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Report

6 October 2016

FSC Benchmarking Report

Life Insurance Code of Practice 2016: Benchmarking Report

Final

6 October 2016



Life Insurance Code Benchmarking Report

Matter	Benchmark Report on Life Insurance Code
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Context	The Financial Services Council (FSC) has developed a Life Insurance Code of Practice in consultation with its members (LIC).
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Scope	<p>You have asked us to prepare a comparative benchmarking report to identify whether the LIC provides for standards of conduct and practice that are at least consistent with, or exceed, the standards of the:</p> <ol style="list-style-type: none">1 General Insurance Code of Practice (1 July 2014) (GIC) applicable to the general insurance industry and implemented under the auspices of the Insurance Council of Australia (ICA); and2 Revised Code of Banking Practice 2013 (BC) in respect of the banking industry and applying to members of the Australian Bankers' Association (ABA). <p>You have also asked that we identify where the LIC standards imposed on life insurance companies may exceed current law requirements.</p>
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Summary	<p>The benchmarking review of the LIC, GIC and BC confirms that the LIC will impose standards of conduct on life insurance companies that, at the very least, are generally consistent with the approach taken by the other codes, noting that those codes have been designed to address particular products and services in different parts of the financial services sector.</p> <p>By way of example, the approach taken by the LIC in respect of complaints and disputes, the monitoring of compliance with the LIC and the composition and role of the Life Code Compliance Committee (LCCC) is consistent with the approach adopted by the GIC and the BC in relation to code governance issues.</p> <p>As outlined in section 2, our benchmarking review also identified that the LIC clearly expands the range of obligations imposed by the other codes. For example, the</p>
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LIC requires life insurance companies to meet standards in respect of product design and suitability that have not been addressed in the other codes.

Another distinguishing feature of the LIC is the comprehensive nature of the standards of customer service for each of the key interactions between a life insurance company and its customers.

We note that self-regulatory codes like the LIC are based on principles of transparency, fairness and best practice, and, are designed to build on existing legal obligations in order to promote consumer confidence. Consistent with these principles, the LIC seeks to elaborate on what positive consumer engagement and disclosure should look like and how life insurance companies can be expected to discharge their legal obligations.

Further, the LIC imposes standards of conduct on a life insurance company that exceed the standards imposed by existing laws. We have provided the detail of these in section 2 of this report.

Assumptions and qualifications

The report is subject to the assumptions and qualifications in section 4.

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Detailed report

1 Introduction

The FSC has developed the LIC in response to the 2014 Trowbridge Review recommendations. The development of the LIC has involved consultation over a 12 month period with key stakeholder groups, including regulators, consumer advocacy groups and industry peak bodies such as the Financial Ombudsman Service (**FOS**).

The FSC proposed to implement the LIC on 1 October 2016 allowing for a transition period until 30 June 2017 for FSC members who are registered life insurance companies to confirm their commitment to be bound by the code.

In anticipation of the launch of the LIC, we have conducted a benchmarking exercise on behalf of the FSC to compare the LIC against the current codes for the general insurance industry and members of the ABA.

In doing so, we acknowledge that each of the GIC and BC reflect different parts of the financial services sector. Nonetheless, we identified many similarities between the GIC, BC and LIC. To aid our benchmarking exercise, we prepared the table of comparison in Attachment 1 which identifies how the codes differ in content and scope.

Section 2 of this report sets out our key observations.

2 Key Observations

2.1 Scope of the LIC

Focus on life risk insurance policies

In summary, the LIC covers life risk insurance policies sold by life insurance companies who are members of the FSC and excludes annuities, investment life products, whole of life and endowment insurance products.

The LIC will not apply to insurance products issued by general insurers, health insurers and other products that might be issued by a person who is not required to be registered as a life insurance company under the *Life Insurance Act 1995* (Cth) (**LIA**).

As a result, the LIC will cover the most common types of life insurance business written for consumers in the market today, being life risk insurance policies covering customers for events such as term life/death, terminal illness, total and permanent disability, trauma and critical illness, disability, funeral insurance, income protection/salary continuance, business expense cover and consumer credit insurance (**CCI**) issued by a life insurance company.

The LIC will apply to all interactions with policy owners, lives insured and third party beneficiaries (as relevant) from the date a life insurance company has confirmed its commitment to be bound by the LIC. This means that the LIC will not only apply to new life insurance policies issued after that date but also any interactions in respect of existing policies, claims or complaints.



LIC to apply to standards of service for policy owners, lives insured and beneficiaries

The LIC reflects the way insurance is distributed and the relationships that may exist between a life insurance company and the range of persons involved in that distribution, including superannuation trustees and employers who can acquire life insurance cover as policy owners of a group life policy for the benefit of individual superannuation members and employees.

To this end, the LIC imposes service obligations on life insurance companies not only for the benefit of policy owners (who may be individuals or entities such as superannuation trustees) but also individual lives insured and third party beneficiaries who may be entitled to benefits in the event of a claim. The LIC sets standards of service for the benefit of insureds and third party beneficiaries in a similar manner. The BC provides high standards of customer service for the benefit of individual or retail clients who acquire banking services.

The LIC responds differently depending on whether the insurance is retail or wholesale insurance. Although the LIC qualifies some of the communication, disclosure and claims standards for customers whose insurance cover is acquired through a group policy, in the most part, the LIC standards apply to all life insurance policies regardless of the distribution method.

LIC operates alongside existing law and regulation

The LIC will apply alongside agreed service standards for group policies and so where those agreed service standards are higher than the LIC standards, the higher service standards will apply. In other words, the LIC sets minimum standards of service to be met by life insurance companies. Also, as per the approach adopted in the other codes, the LIC operates alongside, and is subject to, existing laws and regulations which will prevail over the LIC in the event of an inconsistency.

