

SUNCORP

Submission to the
Independent Review of the
2020 General Insurance
Code of Practice

June 2024

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Letter to the Review Panel

31 May 2024

Attention: Review Panel

Helen Rowell, Gerard Brody and Paul Muir

c/- Secretariat to the Review Panel

Sent by email to: secretariat@codeofpracticereview.com.au

Dear Review Panel,

Since 1916, Suncorp has been focussed on building futures and protecting what matters.

We have seen firsthand the devastating impacts natural disasters can have on families, homes and communities and understand the value that insurance plays in helping people rebuild their lives. As one of Australia's leading general insurers, we understand that the with increasing frequency and intensity of weather events over recent years, the role of insurance in supporting Australians and their communities to recover from disasters has never been more important.

Suncorp has long been a subscriber to the General Insurance Code of Practice (the Code) and is a firm believer and supporter of the benefits that industry self-regulation can bring. We believe that the Code underscores Suncorp's and the industry's commitment to openness, fairness and honesty in all dealings with customers. We welcome the opportunity to respond to the Independent Review: Initial Consultation Paper (Consultation Paper).

While the 2020 Code has enabled improvement in support for customers experiencing vulnerability and financial hardship, and established new obligations in relation to investigations, there are a number of opportunities to further improve the efficiency and effectiveness of the Code in 2024.

Suncorp has also provided input into the submission by the Insurance Council of Australia (ICA). Suncorp is supportive of the positions put forward by the ICA, and makes this submission with the intent of supplementing the industry view and highlighting some alternate or additional insight into the Code's application in the current environment, and recommendations to improve its operation into the future.

Our detailed response to the Consultation Paper is outlined below. If you have any questions about our submission, please contact Karyn Mauerhan via phone (0414 674 257) or email (karyn.mauerhan@suncorp.com.au)

Regards,



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1. The General Insurance Code of Practice – Purpose, Practice, and the Path Forward

1.1 Purpose of the General Insurance Code of Practice

In order to ensure recommendations for the next iteration of the General Insurance Code of Practice (Code) have a positive effect on the provision of General Insurance products and services to the public, it is essential to acknowledge the purpose of the Code, which can be understood through considering the Objectives set out in Part 1 of the Code, as well as broader commentary around industry Codes of practice over time. The Code has been part of the General Insurance industry's self-regulation environment since 1994. The Code allows the public, insurers, AFCA, and other Regulators to have clarity on commitments being made by subscriber insurers above and beyond legal requirements, and for the industry to hold itself accountable for breaches of the commitments in accordance with the self-regulation provisions it sets.

The current Objectives of the Code are set out in Part 1, paragraph 1:

- a. to commit us to high standards of service;
- b. to promote better, more informed relations between us and you;
- c. to maintain and promote trust and confidence in the general insurance industry;
- d. to provide fair and effective mechanisms for resolving Complaints you make about us; and
- e. to promote continuous improvement of the general insurance industry through education and training

Further commentary on the purpose or objectives of industry Codes of Practice includes:

- to raise standards and to complement the legislative requirements that already set out how product issuers and licensed firms (and their representatives) deal with consumers;¹
- to lift standards to a "best practice" level or at least a standard that exceeds the law in a number of meaningful ways;²
- a form of 'self-regulation' by which industry participants set standards on how to comply with, complement, and exceed, various aspects of the law;³ and
- to provide all participants in the financial services industry – including consumers – with clarity on the rules that govern their dealings.⁴

Since the introduction of the Code, there have been many significant developments within the financial services industry, such as those related to the evolution of the relevant legal and regulatory frameworks, technological and digital advancements, and evolving community expectations particularly in relation to communication, engagement, and convenience in relation to general insurance products. These expectations have evolved as the industry has navigated changes to the intensity and frequency of significant weather events. In recent years there have also been several reviews into insurance practices by the Code Governance Committee (CGC), Australian Securities Investments Commission (ASIC) and other bodies, and a Parliamentary Inquiry into insurer response to the 2022 floods which heard evidence regarding the role and effectiveness of the Code. Throughout this, it has become clear that general insurers must consider *how*, we as an industry, ensure the Code meets its objectives, sets industry standards for general insurers in meeting legal and regulatory obligations while ensuring these standards add value to our customer's experience or outcome.

This 2024 review is set against the backdrop of several significant events that have unfolded around or since drafting of the 2020 Code, including the COVID pandemic, significant and largely unprecedented fire, flood, and storm events, international political destabilisation impacting claims costs and fulfilment timeframes, the commencement of significant financial services regulatory reform, including Design and Distribution Obligations, Claims Handling as a Financial Service, Reportable Situations, and RG 271 – Internal Dispute Resolution, and a high inflationary environment. Just as

¹ ASIC RG 183, March 2013, 4 [183.4]

² Financial Counselling Australia, Submission to the Consultation Paper: Enforceability of financial services industry codes, April 2019, 2 (available: [c2019-t368566 - financial_counselling_australia.pdf \(treasury.gov.au\)](https://www.treasury.gov.au/publications/2019/04/financial-counselling-australia.pdf))

³ The Treasury, Financial Services Royal Commission: Submission – Interim Report, 9 [56] (available: [08 Aug 2019 - Interim Report submissions - Trove \(nla.gov.au\)](https://www.treasury.gov.au/publications/2019/08/financial-services-royal-commission-submission-interim-report)); The Hon Chris Bowen MP, Foreword to the General Insurance Code of Practice 2010, May 2010.

