14 August 2026

Tess Macrae
Director Competition Exemptions
The Australian Competition and Consumer Commission
23 Marcus Clarke St
Canberra ACT 2601
by email: exemptions@accc.gov.au

Insurance Council of Australia application for authorisation AA1000720 – Draft determination

Thank you for the opportunity to comment on the Australian Competition and Consumer Commission's (**ACCC's**) draft determination in respect of the application for authorisation lodged by the Insurance Council of Australia (**ICA**) on 30 March 2026 (**the Application**).

Financial Rights Legal Centre (**Financial Rights**), Consumer Action Law Centre (**Consumer Action**), Financial Counselling Australia (**FCA**) and Westjustice, welcome and support the ACCC's proposal to *not* grant the authorisation.

As we made clear in our original submission to the application, consumer representatives did not take the decision to oppose the application lightly and are disappointed by the approach that the general insurance sector has taken to the critical issue of terms of exclusion in home insurance policies.

The consumer movement has long argued for the harmonisation and simplification of a bundle of related terms including "maintenance," wear and tear," "pre-existing damage" "good working order" deterioration" and "defects" in the form of a set of standardised definitions. Combined with educational materials and further reforms to insurer claims handling, we believe the harms we continue to see happening to our callers and clients can and should be addressed.

However, for the reasons that the ACCC has clearly articulated in its draft determination, we oppose the application. We agree that the little public benefit identified is far outweighed by the clear public detriment if this proposal were to move ahead.

We note the ACCC's point that Government has the ability to develop and introduce a regulated standard definition for these terms at any time. We believe it is preferable for expediency and simplicity if the proposed conduct is not authorised, so that consumers are not left confused and waiting for Government to act in response.

Finally, in the event that an interested party provides a further response to the draft determination that alters the current approach proposed by the ACCC, our organisations would appreciate the opportunity to consider these changes and provide a further response, where appropriate.

Kind Regards,

Drew MacRae
Principal, Policy Development
Financial Rights Legal Centre