Consistent with the GIC, the LIC is expressed not to create legal or other rights between the life insurer and any person other than the FSC (or in the case of the GIC, the ICA). By contrast, the BC indicates that customers do have rights under the code in addition to any rights under federal, state or territory laws.

A person is entitled to access the complaints processes of the insurer if they are unhappy with any aspect of their experience. However, going further than the GIC, the LIC provides that anyone can report concerns about possible code breaches to the LCCC, which can investigate at its discretion. Both the GIC and LIC impose high standards of customer service on insurers which, if breached, can lead to investigation and sanctions by the monitoring/enforcement body.

Both the FOS and the Superannuation Complaints Tribunal (**SCT**) may consider whether a life insurance company has complied with the LIC when determining a dispute.

2.2 LIC as an FSC Standard

The LIC will be a binding code on all registered life insurance companies who are members of the FSC as it will constitute an FSC Standard. Other life industry participants (including related parties of life insurance companies through which financial advice is provided to customers) and non-FSC members may voluntarily choose to enter into an agreement with the FSC and the LCCC to be bound by the LIC.

As a consequence of the LIC being an FSC Standard, should an FSC member fail to comply with a sanction imposed by the LCCC for breach of the LIC, the life insurance company member may face disciplinary action in accordance with FSC Standard No 1.



In contrast, both the GIC and BC are structured as voluntary codes requiring formal adoption by a member, although we understand anecdotally that most ICA and ABA members have agreed to adopt their respective industry codes.

For life insurance companies that provide reinsurance in the market and are FSC members, the LIC acknowledges that they will meet their code obligations by complying with the principles of the LIC and assisting life insurance companies (that provide insurance directly to consumers) to meet their commitments under the LIC. While specific examples of this assistance are not set out in the LIC, we would expect that reinsurers can, at the very least, provide such assistance by working with life insurance companies to meet the LIC underwriting standards and the LIC claims management standards.

2.3 Extended reach of the code to staff, representatives and other third parties

All of the codes require members to ensure their staff and any entity authorised to provide financial services on the member's behalf comply with the relevant code when acting in that capacity. The LIC and GIC both require members to ensure that when engaging third parties who provide relevant services, that those services reflect the standards of the codes and that those third parties be required to act with honesty, fairness and in a transparent and timely manner when dealing with customers.

The LIC further stipulates requirements for the engagement of independent service providers such as medical assessors and claims investigators in relation to life insurance claims.

2.4 Unique features of the LIC

In our benchmarking exercise, we identified a number of areas where the LIC differed significantly from the other two codes. Some of these reflect the differences between the nature of the life insurance industry and its products, and the general insurance and banking industries. All differences are recorded in the table in Attachment 1.

However, we also identified that the LIC addressed new subject matter not previously covered in the other two codes, and in respect of some of the common subject matter found in all codes, the LIC provides significantly more detail as to the standard of conduct of life insurance companies than has been addressed in the other codes.

In our view, the most significant of these features are:

- (a) **Product design:** The LIC commits life insurers to define suitable customers for any new life insurance products they design after the LIC is adopted. The LIC also requires life insurance companies to regularly review on-sale products to ensure that these remain suitable for the relevant customers. Where necessary, the life insurance companies will redesign on-sale products so that these remain relevant. The other codes do not impose standards relating to product design and suitability, however we note that this LIC standard is consistent with the product suitability recommendation in the Financial Systems Inquiry (Recommendation 21: introduce a targeted and principles-based product design and distribution obligation).
- (b) **Plain language:** Insurers are legally obliged to ensure that disclosures in relation to life insurance products are clear, concise and effective. The LIC will require life insurers to incorporate *plain language* into sales and policy information, consumer test the plain language information, and ensure that information for policies sold directly to consumers is clear and sufficiently informative for a consumer to reasonably assess the suitability of the policy for themselves. The GIC requires that general insurers will take reasonable steps



to ensure communications with customers are in plain language. The LIC is significantly more expansive in describing the circumstances in which the plain language must be incorporated and the types of information about a life policy that must be disclosed in plain language.

- (c) **Medical definitions:** The LIC commits life insurance companies to review medical definitions in consultation with relevant medical specialists at least every three years and update where necessary to ensure these stay current with medical advances. The GIC has not imposed specific standards for insurers to review and update definitions used in insurance policies.
- (d) **Funeral insurance:** The LIC commits life insurance companies to provide a key facts sheet to customers who purchase a funeral insurance policy. It also requires that life insurance companies include an extended cooling off period of 30 days to such customers and offer options for customers who experience financial hardship such as an extended grace period (where there is a missed premium) and premium holidays.
- (e) **Pre-existing conditions (PEC) clauses:** The LIC commits life insurance companies to provide a higher level of disclosure and explanation in plain language of how PEC clauses work in a policy and their implications. The LIC commits life insurance companies to not apply a PEC to a medical condition that is fully and accurately disclosed in response to a request for medical information in the application for a policy unless this has been agreed and confirmed in writing with the customer before the policy is issued.
- (f) **Sales practices, advertising and having a sales process:** The LIC commits life insurers to meet sales and marketing best practice guidelines and have a clearly documented sales process to ensure that staff conduct sales appropriately and avoid pressure selling. In this way the LIC goes beyond the existing GIC and BC codes in articulating how life insurers are to conduct themselves in sales and advertising activities.
- (g) **Commitment to remedial action:** The LIC commits life insurance companies to discuss remedial action with a customer in the event that concerns are raised about the sales practices deployed and a life policy has been sold inappropriately.
- (h) **Dealing with applications for insurance:** The LIC commits life insurance companies to standards relating to underwriting processes, timeliness in communicating decisions and the procedures for the collection of information from sources other than the applicant. The GIC also imposes standards for general insurance companies when dealing with customers who are buying insurance. The LIC imposes significantly more detailed standards of conduct in relation to the collection and treatment of information by life insurance companies as part of any policy application process, particularly where independent service providers may be involved in collecting information from customers.
- (i) **Standards for underwriting:** The LIC requires that life insurance companies ensure that underwriting staff are appropriately skilled and trained and have access to professional advice and support as required. Life insurance companies will be required to regularly review their underwriting decision-making processes and electronic underwriting methods to ensure these are based on current information and are evidence-based.
- (j) **Providing support to customers during the claims process:** The LIC commits life insurance companies to an extensive range of standards of customer service and conduct relating to the way in which claims are assessed and managed. While the GIC also holds general insurers to high standards of