⁴ Final Report: Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, February 2019, vol1, 106.

previous versions of the Code have included revisions based on lessons from recent events, recommendations for the next iteration of the Code should consider the changes in the broader social, economic, technological, and regulatory environment, as well as issues identified through reviews and inquiries, and experience in operationalising the Code, to determine how it can best meet its objectives going forward.

1.2 The General Insurance Code of Practice, in Practice

Suncorp is committed to promoting, continually developing, and living the Code in how we conduct business and interact with customers. Suncorp played a central role in the development of the current version of the Code, which is an important component of the regulatory environment and is integral to continuous improvement in customer service standards and promoting consumer trust and confidence in the industry. Suncorp acknowledges that there are many benefits to the current design of the Code, and these include:

The Code in its current state meets many of its intended objectives by enabling the development of practical and adaptable obligations relating to emerging issues and evolving community needs and expectations.

Parts 9 and 10 of the 2020 Code in their current state, which are largely the result of submissions from various stakeholders through the review of the 2014 Code, are good examples of this. These Parts create obligations for insurers to make information related to customers experiencing vulnerability and financial hardship available on their websites, and set practical standards for how insurers engage with customers in the context of these obligations. Changes that Suncorp implemented in preparation for the 2020 Code included frontline employee and service provider training in relation to customers experiencing vulnerability, system flags to ensure that customers who are identified as vulnerable do not need to retell their story each time they communicate with us, and the establishment of 'Hub' support teams to provide specialised support to customers identified as needing additional support. Not only has this enabled better flexibility in supporting customers where needed, but it has also enabled the identification of opportunities to enhance products to bridge potential gaps for customers experiencing vulnerability.

Suncorp has introduced 'Conduct of Others' clauses into several products to enable flexible treatment of claims where damage is caused by an insured under the policy in certain circumstances (such as where mental health or domestic abuse are elements), where a policy exclusion would otherwise generally apply. Adjusting policy wordings to respond to these circumstances is the result of customer challenges identified through introduction of vulnerability processes and has clarified to policyholders and frontline claims managers that there are certain circumstances where flexibility can be applied to achieve a fair claim outcome outside of strict contractual policy terms. Setting overly prescriptive, or legislated requirements carries the risk of stifling insurer capability to support customer needs, particularly in the nuanced and varying circumstances that are experienced through the claims processes.

The public-facing, and plain English nature of the Code also makes it relatively accessible for consumers, compared to the highly complex nature of the broader suite of laws and regulatory requirements that govern the provision of financial products and services.⁵

The Code aids consumers by providing visibility of the commitments that insurers are holding themselves to, which is enhanced through obligations to promote consumer awareness of the Code on websites and in relevant policy documents and communications. The extent of the benefit is however limited by the extent to which the Code clearly

⁵ Australian Law Reform Commission, Final Report – Confronting Complexity: Reforming Corporations and Financial Services Legislation, November 2023, 50-65.

conveys which commitments insurers are actually committing to.⁶ In its current state, the Code contains a mixture of firm commitments, aspirational statements, consumer information, and governance requirements. Clarification of which paragraphs fall into which category would improve understanding for all stakeholders of the many facets of the Code.

The Code also meets its purposes by acting as a gauge for continuous improvement.

Reports published by the CGC over recent years have highlighted examples of good controls and governance,⁷ as well as where need for improvement has been identified. This function enables targeted uplift to address deficiencies and align with best practice. Despite recent reports of increasing Code breach volumes across the industry, the identification of breaches is an important step in understanding where breaches are occurring to target strengthening of the preventative Control environment. Breach volumes can be influenced by a number of factors, originating both internally and externally to the insurer. Having the right obligations in code, complementary to the law, enables an insurer to know what obligations need to be met, monitor for breaches, and analyse whether adjustment or strengthening of processes, systems, training, or other controls is required. As noted in the 2022-23 General Insurance Industry Data and Compliance Report by the CGC, many insurers had succeeded in reducing the number of breaches related to most claims handling timeframes obligations, which had increased over prior years. The Report also highlighted that further work in relation to technological solutions and process improvement was needed to achieve meaningful and sustainable improvements in Code compliance across industry. Optimisation of these continuous improvement benefits that the Code enables is possible where the right obligations, controls, and regulation are in place.

There are also opportunities to update the existing Code to improve consumer experience through increased operational efficiency without adding to claims cost pressures, and a growing insurance protection gap in Australia.⁸

Legislative changes have resulted in duplication of obligations across legal and regulatory regimes and the Code, resulting in inefficiencies in compliance management practices for Insurers.

The legislative environment has evolved to the point that in some circumstances the Code effectively now *duplicates* the legal regulatory requirements, rather than *complements* them, causing inefficiency in managing compliance.

Many of the Complaints obligations in the Code have now been incorporated into ASIC's RG 271, and as a result a single instance of failing to provide a communication can result in breaches of two regimes and require reporting (and ongoing engagement if required) with both the CGC and ASIC. Similarly, para 160 of the Code requires compliance with the Principles of the Privacy Act 1988 and any other relevant State or Territory requirements, which effectively requires the recording of two breaches for a single breach of the Australian Privacy Principles. Reporting requirements for privacy breaches have been calibrated specifically under the Notifiable Data Breaches scheme to balance compliance obligations with consumer benefit, and the need for repetition under the Code is unclear. There is also potential to remove duplication for other existing privacy and security related compliance regimes, such as under APRA's CPS234, the Security of Critical Infrastructure Act 2018, the Privacy Act 1988, and even the Corporations Act 2001. Significant Privacy reform in the pipeline also has potential to further increase complexity for entities, which while important in itself, will result in increased administrative costs and inefficiencies be compounded if overlap with the Code remains.

