also been several years since the Committee assessed subscribers' compliance with the relevant sections of the 2020 Code.<sup>1</sup> The Independent Code Review Report highlighted how important obligations to treat customers experiencing vulnerability appropriately, particularly in the context of climate disasters and ASIC's REP 802 citing Insurers failing to identify one in six complaints.

We believe that a workstream assessing how insurers respond to customer vulnerability would be valuable, particularly in the context of home insurance claims. While we expect the Committee's work on cash settlements will focus on dealing with customers experiencing vulnerability, it would also be pertinent to look at:

- How information about a consumer's vulnerability is elicited – whether staff are identifying flags and asking further questions about a customer's needs
- If those identified needs are being appropriately met, particularly providing interpreters and ensuring communication is appropriate

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<sup>1</sup> [Review of subscribers' implementation of vulnerability and financial hardship obligations - CGC](#)

- If appropriate flexibility is built into responding to customers who are victim-survivors of domestic and family violence.

### **Financial hardship support**

We note that in the Committee's response to last year's consult, it was indicated that a thematic inquiry into financial hardship support would be picked up in 2025-6.<sup>2</sup> While many recommendations to the Code Review concerning financial hardship have been agreed to by industry in-principle,<sup>3</sup> we expect that putting the new obligations in place will take some time and given the number of natural hazard claimants in financial hardship, there is value in the Committee picking up this work now. Examining the conduct of insurers can inform the development of new Code commitments.

### **Claims handling**

Notwithstanding the significant work that the Committee, ICA and industry have done to uplift claims handling, we continue to receive calls about poor conduct. This includes significant delays and breakdowns in communications, poor oversight of external experts (including commissioning inappropriate experts for the damage), and failing to identify complaints. Again, ASIC's REP 802 is instructive and reflects the experience of our clients on the frontlines.

### **Premium renewals**

We note the recent, considerable public attention on premium increases. While the Code subscribers are obliged to provide information about how the difference in premiums was calculated, it is apparent that broadly, this is not meeting public expectations. The lack of clear communication about premium increases is driving a lack of trust in the industry. Recently, AFCA has made some clear and pleasing determinations on premium increases,<sup>4</sup> however AFCA's jurisdiction with respect to pricing is limited. Therefore, the Committee should consider developing best practice guidance for the content and quality of information that should be communicated to policyholders.

### **Naming Insurers that are sanctioned**

Lastly, we encourage the Committee to name all insurers who are sanctioned in future, regardless of their cooperation with the Committee. This would ensure greater transparency for the sector and consumer choice.

Yours faithfully,

### **CONSUMER ACTION LAW CENTRE**

**Stephanie Tonkin**  
CEO

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<sup>2</sup> [CGC-Monitoring-Priorities-Consultation-Response-Paper-FY25.pdf](#)

<sup>3</sup> [The General Insurance Code of Practice Independent Review and the 2022 Flood Inquiry Recommendations](#)

<sup>4</sup> <https://www.insurancenews.com.au/daily/insured-wins-refund-over-failure-to-spell-out-annual-fee-saving>