ensuring that claims are handled in an honest, fair, transparent and timely manner, the LIC provides significantly more granular detail as to how claims are to be handled. For example, the LIC standards require life insurance companies to explain the cover, claims process and why information will be requested of the customer to support the claim within 10 business days of being notified that a customer wishes to make a claim. The LIC also imposes standards of conduct on life insurance companies to avoid multiple requests for information and the use of general authorities to obtain information about a claimant from other sources.

- (k) **Independent medical assessments and claims interviews:** The LIC commits life insurance companies to standards of conduct and service relating to the treatment of customers when requesting they attend an independent medical examination or participate in an interview.
- (l) **Standards for independent service providers involved in underwriting or claims:** The LIC commits life insurance companies to additional standards when engaging independent service providers involved in underwriting or claims, including by ensuring that in the performance of those obligations, the third party meets the LIC standards. The LIC also requires that life insurance companies only rely on reports from treating doctors and independent service providers in relation to applications and claims that are impartial and objective.
- (m) **Standards relating to investigators:** If a life insurance company engages an investigator, they must ensure that the investigator meets the specific standards in the LIC relating to the manner in which investigations, interviews and surveillance are to be conducted. The GIC requires general insurers to conduct claims handling in an honest, fair, transparent and timely manner and to ensure that where appointing other parties like investigators, that those persons carry out services in an honest, efficient, fair and transparent manner. As such the GIC provides principled guidance as to how a general insurer should conduct itself in relation to such activities. Service suppliers are required to be appropriately qualified and to hold any licences required by current law. The LIC standards relating to the appointment of investigators and the manner in which interviews and surveillance of customers are to be conducted are comprehensive. These particularise the manner in which an interview is to be conducted (including prohibiting certain conduct) and the circumstances in which surveillance may be carried out. As such the rules of conduct in the LIC are significantly more prescriptive in relation to these activities than is found in the GIC.

2.5 LIC and current law obligations

In considering the standards to be imposed on life insurance companies by the LIC, we have had regard to the relevant current law obligations under the *Corporations Act 2001* (Cth) (**Corporations Act**), *Australian Securities and Investments Commission Act 2001* (Cth) (**ASIC Act**), the LIA, the *Insurance Contracts Act 1984* (Cth) (**ICA**) and the *Insurance Contracts Act Regulations 1985* (**ICA Regulations**).

The LIC acknowledges that contracts of insurance are based on the paramount legal principle of utmost good faith. This principle, implied in every contract of insurance that is subject to the ICA, has been interpreted as an obligation by the parties to a contract to act reasonably and fairly. However, the scope and application of the duty has not been comprehensively defined and it remains somewhat abstract and principle-based so that the duty is open to contextual interpretation.

In a similar vein, the Corporations Act requires that financial services licensees must do all things necessary to ensure that financial services are provided efficiently, honestly and



fairly. This will apply to life insurance companies that hold Australian financial services licences.

One view is that the principles and standards of conduct in the LIC endeavour to articulate, in practical contextual terms, how life insurance companies can ensure that they discharge their duty to act honestly and fairly towards their customers and have due regard to their customers' interests. In doing so, the LIC imposes standards of conduct on life insurance companies that have not been articulated in current law or in the examples of the duty of utmost good faith that have been considered by the Australian courts to date.

The LIC is expressed not to create legal or other rights between a life insurance company and its customers other than the FSC. Consequently, a breach of the LIC standards will not entitle a customer to allege a breach of contract or law on the part of the life insurance company unless the conduct involving the breach of the LIC also constitutes a breach of the respective insurance contract or relevant law by the life insurance company.

Nonetheless, a breach of the LIC will entitle a customer to make a complaint to the life insurance company or to report concerns about possible LIC breaches with the LCCC. Investigations by the LCCC in turn, may lead to sanctions against the life insurance company, including an obligation to rectify a breach.

We identified the following standards of conduct in the LIC that impose obligations on life insurance companies that exceed their current law obligations:

- (a) **Suitability of product design:** The LIC standards in relation to product design and suitability of on-sale products are not current law obligations under the Corporations Act and ICA.
- (b) **Obligation to review medical definitions:** The current law does not impose any specific obligation on insurers to review medical definitions every 3 years to ensure that these stay current with medical advances.
- (c) **Key facts sheet for funeral insurance:** Only general insurers are currently required by law to provide a key facts sheet in respect of home buildings and home contents insurance contracts in accordance with the ICA. The *National Credit Code* and related *National Consumer Credit Protection Regulations 2010* (Cth) impose obligations on *credit providers* to provide details of the key features of consumer credit insurance. However, by committing life insurance companies to provide a key facts sheet for funeral insurance, the LIC imposes a standard that goes beyond current law obligations imposed on life insurance companies.
- (d) **CCI insurance:** The LIC commits life insurance companies to sales practices and disclosures in relation to CCI products that exceed current law obligations. For example, the LIC imposes standards that will require life insurance companies to provide certain information to the customer prior to purchase that identifies that the purchase of the CCI is optional, seek confirmation of the consent of the customer before proceeding with the sale, clearly explain the eligibility criteria and the main exclusions under the product, and provide a 30 day cooling off period in which the customer may cancel the policy and be entitled to a full refund of premium. Also, where CCI premiums can be financed through a loan, life insurance companies must offer at least one non-financed payment option to the customer.
- (e) **Replacement insurance:** The LIC commits life insurance companies to ensure that their sales staff provide specific information to a customer who is intending to buy a policy of life insurance to replace an existing one. This includes telling the customer not to cancel their existing policy until their new application has



been accepted, and, informing them of the general risks of replacement such as loss of accrued benefits, possibility of waiting periods starting over and the implication of any non-disclosure (even innocent) on the new application. In this way, the LIC imposes standards of conduct that go beyond current law obligations on insurers to inform new customers of their duty of disclosure under the ICA.