⁶ Joint Consumer Submission to the Insurance Council of Australia – General Insurance Code of Practice 2017 Review: Interim Report January 2018, 7.

⁷ Code Governance Committee, Parts 9 and 10 of the 2020 Code – Review of subscribers' implementation of vulnerability and financial hardship obligations, November 2021, 9-10 (available: [Parts 9 and 10 of the 2020 Code \(insurancecode.org.au\)](https://www.insurancecode.org.au)).

⁸ ICA News Release [Andrew Hall's speech at the National Press Club on the importance of addressing the protection gap](#) (23 November 2023)

Similarly, the overlap of current regulatory engagement regimes creates a significant strain on compliance and business resources. Regulatory engagement with the CGC generally takes place through either:

- Submission of the Annual Data Return by Code subscribers
- Reporting of Significant Breaches in accordance with assessment criteria and timeframes set by Part 13
- Responding to Breach Investigations conducted by the CGC (generally because of breach allegations made directly to CGC)
- Participating in and responding to CGC Own-Motion Inquiries, reviews, and audits.

While the Annual Data Return is a significant exercise, and requires reporting of both business and breach data on an annual basis, the resulting Data and Compliance Report by the CGC enables identification of areas of concern, and also enables entities to identify where they may have significantly lower breach numbers than their peers, which could indicate weakness in detective controls if unable to be explained by strength in the preventative control environment. The annual report also highlights key industry trends and areas of improvement. However, the anomalies that enable insights, also mean that the data itself is not infallible, and can be skewed by differing insurer interpretation and application of Code obligations, and varying strengths in the identification of breaches. Many of the data points sought by CGC at a portfolio level are also similar to data points that APRA and ASIC have proposed at a granular level as part of their General Insurance Data Transformation initiative, though notably Code breach data is not covered in the joint APRA-ASIC proposal. Throughout redrafting of the Code, consideration will need to be given to further developments in the regulatory reporting environment, and how to optimise approach between the different CGC reporting and response requirements.

Reporting of Significant Breaches of the Code to the CGC is often undertaken in addition to reporting of the same matter to ASIC as a Reportable Situation for obligations that are effectively the same across both Code and law. As a result, Insurers are often required to provide additional information in a format suitable for CGC, in relation to the circumstances of the breach, which Code obligations have been breached and whether each component is significant or not, and actions taken to rectify the root cause and remediate impacted customers. While some of this information will be the same as provided to ASIC, differences in Code provisions and timing of updates create notable additional administration work for insurers noting that the CGC are also reporting the same breaches to ASIC once they have been reported to the CGC as a significant breach of the Code. The additional reporting does not lead to consumer benefit.

Breach investigations conducted by the CGC are an integral component of the public-facing side of the CGC and have the potential to increase the effectiveness of industry self-regulation. In practice however, it is not uncommon for complainant representatives to lodge allegations with CGC while a matter is the subject of a complaint with AFCA. Investigation by CGC at this time has potential to disrupt the business resources and fact-gathering required to manage the complaint in a timely and complete manner. Further, any determination on the matter by AFCA is likely relevant to CGC's informed exercise of their discretion to undertake an investigation.

As noted above, CGC Own-Motion Inquiries are also an important aspect of Code regulation and can produce significant benefits for insurers when Inquiry outcomes and recommendations are themed and informed by breach data, community and regulatory expectations, and feedback from stakeholders in determining CGC priorities.

Working through these practical challenges and continuing development of aspects of the Code that focus on emerging issues rather than duplicating existing obligations, will enable the Code to efficiently and effectively uplift compliance practices across the industry in a positive manner that puts customer benefit and experience at the forefront.

1.3 The Path Forward for the General Insurance Code of Practice

To ensure the Code remains fit for purpose and continues to have a meaningful and positive impact on industry standards and customer experience, Suncorp submits that the next iteration of the Code should be drafted in alignment with the following principles:

1.3.1 The Code should not duplicate the legal obligations, but should set industry standards in relation to how the general insurance industry meets those obligations.

- Duplication is inefficient and produces no consumer benefit.
- If there is benefit for the Code to provide a summary of consumer rights, including those covered elsewhere in law, the Code should identify and *reference* those obligations, or clarify that they are obligations that are not 'Code obligations' (and therefore not subject to duplicated regulatory regimes)

1.3.2 Enforceable Code Provisions should not duplicate existing legal and regulatory requirements.

1.3.3 Matters where Industry consistency of approach is beneficial to consumer outcomes should be included in the Code or by reference to 'best-practice' guidance, or Standards to be published alongside the Code.

- For example, consistency of definitions such as wear and tear and vulnerable customers, or approach to ensuring fairness in seeking and relying on External Expert reports.

1.3.4 Efficiencies should be sought in Code regulation.

- Significant Breach Reporting obligations should be removed, or alternatively, aligned with ASIC Reportable Situations criteria and timeframes. Breach Data reporting could be made more frequent to ensure CGC access to breach data in a timely manner to support targeting of Own-Motion Inquiries and other activities.
- As part of receiving breach allegations, the Code should stipulate that CGC receive information on whether the subject matter of the allegation is also subject to a complaint that has been lodged with AFCA. If so, the Code should also stipulate that CGC should withhold its decision on whether to investigate code breaches until after the conclusion of the matter before AFCA.

