

FSC Standard No. 25

Life Insurance Industry Data Collection Policy July 2018

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Life Insurance Approved Product List Policy

July 2018

[NOTE: The commencement date of this Standard is 31 August 2019]

FSC Membership this Standard is most relevant to: This Standard applies to FSC Members who are registered as life insurers by APRA as defined in this Standard and/or or have a subsidiary that is such a registered life insurance company.

Date of this version: This Standard first was issued on 24 July 2018 and commenced on the date of the third industry data collection (third industry data collection) as defined in this Standard.

History (prior versions) of this Standard: No prior version.

Main Purposes of this Standard: The purpose of this Standard is to encourage high standards in life insurance data collection that go beyond the APRA/ASIC Claims Data Collection Process (as defined in this Standard).

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1. Title

- 1.1 This Standard (the Standard) may be cited as FSC Standard No. 25 Life Insurance Industry Data Collection Policy.

2. Date of Issue

- 2.1 This Standard was first issued on 24 July 2018.

3. Application of Standard

- 3.1 This Standard applies to all Members who are a registered life insurance company with APRA and authorised to conduct life insurance business or have a subsidiary that is such a registered life insurance company (**relevant Members**).
- 3.2 Any life insurance company which is registered as such by APRA but is not an FSC Member is also encouraged to follow this Standard.
- 3.3 Where there is a conflict between the requirements of this Standard and any relevant legislation or guidance issued by a statutory or regulatory agency, the requirements of this Standard should, having regard to the purpose of the Standard, be modified appropriately so that (as far as is practicable) the relevant Member can comply with the requirements of this Standard.
- 3.4 This Standard should be read in conjunction with FSC Standard No.1 Code of Ethics & Code of Conduct.

4. Statement of Purpose

- 4.1 The purpose of this Standard is to encourage high standards in life insurance data collection practices across the life insurance industry.
- 4.2 Used by relevant Members and other Life Insurers who choose to adopt this Standard, it aims to ensure that life insurers continue to improve their data collection practices and contribute data to an industry data collection mechanism administered by the FSC.
- 4.3 The focus is on a mutual commitment to improve industry data through standardisation, quality of data collected and timeliness of data submissions across all distribution channels and lines of business.
- 4.4 The use of common terminology and common data element definitions enables the integration of databases, and promotes more efficient and effective use of data by users of common defined data from disparate sources.
- 4.5 The Standard aims to ensure that the industry collects more granular, meaningful and accurate data over time, which will better inform consumers, life insurers and public policy development. The future direction of the data collection will be informed by the Industry Data Steering Group (**IDSG**) appointed by the FSC Life Board Committee (**LBC**).
- 4.6 IDSG will send future plans of the data collection to the LBC for sign off and consult with the LBC on significant changes to the content and timing of the data requests.
- 4.7 The Standard requires that data is collected at the level for responsible and proactive management of the life insurance portfolio of a relevant Member.
- 4.8 Existing legislation (for example the *Privacy Act 1988* (Cth.)) places obligations on Relevant Members to protect the privacy of their customers, and relevant Members should ensure their ongoing compliance with existing legislation and any other relevant law in meeting the requirements of this Standard.

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- 4.9 In addition to ongoing compliance with legislative and regulatory requirements, there are ethical business principles and practices that should be followed to deliver high standards of individual and collective conduct in the operation and management of a Relevant Member's life insurance business.

5. Compliance with this Standard

- 5.1 FSC relevant Members are required to collect and submit life insurance data in the format, specification and frequency that is determined periodically by the IDSG and advised to relevant Members in accordance with this Standard.
- 5.2 The data submitted to the FSC must satisfy the quality and other requirements determined by the IDSG, and be submitted on or before each due date determined by the IDSG, in each case advised to relevant Members.
- 5.3 Failure to submit data in a timely manner (other than set out for reason in 4.8 above) and as required by the IDSG in accordance with this Standard:
- (a) constitutes a breach by a relevant Member of this Standard; and
 - (b) will result in the FSC reporting on non-compliance by the relevant Member to the LBC; and
 - (c) has the outcome that the FSC will publish industry data investigations in the absence of data from a relevant Member who fails to submit data as required.

Where a member has not provided all or part of their data for the purpose of the industry data collection, this will be clearly disclosed in the publication of the data.

6. Ongoing Industry Improvement

- 6.1 The FSC and relevant Members are committed to continually improve data collection practices across the industry.
- 6.2 The IDSG will determine the content of this ongoing industry data improvement commitment on behalf of the LBC.
- 6.3 The IDSG will determine data specification and frequency requirements for the FSC industry data collection and review the data specification on a yearly basis and refer this to the LBC for approval. On approval, these requirements will be notified to relevant Members.
- 6.4 As data requirements change this Standard will be reviewed.

7. Publication of Life Insurer Data

- 7.1 Future publication of FSC Member aggregate data collected will need to be approved by the LBC. The LBC will need to ensure that no insurer is disadvantaged by any publication and be satisfied that no data published reveals any commercially sensitive information.
- 7.2 Publication of FSC Member data collected will be determined by the IDSG, and subject to approval of the LBC.

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8. Definitions

APRA means the Australian Prudential Regulatory Authority.

APRA/ASIC Claims Data Collection Process means that process or regime under which APRA and ASIC are working together in exercise of their powers in the implementation of a public reporting regime for life insurance claims information and includes any similar process or regime adopted by those agencies or either of them from time to time for that purpose.

ASIC means the Australian Securities and Investments Commission.

IDSG means Industry Data Steering Group. This group is made up of CEOs of relevant Members, where those CEOs who are also LBC members.

LBC means Life Board Committee of the FSC. The Life Board Committee consists of CEOs of relevant Members.

Relevant Members means FSC Life Insurance members who are institutions regulated by APRA in accordance with section 21 of the *Life Insurance Act 1995* as described in Clause 3.1 of this Standard.

Third industry data collection means the date on which the third industry-led data collection takes place, which will be in line with the third APRA mandatory claims handling data collection.