- (f) **Investigations and surveillance:** As noted in section 2.4 of the report, the LIC provides prescriptive rules about the standards of conduct expected of life insurance companies and any independent service providers appointed to conduct claims investigations, interviews and conduct surveillance of customers. Besides the protections afforded under the ICA, the Corporations Act, ASIC Act and *Privacy Act 1988 (Cth)* (**Privacy Act**), there is state and territory based surveillance legislation to regulate the use of surveillance devices. This legislation varies significantly across the jurisdictions. A report, *Guilty until proven innocent*, released by the Financial Rights Legal Centre in March 2016, documented the investigation process and experience of consumers in relation to general insurance claims. It made a number of recommendations including the development of best practice standards for general insurance investigations to help to improve consumer protections in this area.

The LIC requires that life insurance companies ensure that investigators who are engaged to assist with a claim are appropriately licensed, comply with relevant state and territory legislation and keep all records of investigation activities in accordance with the requirements of the Privacy Act. However, it also imposes additional obligations on life insurance companies as to the conduct of interviews and surveillance that go well beyond any current law obligations.

For example, the LIC includes standards that require interviews not exceed a two hour maximum unless the customer has agreed to an extension; customers may choose to be interviewed somewhere other than their home; and a person may choose to have someone attend the interview with them. Further, the LIC imposes standards in relation to the use of surveillance in the investigation of claims including places where surveillance may not be conducted; a requirement that people in the company of the subject of the surveillance must not be intentionally filmed and to pixelate or blur images of such persons, before the images are provided to any external party; and to not communicate with neighbours or work colleagues in ways that might reveal that surveillance is being or has been conducted.

3 Conclusions

The benchmarking review confirms that the LIC will impose standards of conduct on life insurance companies that, at the very least, are generally consistent with the approach taken by the other two codes, noting that those codes have been designed to address particular products and services in different parts of the financial services sector. By way of example, the approach taken by the LIC in respect of complaints and disputes, the monitoring of compliance with the LIC and the composition and role of the LCCC is consistent with the approach adopted by the GIC and the BC in relation to code governance issues.

The benchmarking review, however, also identifies that the LIC standards clearly expand the range of obligations imposed under the other codes. For example, the LIC requires



life insurance companies to meet standards in respect of product design and suitability that are not addressed by the other codes. Another distinguishing feature of the LIC, when compared to the other codes, is the comprehensive nature of the standards as they relate to expectations of customer service for each of the key interactions that a life insurance company may have with a customer. These standards provide specific examples of how the principles of clarity, fairness and respect, honesty, timeliness and plain language communications will be expected to manifest in those interactions.

As such, the LIC provides a significantly greater degree of clarity and transparency for consumers' understanding as to how a life company will be expected to meet the obligations imposed by the LIC and where it is apparent that those obligations have not been met.

As noted in section 2.5 of this report, we identified numerous examples of standards of conduct in the LIC that impose standards on life insurance companies that will exceed current law obligations.

4 Assumptions and Qualifications

The Benchmarking Report is subject to the following assumptions and qualifications:

- 1 The review has been conducted on the basis of comparing the current forms of the GIC and BC available to the public on the websites of the Insurance Council of Australia (www.codeofpractice.com.au) and Australian Bankers' Association Inc (www.bankers.asn.au/industry-standards/ABAs-code-of-banking-practice) by reference to the content/subject matter covered by each of these codes.
- 2 We have not considered or had regard to any results of independent reviews of the codes, noting that the BC is subject to a current review.
- 3 We have not considered any reports on the performance of the GIC and BC codes, compliance by participants or commentary by regulating authorities or external dispute resolution bodies in respect of the operation of those codes.
- 4 The LIC will be implemented in the same or substantially same form to the version reviewed for the purposes of the report.



Table of comparison

1 Introduction

The Table of Comparison (under 2 below) identifies the primary subject matter in each of the codes reviewed and compares coverage across the 3 codes by reference to the following keys:

Symbol	Meaning
Y	Yes, a similar or equivalent standard is included in the relevant code
N	No, a similar or equivalent standard is not included in the relevant code
#	Related standard included in the relevant code – meaning that it covers a related subject but is different having regard to the particular industry to which the code applies
N/A	Not applicable (ie, subject matter is not relevant at all to the particular code)

2 Table of comparison

	Standard	LIC	GIC	BC
Content				
Objectives of the codes				
1	Commitment to high standards of customer service.	Y – 1.4(a)	Y – 2.1(a)	# – 3.1(a)
2	Seek continuous improvement within the industry.	Y – 1.4(b)	Y – 2.1(e)	Y – 3.1(a)
3	Communicate with customers in plain language where possible.	Y – 1.4(c)	Y – 4.5	Y – 3.1(d)
4	Increase trust and confidence in the industry.	Y – 1.4(d)	Y – 2.1(c)	N
5	Promote better, more informed relations.	# – 11.5	Y – 2.1(b)	Y – 3.1(b)
6	Provide fair and effective mechanisms for the resolution of complaints and disputes.	# – 9 ¹	Y – 2.1(d)	# – Part F
7	Provide information about rights and obligations that arise out of the relationship.	N	# – 2.1(b)	Y – 3.1(c)
8	Communicate in a timely and responsible manner.	# – 1.5(d)	# – 7.2, 10.4	Y – 3.1(e)
9	Monitor external developments relating to codes of practice, legislative changes and related issues.	# – 12.7	# – 12.5	Y – 3.1(f)
10	Act fairly and reasonably in a consistent and ethical manner.	Y – 1.5, 1.6	Y – 1.3 ²	Y – 3.2
11	Have regard to prudential obligations.	N	N	Y – 3.3

¹ Note, this is not a stated objective, but the LIC provides various standards for the handling of complaints and disputes in clause 9.