1.3.5 Consideration should be given to separating consumer guidance and rights from insurer obligations and commitments.

- For example, removing general statements which are not obligations and including them in a supplementary guidance document for consumers, or identifying 'aspirational' commitments (such as para 91) as opposed to 'obligations' and specifying that they are met through process and governance, rather than breached by individual failures to ensure a particular outcome.

2. Responses to the Panel's Consultation Questions

2.1 Key Areas to be Considered

Theme	Question	Response
Financial Hardship	<p>2.1 Does the Code provide adequate protections to ensure customers facing financial difficulties are obtaining suitable and appropriate assistance from insurers? If not, how can it be improved? For example:</p> <p>(a) Should the Code adopt the expectations identified by ASIC relating to financial hardship? If not, why not?</p> <p>(b) Should the Code more explicitly address financial hardship in relation to the payment of premiums or distinguish between assistance available to those with short-term financial hardship, compared to those for whom financial hardship is more entrenched. If so, how?</p>	<p>Current protections: cover the scope of Financial Hardship provision; require insurers to publish relevant information about applying for support; set requirements for timeliness and transparency through the application and assessment process and for placing recovery on hold; provide direction on raising hardship with insurers and the types of relief that may provide support; and limit unnecessary barriers to the application. These provisions are broadly sufficient.</p> <p>a) The Code should not mandate specific remedies to financial hardship. Enabling some flexibility in payment timing or waiving is appropriate, but should not be a mandated requirement for all policyholders experiencing financial hardship. Code obligations may provide benefit by requiring monitoring of Financial Hardship data but should not mandate the specific data points or stipulate how financial hardship data is used.</p> <p>b) Short v long term Financial Hardship needs to be considered alongside application of Customers Experiencing Vulnerability obligations, and considerations around individual resilience, or Hardship/Vulnerability caused by a specific event. Industry-led best-practice guides can highlight policies and practices that have produced positive outcomes for other insurers to assess and consider adopting.</p>
	<p>2.2 How can the Code and/or its administration encourage greater compliance with financial hardship obligations, particularly where third-party debt collectors are involved?</p>	<p>ASIC RG 96 Debt collection guideline: for collectors and creditors should continue to be the key source of guidance for debt collection and associated regulatory activity.</p>
	<p>2.3 Are other mechanisms more appropriate than the Code to address issues related to the assistance insurers provide customers facing financial hardship, and if so, what and why?</p>	<p>Initiatives are currently underway to update legislative regimes in relation to provision of Personal Advice, and Standardisation of Cover and various definitions. These may go some way in enabling more productive conversations in relation to avoiding and/or treating financial hardship. As per ICA and Suncorp submissions on Standard Cover reform, government investment in public</p>

Theme	Question	Response
		financial literacy uplift will also be a key component to avoiding and treating Financial Hardship in the longer term
Customer Vulnerability	<p>2.4 Is the Code in line with community expectations regarding customer vulnerability? If not, how can it be improved? For example:</p> <p>(a) Should the Code promote inclusive product and service design to better address customer vulnerability? If so, how?</p> <p>(b) Are there other types of vulnerability or disadvantage that need to be more explicitly addressed by the Code?</p> <p>(c) How could the Code require or encourage better identification of potential vulnerabilities, other than at the point of claim? Should the assumption of vulnerability in the Code be reversed in certain situations such as those involving trauma? If so, how could the Code be amended to achieve this?</p> <p>(d) How should the Code promote enhanced responses to customers experiencing heightened levels of vulnerability, particularly during a catastrophe?</p>	<p>a) Vulnerability is varied, and inclusivity in product design requires flexibility that should not be mandated by the Code. However, the Code should encourage inclusivity in product and service design as part of the broader commitment under para 91. This could be done through development of 'best practice guidance' in accordance with para 192, which could recommend actively incorporating feedback relating to inclusive product and process design into product and process development and review. Suncorp's introduction of 'Conduct of Others' clauses outlined at 1.2 above is an example of this process in action. Flexible processes that are non-invasive enable practical support to be provided where it is needed.</p> <p>b) Gender-based abuse and vulnerability and the General Insurance industry's role in reducing it has been explored in a recent report by the Centre for Women's Economic Safety (CWES).⁹ Many of the CWES report principles should be supported, but there is a need to thoroughly analyse and test the recommendations, as some may inadvertently cause detriment to other customer interactions, or even create an alternate avenue for perpetrators of abuse to exploit. 'Best practice' guidance could refer to relevant reports such as the CWES report to elevate their consideration in product and process design alongside broader inclusivity and vulnerability feedback.</p> <p>c) Understanding 'trauma' can be complex, and while it may be appropriate for specialised 'Customers Experiencing Vulnerability' teams, it may be impractical for all frontline claims managers to have the same level of education. Training and processes could uplift awareness that <i>any</i> claimant making a claim related to a significant event or catastrophe is at increased risk of experiencing vulnerability, which may support improved vulnerability identification. However, these claimants should not be flagged as 'vulnerable' by default. This is because it may obscure monitoring and ability to support customers who genuinely are in need of additional support. Suncorp has also encountered instances where</p>

⁹ Fitzpatrick, C. (2024). Designed to Disrupt: Reimagining general insurance products to improve financial safety (CWES Discussion Paper 2). Sydney. Centre for Women's Economic Safety.