² Other relevant provisions in the GIC include clauses 4.4, 6.2, 7.2 and 10.4.



	Standard	LIC	GIC	BC
Status and scope of application				
12	Applies to all interactions from the date of being bound by the code.	Y – 2.9 ³	Y – 3.2 ⁴	Y – 2.1
13	The code is compulsory for members of the industry.	Y – 1.1, 2.7 ⁵	N ⁶	N ⁷
14	Obligation to ensure persons acting on behalf of the member comply with the code.	Y – 2.5	# – 5.1	Y – 9
15	The code operates alongside and is subject to existing laws and regulations.	Y – 2.14	Y – 1.4, 3.9, 3.10	Y – 4, 5
16	The code creates legal or other rights between the member and the customer.	N ⁸	N	N
17	Customer can access the complaints procedures and report any concerns about possible code breaches to the monitoring/enforcement body and FOS can consider whether there has been code compliance when determining a dispute. The LIC also provides that the SCT can consider whether there has been code compliance when determining a dispute.	Y – 2.15, 2.17, 13.1	Y – 1.5, 13.17	Y – 36(b), 39.1 ⁹
Obligations				
Policy design				

³ The LIC will apply to all interactions including in respect of a pre-existing claim or complaint once the code is adopted.

⁴ The GIC applies to new policies and renewed policies and new claims and complaints received after the code is adopted.

⁵ The LIC will be binding on all registered life insurance companies that are members of the FSC. However, reinsurers who are FSC members will meet their commitments under the LIC by complying with the principles in sections 1.5 and 1.6 and by assisting the life company members to meet their commitments under the LIC. The LIC will commence on 1 October 2016 and members will have a transition period until 30 June 2017 to be bound by the LIC. Other industry participants, including non-FSC members may adopt the LIC by entering into an agreement with the FSC and the LCCC to be bound by the Code.

⁶ The GIC is a voluntary code that can be adopted by ICA members and other entities as approved by the ICA.

⁷ The BC is a voluntary code of conduct that can be adopted by members of the ABA.

⁸ Both the LIC (section 2.15) and GIC (section 1.5) disclaim that the codes create any legal or other rights between the industry member and the customer other than the FSC and ICA (as relevant).

⁹ It is implicit in the scope of the functions of the BC code compliance monitoring committee that it can investigate and make a determination on any allegations from any person that a breach of the BC has occurred.



	Standard	LIC	GIC	BC
18	When designing and introducing new policies: <ul style="list-style-type: none"> • define suitable customers for the product; • include benefits intended to cover genuine risks; • incorporate plain language and consumer-test certain plain language information; • ensure that policy information for policies sold directly to individuals is clear and informative enough for a consumer to reasonably assess the suitability of the policy; • regularly review on-sale products to ensure they remain generally suitable for the relevant customers; • redesign on-sale products where necessary; • review medical definitions in on-sale products at least every three years and update where necessary to ensure that definitions remain current, and where updated, inform the relevant customers.¹⁰ 	Y – 3.1-3.2	N	N/A
19	In respect of a group policy, the group policy-owner may agree to changes to the benefit design and structure for all members.	Y – 3.3	N	N/A
20	In respect of a Funeral Insurance Policy, the insurer must provide a minimum cooling off period of 30 days and ensure that it provide options in the event of financial hardship including extended grace periods and premium holidays and provide a key fact sheet in plain English explaining specified information.	Y – 3.6 and 6.6	N/A	N/A
21	Where a policy has an exclusion for a pre-existing medical condition: <ul style="list-style-type: none"> • provide details to customer of how the exclusion works, when the exclusion applies, and explain this in plain language; • only apply pre-existing exclusion clause in relation to a disclosed medical condition if agreed to and confirmed in writing with customer when issuing the policy. 	Y – 3.5	N	N/A
Disclosure				
22	Insurer must provide documentation that clearly explains in plain language: types of cover; amount insured; cost of cover; cooling off period; exclusions; description of defined medical events; waiting periods; structure; impact on other benefits or income; and information about claims and complaints process.	Y – 3.4	N	# – 12.4 ¹¹

¹⁰ Obligation to inform relevant customers of updated medical definitions does not extend to group policies.

¹¹ The BC provides for disclosure of key information about terms and conditions of banking services.



	Standard	LIC	GIC	BC
23	Insurer must disclose for a Funeral Insurance Policy information in a key facts sheet.	Y – 3.6(c)	N/A	N/A
24	Any PDS prepared by an insurer will be made available online for viewing by customer before making an application.	Y – 3.7	N	N
Sales practices and marketing				
25	Advertising must: <ul style="list-style-type: none"> • be clear and not misleading; • consider the target audience for the advertisement and whether it provides adequate information; • ensure statements are consistent with features of relevant policies and disclosures in PDSs; • ensure images do not contradict, detract from or reduce the prominence of any statements used; • give a realistic impression of the price or premium for the target audience; • make clear if a benefit depends on a certain set of circumstances; • ensure any use of phrases such as ‘free’ or ‘guaranteed’ are not likely to mislead; and • comply with ASIC’s guidance.¹² 	Y – 4.1	N	N
26	Staff will receive appropriate training (and remedial training) as to policies, customers, sales practices and code requirements.	Y – 4.2	Y – 5.1	# – 9, 28.11
27	There will be: <ul style="list-style-type: none"> • clearly documented sales rules (including, for example, clear rules on when staff must stop selling and disclosure requirements); • a framework to monitor staff compliance with our sales rules, and there will be a framework in place for compliance by Authorised Representatives as well.	Y – 4.3-4.5	# – 4.4 ¹³	N
28	It will be made clear to anyone distributing policies that pressure selling is not permitted.	Y – 4.6	N	# – 27

¹² ASIC RG 234 – Advertising financial products and services (including credit) – good practice guidance and ASIC RG 38 – The hawking provisions.

¹³ Clause 4.4 of the GIC requires the insurer’s sales process and the services of its employees and authorised representatives to be conducted in an efficient, honest, fair and transparent manner in accordance with clause 4 of the GIC.



	Standard	LIC	GIC	BC
29	Where a CCI policy is an add-on to another financial product, the clear consent of customer to the purchase of the insurance will be required as well as additional obligations in respect of the disclosure of key features of the insurance.	Y – 4.7	N	N/A
30	Risks of replacing an existing policy will be explained where customer tells sales staff they are replacing a policy.	Y – 4.8	N	N/A
31	Any concerns as to sales practices will be investigated and remedied.	Y – 4.9	N ¹⁴	N ¹⁵
Buying insurance¹⁶				
32	Where the policy-owner applying is different to the life insured, the life insurance company is required to send all communications to the policy-owner.	Y – 5.2	N	N/A
33	The insurer will not communicate medical information about a life insured to a policy-owner unless consent has been given.	Y – 5.2	N/A	N/A
34	If the insurer decides not to provide insurance, the reasons will be communicated to customer who made the application.	Y – 5.14	Y – 4.8	N/A
35	Provides comprehensive obligations when dealing with customers to ensure an open, transparent, efficient, and clear application process including setting standards for the underwriting procedures and decision making of the insurer.	Y – 5	# – 4	N/A
Policy changes				
36	Provide notices on anniversary of policy identifying key information (for example, whether there is an increase in premium and the scope of the cover).	Y – 6.3, 6.4	N	N/A ¹⁷
37	Provide information to customer on available options for changing the policy and where experiencing	Y – 6.5	# – 8.3-8.9	N/A

¹⁴ Note, clauses 13.5 and 13.9 of the GIC relate to investigations into compliance with the GIC (but not specifically sales practices).

¹⁵ CCMC compliance investigation may be commenced in response to an allegation that the code has been breached, if the CCMC's own monitoring process indicates that a Code Subscriber may have breached the code, or in response to a referral from the ABA: clause 6.1 of the CCMM.

¹⁶ This section only applies to applications for insurance that require a life insurance company to make an underwriting decision.

¹⁷ Note, clause 20.1 of the BC requires written notice to the customer of variation to changes in terms and conditions at least 30 days before the change takes effect, subject to exceptions.



	Standard	LIC	GIC	BC
	financial hardship.			
Cancellation and replacement				
38	Any money owed to customer upon cancellation of contract will be sent to customer within 15 days.	Y – 6.7	Y – 4.9	N/A
39	Customer may contact insurer to seek reinstatement of contract in the event of non-payment of premiums. Reinstatement subject to terms of policy, at insurer’s discretion, and may require additional questions and assessment.	Y – 6.8	N	N/A
40	Notice in writing sent to customer in event of non-payment of premiums prior to cancellation.	N	Y – 4.10	N/A
Additional support for customers				
41	Recognise needs of older persons, consumers with a disability, people from non-English speaking backgrounds and Indigenous people in relation to access to insurance, inquiries, making a complaint and communicating with the life insurance company. Should the life insurance company become aware that a policy has been sold to a person who was not provided with additional support, the life insurance company will investigate and if the policy was sold inappropriately, it will remedy this in accordance with section 4.9 of the LIC .	Y– 7.1	N	Y– 7, 8
Making a claim				
42	Consider all features of the policy to which customer’s claim relates to ensure customer claims for all available benefits under the policy.	Y – 8.2	Y ¹⁸	N/A
43	Not discourage customer from making a claim.	Y – 8.2	Y – 7.8	N/A
44	Explain the cover and claims process including why certain information is requested and waiting period before payments can be made within 10 business days of being notified that customer wishes to make a claim.	Y – 8.3	N	N/A
45	Keep customer informed about the progress of the claim at least every 20 business days.	Y – 8.4	Y – 7.13	N/A
46	Respond to requests for information about the claim within 10 business days.	Y – 8.4	Y – 7.14	N/A

¹⁸ Clause 7.11 of the GIC requires a claim to be assessed on the basis of all relevant facts, the insurance policy’s terms, and the law.



	Standard	LIC	GIC	BC
47	Where information is required the insurer will: <ul style="list-style-type: none"> only ask for and rely on relevant information; explain why information is being requested; review the request for information if the insured disagrees with the relevance of the information. 	Y – 8.5	# – 7.3, 7.10	N/A
48	Request information as early as possible.	Y – 8.7	# – 7.2 ¹⁹	N/A
49	Avoid multiple information requests where possible.	Y – 8.7	N	N/A
50	Where information from other sources is required: <ul style="list-style-type: none"> the insurer will ask the insured for general authority to obtain information about the insured from other sources; the insurer will only use general authority to obtain information reasonably believed to be relevant to the claim; the insured may authorise the insured to instead request particular information from particular sources. 	Y – 8.6	N	N/A
51	Request information from an Independent Service Provider to be provided no later than four weeks and keep customer informed of progress.	Y – 8.8	N ²⁰	N/A
52	For income-related claims: <ul style="list-style-type: none"> the insurer will not require the insured to get ongoing medical certifications from their doctor more frequently than reasonably necessary for the medical condition, so that ongoing entitlement to benefits can be determined; for monitoring purposes, the insurer may seek certification every six months; the insurer will not request a medical opinion for the sole reason of activating regular payment; the insurer will only request financial information at reasonable frequencies and in circumstances where it is required to assess eligibility to claim or to calculate entitlement; if the insured disagrees with the relevance of any requested information, the insurer will review this; 	Y – 8.9	N/A	N/A

¹⁹ Clause 7.2 of the GIC requires claims handling to be conducted in an honest, fair, transparent and timely manner.