Theme	Question	Response
		<p>customers have taken offence to any perception that they are experiencing vulnerability. Other opportunities for Code to support uplift may be through reference to 'best practice' guidance that includes monitoring, such as key-word mining or other measures, to support industry in identifying uplift opportunities.</p> <p>d) Principles-based obligations, CGC reviews, and/or industry forums to identify best practice can support uplift across industry – The Code could refer to reasonable consideration of 'best practice' examples in insurers' own process design, in accordance with Para 192.</p> <p>Lastly, among many customer groups, there appears to be a stigma around 'vulnerability' that causes some customers to be hesitant to be flagged as a customer experiencing vulnerability. This stigma could potentially be eroded by exploring alternative descriptions (e.g. 'Customers requiring additional support') to identify the need for additional support.</p>
	2.5 How can the Code and/or its administration encourage greater compliance with vulnerability obligations?	CGC reviews highlighting and promoting best practice, and exploring options to erode the stigma surrounding vulnerability, as noted in response to question 2.4.
	2.6 Are other mechanisms more appropriate than the Code to address issues related to the assistance insurers provide vulnerable customers and if so, what and why?	<p>The Code in conjunction with 'best-practice' guidance to sit alongside it, which can be industry-developed, or result from CGC reviews into how insurers are meeting their obligations under Parts 9-10. This approach enables an adaptable approach to providing effective support to customers in varying circumstances.</p> <p>The Code or supporting Standards or Guidance could also require the role of a Customer Advocate to be established within insurers. This could be filled by a dedicated Customer Advocate, or be performed as a function of customer experience or dispute resolution teams.</p>
The Code and the Law	<p>2.7 How effectively does the Code interact with the law and how, and in what areas, could this be improved?</p> <p>(a) Are paragraphs 18 and 20 of the Code sufficient to manage any conflict or inconsistency between the Code and the law? What changes would you propose to these paragraphs, if any, and why?</p>	<p>Duplication between Code and Law is inefficient, requires additional reporting, and obscures overall industry breach data between Code and Law across industry to accurately identify areas requiring focus. Where consumer benefits of Code obligations are reduced by expansion of law, the Code should evolve to direct insurer attention to emerging issues.</p> <p>Focus should be on removing duplication in the individual Code obligations, either by removing the obligation from Code, or by flagging that duplicated</p>

Theme	Question	Response
	<p>(b) Are there any paragraphs of the Code that should be amended or removed due to subsequent regulatory changes? If so, which paragraph and why?</p>	<p>obligations are not 'Code obligations' but a reference to an obligation imposed by a separate source.</p> <ul style="list-style-type: none"> (a) The definition of 'inconsistency' could be ambiguous – Code and Law may require different-but-related things and not be 'inconsistent', but in practice one can be duplicative, inefficient, and unnecessary. (b) Obligations related to Complaints handling that duplicate requirements set by RG 271 should be removed. 'Access to Information' Code Obligations that duplicate the Privacy Act should also be removed or amended in the manner outlined above.
	<p>2.8 How can the Code go beyond the law? And would it be appropriate to do so? For example:</p> <ul style="list-style-type: none"> (a) Paragraph 21 of the Code and the general obligation of AFS Licensees to provide financial services efficiently, honestly and fairly (b) Paragraphs 28 and 38 of the Code and the general obligation of AFS Licensees to ensure representatives are adequately trained and competent to provide the financial services. (c) Paragraph 43 of the Code and design and distribution requirements relating to financial products for retail clients. (d) Paragraph 79 of the Code and the Cash Settlement Fact Sheet. (e) Part 11 (Complaints) of the Code and enforceable paragraphs of RG 271. 	<ul style="list-style-type: none"> a) Para 21 is intended to operate as a general statement of the Code's purpose, rather than a standalone obligation that is largely duplicative of insurer obligations under the Corporations Act. To meet that intent, Para 21 should be redrafted as an 'Objective' of the Code as part of the Objectives outlined in Part 1. b) These Code obligations are more specific than law, and explicitly require GICOP training, which is appropriate and beyond the explicit legislated requirements. Any overlap in these obligations with law is not the cause of material inefficiency. c) The Code requirement is high-level and intended to be external-facing to provide information on insurer approach to product development and distribution, whereas TMDs are available for customers on a product-type-basis and have explicit criteria set by law. Although the customer value that para 43 provides is likely limited in the wake of DDO commencement, it does not result in a material inefficiency. On balance, while Suncorp considers that para 43 could be removed without material customer detriment, if other stakeholders to the review consider it adds value, Suncorp would not oppose the obligation remaining. d) Para 79 in current wording is less likely to cause confusion compared to CSFS requirements introduced by Claims Handling as a Financial Service laws, which are prescriptive, and can be complex to apply to varying claim situations, including where alternate claims options are available under the PDS, and whether the claimant has already incurred the cost. In its current state, para 79 may provide benefit to customers in offering a simpler explanation of cash settlement considerations in a