²⁰ Clause 7.15 of the GIC requires, if an External Expert is engaged, an External Expert to deliver the report within 12 weeks of the date of engagement.



	Standard	LIC	GIC	BC
	<ul style="list-style-type: none"> if payment is going to be delayed, the insurer will notify the insured prior to this and let the insured know the reasons for the delay. 			
53	<p>Where the insured is required to attend an independent medical examination:</p> <ul style="list-style-type: none"> the insurer will meet the cost of the appointment, production of any reports and extraordinary travel costs agreed in advance; the insured can request copies of independent medical examination reports to be sent to the doctor or insured where appropriate; the insurer will avoid requesting more than one independent medical examination for the same specialty within six months where possible; if the insurer requires more than one, reasons for this will be provided; insured can choose from a list of doctors nominated by the insurer for the independent medical examination. 	Y – 8.10	N/A	N/A
54	Comprehensive set of standards apply where the insurer requires surveillance or an interview to be carried out.	Y – 8.11, 8.12	N	N/A
55	If the insurer becomes aware of any errors or mistakes in the claim or information asked for, the insurer will address these promptly.	Y – 8.13	Y – 7.4	N/A
56	All efforts will be made to meet the timelines required by the code noting the implications of unexpected consequences.	Y – 8.14	Y – 7.21	N/A
57	Clear timeframes for denying/accepting/deciding claims apply.	Y – 8.15-8.17	Y – 7.9, 7.10, 7.16-7.18	N/A
58	For lump-sum payments, insurer will suggest financial/legal advice.	Y – 8.18	N	N/A
59	If claim denied, insurer will disclose to customer relevant information relating to reasons and details of complaints process.	Y – 8.19	Y – 7.19	N/A
60	<p>Assessors will:</p> <ul style="list-style-type: none"> be appropriately skilled and trained to make objective decisions; not make claims decisions until they have demonstrated technical competency and an understanding of 	Y – 8.20	N	N/A



	Standard	LIC	GIC	BC
	<p>the relevant law, the code and relevant FSC Standards and Guidance;</p> <ul style="list-style-type: none"> not receive remuneration and entitlements to bonuses based on claims decisions or deferrals of decisions. 			
61	<p>For income-related benefit:</p> <ul style="list-style-type: none"> payments during a non-disclosure investigation will not be stopped unless the insurer reasonable believes that it has evidence that will lead to the claim being declined or the policy being avoided; if the policy states that income-related claim payments will continue after a period of time only if additional or different requirements are met, at least 3 months' notice of this will be provided and what the insured needs to provide for the payments to continue after the change takes effect; if income-related claim payments are coming to an end, the insurer will contact the insured to confirm when the last payment is to be made, either 30 days in advance of the last benefit or as soon as possible if information has caused all future payment to be ceased. 	Y – 8.21-8.23	N	N/A
62	<p>Various commitments to support claimant during the claim process, including:</p> <ul style="list-style-type: none"> priority for urgent claims and where there is an urgent financial need; dealing with difficulty providing information. 	Y – 8.24-8.26, 8.27	Y – 7.7	N/A
63	Conduct claims handling in an honest, fair, transparent and timely manner.	Y – 1.5, 8	Y – 7.2	N/A
64	Agree a reasonable alternative timeframe with customer when a timeframe is not practical.	# – 8.14	Y – 7.5	N/A
65	Customer is entitled to ask insurer whether policy covers a particular loss before lodging claim.	# – 8.3	Y – 7.8	N/A
66	<p>Insurer must comply with timetables in code unless:</p> <ul style="list-style-type: none"> an alternative timetable was agreed with customer; insurer's conduct and timetable were reasonable in all circumstances; the cause of non-compliance was a delay in the supply of a third party report, and that third party was engaged and dealt with in accordance with code. 	N	Y – 7.21	N/A
Complaints and disputes				
67	The insured is entitled to make a complaint about any aspect of their policy, claim or customer experience	Y – 9.1	Y – 5.2, 6.7,	# – 37.3(f)



	Standard	LIC	GIC	BC
	with the insurer, authorised representative or independent service provider.		7.6, 10.3	
68	Tell customer how they can address concerns they have about someone recommending policies who is not an authorised representative.	Y – 9.2	N ²¹	N
69	Make available information about the right to make a complaint and about the processes for dealing with complaints on its website and in relevant written communications.	Y – 9.3	Y – 10.5	# – 39 ²²
70	Handle complaint by someone different from the person or persons whose decision is the subject of the complaint.	Y – 9.4	N ²³	N ²⁴
71	Notify the insured of the name and contact details of the employee assigned to liaise with the insured in relation to the complaint	Y – 9.5	Y – 10.8	Y – 37.3 ²⁵
72	Only ask for and rely on information relevant to the investigation and response to the complaint.	Y – 9.6	Y – 10.6	N
73	Address errors in the handling of the complaint promptly.	Y – 9.7	Y – 10.7	N
74	Make an arrangement for keeping the insured regularly informed about the process of the complaint.	Y – 9.8	Y – 10.8, 10.10-10.12, 10.16	Y– 37.3 or RG 165 applies
75	Specific commitments relating to complaints about group policy with a superannuation fund trustee.	Y – 9.10, 9.11	N/A	N/A
76	Specific commitments relating to complaints about life policy not owned by a superannuation fund trustee.	Y – 9.12, 9.13	N/A	N/A
77	Final decisions that do not resolve a complaint to customer's satisfaction, or within the timeframes in the	Y – 9.15	Y – 10.22	N ²⁶

²¹ Clause 5.5 of the GIC provides that the insurer may contract with other persons who are not Authorised Representatives but licensed by ASIC. If they do not comply with the GIC when selling the insurer's products on the insurer's behalf then the customer can ask the insurer to address the matter and report the concerns to the CGC.