Theme	Question	Response
		<p>manner that is simpler to apply to claims management procedures. In its current state Para 79 does not result in a material inefficiency, and on balance Suncorp does not recommend removing the obligation.</p> <p>e) As per previous responses, much of Part 11 has now been incorporated into RG 271, and the resulting duplication and inefficiency warrants removal or redrafting of several of the requirements to address the issue.</p>
	<p>2.9 In which areas could the Code help Code subscribers meet legal obligations by setting out good practice?</p>	<p>Separating Insurer obligations from consumer guidance, aspirational statements, and other information would improve clarity on how the Code applies to the insurance product and services.</p> <p>The Code can also support new and developing obligation areas through development of 'best practice' guides to allow the industry to explore practices that work effectively without setting overly prescriptive requirements.</p>
<p>Retail insurance and wholesale insurance</p>	<p>2.10 Should the application of the Code to retail and wholesale insurance – and in particular small and medium sized enterprises (SMEs) – be reviewed and if so, how?</p>	<p>In redrafting the Code more broadly, consideration should be given to the complexity in the Wholesale market, and the unintended consequences that can result from drafting obligations without thorough consideration to whether they can practically apply to Wholesale clients. The redrafting of Para 186(a) in 2023 serves as an example.</p> <p>Suncorp also notes that there is currently a Parliamentary Joint Inquiry into the client test for financial products and services. Code redrafting should align to the legislative direction taken following the Committee's report.</p> <p>Suncorp also recommends that the Code definitions ensure alignment to Corporations Act definitions, including application of any relevant ASIC Instruments, such as ASIC Corporations (Incidental Retail cover) Instrument 2022/716).</p>
	<p>2.11 If there were different application for SMEs, should the Code adopt the AFCA definition of an SME as an organisation with less than 100 employees?</p>	<p>No – see response to 2.10</p>
	<p>2.12 Should the Code distinguish between the commitments of insurers for consumers dealing directly with an insurer and those who have an intermediary (including insurance brokers) acting on their behalf? If so, how?</p>	<p>The current approach for Wholesale Insurance should remain.</p>

Theme	Question	Response
		<p>For Retail Insurance, consideration could be given to adopting the distinction under the Insurance Contracts Act 1984 between insurance intermediaries who are:</p> <ul style="list-style-type: none"> - insurance brokers who act on behalf of the insured; and - insurance brokers who act under a binder

2.2 Other Parts of the Code

Theme	Question	Response
Key obligation – honest, efficient, fair, timely and transparent	3.1 Do you have any feedback on the practical operation of the over-arching obligation in paragraph 21, including whether the Code could expand on what ‘honest, efficient, fair, transparent, and timely’ means, in the context of general insurance?	As noted in response to Question 2.8, to best meet drafting intent Para 21 should be revised as an ‘Objective’ of the Code rather than a standalone obligation. The rest of the Code thus expands on what ‘honest, efficient, fair, transparent and timely’ means.
	3.2 Do you consider that paragraph 21 is restricted in its operation by paragraph 22, and if so, why? How could this be addressed?	<p>The current approach to interpretation, in accordance with communications from CGC is that Para 21 is a standalone obligation that can be breached in isolation or in conjunction with other Code sections. However as noted above, this is not aligned with the Paragraph’s intent.</p> <p>CGC communication also notes that Para 22 does not operate so that every breach of any Code paragraph is also a breach of Para 21, but also does not necessarily ‘limit’ Para 21 scope to consideration of compliance with the rest of the Code.</p> <p>As noted, this approach is not aligned to drafting intent, and could be clarified with a clarifying statement, or by revising Part 3 as ‘Objective’ of the Code.</p>
Standards for Employees	3.3 Do you have any feedback about the practical operation of Part 4 of the Code, including the relevant definitions in Part 16? Does it deal effectively with ensuring that Code subscribers are accountable for the conduct of their employees and distributors?	No material feedback on practical operation of Part 4.

Theme	Question	Response
and Distributors	3.4 Should the Code be more prescriptive on the training requirements for employees, distributors and service suppliers? If so, how would the Code achieve this given the different and varied roles across the industry?	No – overly prescriptive requirements would not adapt to services required – either entirely new services, or technological developments in certain services (e.g. increased complexity in certain motor repairs). If certain service supplier types require specific direction, development of Guidance or Standards in accordance with Para 191-192 would be a better approach to address the specific gaps.
Standards for Service Suppliers	3.5 Do you have any feedback about the practical operation of Part 5 of the Code, including the definition of Service Supplier in Part 16? Does it deal effectively with ensuring that Code subscribers are accountable for the conduct of their Service Suppliers?	No material feedback on practical operation of Part 5.
	3.6 The provision of claims handling and settling services for insurance products is now included in the definition of a ‘financial service’ in the Corporations Act. What impact has this had, if any, on the operation of Part 5? Does Part 5 need to be amended given the changes to the law and if so, how?	The introduction of Claims Handling as a Financial Service has increased the governance and control requirements relating to service providers. Current operation is not impractical, but future clarity and efficiency could be improved by aligning supplier types with Corporations Act 2001 and reference to ASIC INFO 253.
Buying and cancelling an insurance policy	3.7 Do you have any feedback on the practical operation of Part 6 or 7 of the Code? Do these Parts deal effectively with consumer issues or concerns around purchase, renewal and cancellation processes?	Parts 6-7 are generally operating effectively. Although ASIC review ¹⁰ uncovered systemic issues in relation to discount application, existing law effectively addresses risk of consumer harm.
	3.8 What has been the interaction between the Code commitments and recent law reforms, such as the Design and Distribution Obligation and the deferred sales model for add-on insurance? What changes or clarifications to the Code would be helpful, including to deal with the phasing out of cheques?	See response to: <ul style="list-style-type: none"> - Question 2.8 in relation to duplication introduced by DDO and Claims Handling as a Financial Service - Questions 2.7-2.8 in relation to duplication introduced by RG 271 - Question 2.7 in relation to duplication with Privacy Act <p>Hawking Prohibitions under the Corporations Act 2001 and Pressure Selling prohibition under Code Para 44 also represent practical duplication to an extent.</p>

¹⁰ ASIC, REP 765: When the price is not right: Making good on insurance pricing promises, June 2023.

Theme	Question	Response
Claims handling	<p>3.9 Do you have any feedback about the practical operation of Part 8 of the Code and its effectiveness in protecting consumers during the claims process? What improvements, if any, to Part 8 of the Code would be desirable, particularly in light of recent law reforms such as the inclusion of claims handling as a financial service?</p>	<p>Under Part 7, Para 55 should be rephrased to explicitly account for the fact that Insurers will be dependent on policyholders providing EFT details to enable a refund as the banking industry ceases to provide cheque services.</p> <p>Recent reviews by ASIC, CGC, ICA, and the Parliamentary Flood Inquiry have highlighted the need to keep claimants informed throughout the claim process. In current drafting the Code obligations may encourage 'tick-box' compliance, rather than provision of meaningful updates that are genuinely of benefit to the claimant.</p> <p>Suncorp recommends exploring drafting that supports meaningful updates in a timely manner when there are updates of substance to provide, and adjustment to time-based updates to ensure customers can remain informed more generally.</p> <p>Generally, consistency in language regarding obligations for <i>telling</i> or <i>providing</i> or <i>telling in writing</i> of information to customers throughout Part 8 could be improved.</p> <p>Para 70 should be clarified in its application after claim assessment. It is intended to apply through claim assessment only. Alternate obligations should be drafted to cover communication after assessment, which includes repair or replacement timeframes.</p>
	<p>3.10 How could the Code be enhanced to improve understanding and better protect customers where cash settlements are used? For example:</p> <p>(a) Should the Code be more prescriptive in outlining better practice in administering the legal requirements for cash settlement payments?</p> <p>(b) Should paragraph 79 be extended to all cash settlement payments?</p> <p>(c) Should the Code mandate consideration of a contingency uplift factor for cash payments over a certain dollar value to better manage the risk of higher repair costs?</p> <p>(d) How could the Code assist in developing consumer understanding of cash settlement payments, the risks associated with the same, and the need to obtain independent advice before accepting the cash settlement?</p>	<p>Poor Cash Settlement practices should be assessed against existing obligations (such as Insurer obligations to act in the Utmost Good Faith under the Insurance Contracts Act 1974, and General Obligations under s912A of the Corporations Act 2001) before determining that more prescriptive requirements are needed. Additional standardised disclosure is likely to further over-complicate the claims process, and cause detriment rather than consumer benefit.</p> <p>(a) No – current requirements are already very prescriptive. Undue influence over claimant to accept cash settlement could be considered under existing laws and outlined in Guidance or a Standard accordance with para 191 and 192.</p> <p>(b) No – it will create additional admin without notable benefit. If there are issues or challenges with claim-types outside of home building, these should be specifically identified.</p> <p>(c) It would need to remain flexible (i.e. the specific percentage should not be mandated). Potentially an obligation for insurers to disclose their</p>

Theme	Question	Response
		<p>process around meeting unforeseen costs would benefit consumers. (e.g. outlining the process to have additional costs raised and re-assessed against the claim in claims communications)</p> <p>(d) The Code could provide direct reference to documentation published by the ICA providing relevant consumer information on claim settlement options, including cash settlement.</p>
	3.11 Should the Code prescribe minimum content requirements for external experts' reports (including Scope of Works) or are their other mechanisms that would better address concerns about the quality, consistency and accessibility of experts reports?	ICA are currently developing a Standard on engaging External Experts and supporting claimant engagement in the process. The Code should refer to this Standard.
	3.12 In what circumstances if any, should the Code allow insurers to vary the prescribed Code timeframes in paragraphs 68-71 and 76-77?	<p>The circumstances set out by Para 83-84 provide reasonable flexibility and account for balance with consumer impact.</p> <p>Suncorp recommends that Para 84(b) be amended to explicitly refer to delays in claimant providing information or responding to correspondence.</p>
Complaints	3.13 Do you have feedback about the practical operation of Part 11 of the Code relating to complaints, or have any suggestions for how it could be enhanced for the benefit of consumers?	<p>Part 11 should be revised in accordance with responses to questions 2.7 and 2.8 above.</p> <p>To ensure consistency across industry, obligations outside of Part 11 relating to provision of information about an insurer's complaints process (e.g. paragraphs 60, 78, and 81) should refer to the requirements in para 140.</p>
	3.14 Do the Code commitments relating to complaints need to be amended or clarified in light of ASIC's new guidance on internal dispute resolution, including its imposition of enforceable standards?	As above
Other Feedback	3.15 Do you have feedback on the practical operation of the Code that is not covered elsewhere?	Para 85 should have its own heading, rather than falling under <i>Changes to timeframes</i> to ensure clarity that the exemption applies to all of Part 8.

2.3 Emerging Issues

Theme	Question	Response
Affordability	4.1 Is it appropriate for the Code to address affordability issues, such as those outlined above? If so, how might this be done without raising competition law concerns or creating an expectation that insurers will provide regulated personal financial advice?	<p>Existing obligations for premium comparison, discounts, sum-insured calculators, and provisions related to Financial Hardship and Customers Experiencing Vulnerability are broadly sufficient.</p> <p>Suncorp is supportive of exploring opportunities to provide additional information to customers about their key risks, provided the information is informative and easily understood.</p>
Helping reduce risks	4.2 Should the Code include provisions that encourage or require insurers to respond to consumers risk-mitigation efforts where appropriate and reasonable? If so, how might the Code do this?	<p>The Code should not mandate specific processes or quantitative baselines for customer self-mitigation. However, the Code could provide that where insurers provide information on the likely Premium benefits of certain self-mitigation, that the extent of published benefits are reasonably likely to be achievable either by the customer, or the majority of customers.</p>
Simplification and standardisation of terms	NA	<p>Standardisation of 'wear and tear' / 'maintenance' terms is underway and being coordinated by the ICA. Other peril definitions are also under consideration as part of Treasury consultation on the matter.</p>

2.4 Code Structure, Enforceability and Governance

Theme	Question	Response
Structure of the Code	5.1 Should the primary audience for the Code be insurers? Or is it consumers and other stakeholders? Considering these questions, would it be appropriate to revise the structure and content of the Code to more appropriately reflect its intended audience or audiences? If so, how?	<p>Suncorp's experience is that the audiences most likely to demonstrate awareness of Code obligations are ASIC, CGC, AFCA, Insurers, and consumer advocate and representative groups.</p> <p>As per commentary at 1.3.5, there is opportunity to revise the Code to clarify insurer obligations (removing duplicates with law) compared to consumer notes and other information. Suncorp expects that this will make the Code application clearer to the above stakeholder groups, and make it more accessible to consumers.</p>
	5.2 For which sections of the Code, if any, would more detail (similar to Part 15) be helpful and why? For example, would there be merit in providing more detail in relation to the conduct of employees, distributors and services suppliers?	<p>Part 15 is highly prescriptive and inflexible, and can cause confusion in applying to certain circumstances, such as where an interviewee specifically requests continuation of an interview beyond the stipulated timeframes.</p> <p>Suncorp does not believe that applying such prescription to other Parts of the Code would produce benefits.</p>
Code governance and compliance	<p>5.3 What measures would improve governance of the Code and promote enhanced compliance with Code commitments? In particular:</p> <p>(a) Are the sanctions in Part 13 a sufficient deterrent to misconduct. Should they be strengthened? If so, how?</p> <p>(b) A number of the sanctions available to the Code Governance Committee are restricted to a significant breach of the Code (defined in Part 16). Should the additional sanctions in paragraph 174 apply to any breach of the Code?</p> <p>(c) Should the Code definition of 'significant breach' be aligned to the ASIC reportable situations regime, in RG 78 and if so, how?</p> <p>(d) The CGC is only able to require a Code subscriber to publish the fact that the subscriber has committed a significant breach of the Code. Should the CGC be able to name subscribers that commit a substantial breach? Should this additional sanction apply to all Code breaches? What other transparency mechanisms may better promote Code compliance?</p>	<p>a) Current sanctions are a sufficient deterrent.</p> <p>b) Sanctions should continue to apply to significant breaches only, given the breadth and flexibility of the Significance assessment factors in CGC guidance note.</p> <p>c) As per commentary at 1.3.4 above, if Significant Breach Reporting remains a Code obligation, it should be revised to align to Reportable Situations regime in material aspects.</p> <p>d) No – 'substantial breach' would introduce additional complexity, and CGC guidance note already provides sufficient flexibility in considerations to capture a broad range of impacts in determining significant breaches. Insurers are also required to report <i>all</i> breach data on a recurring basis.</p> <p>Suncorp notes that CGC have also expressed intent to publish insurer names. Suncorp does not oppose this initiative fundamentally, however before this can be adopted there needs to be demonstrated uplift in:</p> <ul style="list-style-type: none"> - Sufficient consistency of interpretation and application of obligations across industry; and

Theme	Question	Response
		<ul style="list-style-type: none"> - Sufficient consistency in detective control environments across industry <p>If the above are not addressed, there is risk that publication could drive consumers to insurers with poor detective controls, which would be inconsistent with reasoning to publish the insurer names with the data.</p> <p>Additionally, even with reference to insurer breaches as a proportion of clients (as is currently published), insurers that primarily write policies for wholesale clients appear more favourably compared to those with large Retail client bases.</p>
	<p>5.4 Does the requirement to report significant breaches of the Code to the CGC duplicate or create inefficiencies related to the obligation on AFS Licensees to report reportable situations to ASIC? If so, how should this be managed given the role of the CGC in monitoring and enforcing the Code?</p>	<p>Yes – ASIC breach reporting is now considerable, but much more efficient than CGC reporting, resulting in inefficiency in dual-handling as outlined above at 1.2 and 1.3.4.</p> <p>CGC follow-up to details related to Significant Breaches is also resource intensive. It would be beneficial for CGC to analyse breach remediation responses, and identify frequency of incomplete remediation, and report on circumstances where root cause remediation has been effective or not.</p> <p>Suncorp recommends amendment to Significant Breach Reporting obligations outlined at 1.3.4 above.</p>
<p>Enforceable Code Provisions</p>	<p>5.5 Which provisions of the Code could be considered for designation as Enforceable Code Provisions and what changes to the Code would be needed to support that?</p>	<p>Given the substantial revisions Suncorp has recommended to the Code, it is suggested that identification of Enforceable Provisions is tied over until the drafting of updated Code provisions has commenced.</p> <p>In identifying relevant Enforceable Code Provisions, careful consideration should be given to the criteria set by the Corporations Act 2001 (s 1101A), including any applicable Regulations.</p>