²² Clause 39 of the BC requires that internal and external dispute resolution processes be publicised (both of which are free of charge under clauses 37 and 38).

²³ Clause 10.15 of the GIC only provides a limited standard by comparison: Stage Two complaints under the GIC will be reviewed by an employee(s) who is/are, 'to the extent it is practical, different from the person or persons whose decision or conduct is the subject of the Complaint, or who was/were involved in the Stage One decision'.

²⁴ ASIC Regulatory Guide 165 *Licensing: Internal and external dispute resolution* (July 2015) (RG 165) is incorporated into the BC per clause 37.2; RG 165 outlines Guiding Principle 4.5 which states that wherever possible a complaint or dispute should be investigated by staff not involved in the subject matter of the complaint or dispute.

²⁵ Provides that, at a minimum, internal dispute resolution procedures should establish a contact point for complainants or disputants.



	Standard	LIC	GIC	BC
	code, may be referred by customer to FOS or the SCT.			
78	External dispute resolution determinations made by FOS and the SCT are binding on the insurer.	Y – 9.16	Y – 10.23	Y – 38
Access to information				
79	Compliance with privacy law.	Y – 14.1	Y – 14.1	Y – 24
80	Customer can access information relied on by the insurer subject to special circumstances: prevented by law; direct communication with doctor; prejudicial to the insurer in relation to a dispute; and commercial-in-confidence.	Y – 14.5	Y – 14.4	N/A
81	If information disclosure is declined it will not be done unreasonably, reasons will be provided, and complaints process details will be provided.	Y – 14.6	Y – 14.5	N/A
82	Provide customer documentation (example, policy documentation) promptly on request and subject to any processes required by law.	Y – 14.7	N	Y – 13.2
Information and education				
83	Requirement to: <ul style="list-style-type: none"> make customers aware of the code including providing information on websites and in relevant marketing documents; work with industry body (FSC, ICA or ABA) on promotional education of life insurance, financial literacy and the industry. 	Y – 11	Y – 11	Y – 10
Monitoring and enforcement of code				
84	Insurer/bank will have appropriate systems and processes will be in place to enable compliance with the code.	Y – 13.3(a)	Y – 13.2(a)	N ²⁷

²⁶ Note compliance with RG165.

²⁷ No general obligation to this effect, but note clause 9 of the BC requires the product issuer to ensure that staff are trained so that they can comply with the code and have adequate knowledge of its provisions.



	Standard	LIC	GIC	BC
85	Annual return to monitoring/enforcement body will be prepared on compliance with the code.	Y – 13.3(b)	Y – 13.2(b)	Y – 36(f), CCMCM 5.2 ²⁸
86	Governance process in place to report on compliance with the code to insurer's/bank's board of directors or executive management.	Y – 13.3(c)	Y – 13.2(c)	N ²⁹
87	Significant breach of the code reported by insurer/bank to monitoring/enforcement body within 10 business days of becoming aware of the breach.	Y – 13.4 ³⁰	Y – 13.3	N
88	Breach of the code occurs when staff or authorised representatives fails to comply with the code.	Y – 13.5	Y – 13.4 ³¹	N ³²
89	Anyone can report alleged breaches of the code to monitoring/enforcement body.	Y – 13.1, 13.2 ³³	# – 13.1 ³⁴	N
90	Cooperate with the monitoring/enforcement body in review of compliance, investigations and reasonable requests.	Y – 13.6	Y – 13.5 ³⁵	Y – 36(g)
91	Apply fair and reasonable corrective measures within set timeframes, as agreed with the monitoring/enforcement body, in response to a code breach.	Y – 13.7 ³⁶	Y – 13.6	N
92	Monitoring/enforcement body will receive allegations about breaches of code.	Y – 13.8(a)	Y – 13.9(a)	# – 36(i)
93	Monitoring/enforcement body will notify insurer/bank of any alleged code breaches and provide insurer with the opportunity to respond.	Y – 13.8(b)	Y – 13.9(c)	Y – 9.1 CCMCM

²⁸ CCMCM refers to the Code Compliance Monitoring Committee Mandate.

²⁹ Note that CCMC has power to name the bank on its website and/or annual report in certain circumstances involving breach of the BC: clause 36(j).

³⁰ For LIC, the obligation is to report to the LCCC unless the breach relates to a matter that has been reported to a regulator and the regulator has been informed that the matter may also involve a breach of the LIC.

³¹ GIC includes responsibility for where an insurer's employee, authorised representatives or service suppliers fail to comply with the code when acting on the insurer's behalf.

³² That is, there is no express statement to this effect in the BC.

³³ This includes a specific provision in clause 13.2 of the LIC that provides that FOS may report possible code breaches to the LCCC.

³⁴ Clause 13.1 of the GIC only provides that the insured or third party beneficiary may report alleged breaches of the code.

³⁵ GIC does not specifically require cooperation with reasonable requests of monitoring body when it carries out its functions.

³⁶ Note that a corrective measure imposed by a regulatory body will take precedence.



	Standard	LIC	GIC	BC
94	Monitoring/enforcement body will use its discretion to investigate alleged breaches of the code in accordance with the code and determine whether a breach has occurred.	Y – 13.8(c), (d)	Y – 13.9(b), (d)	Y – CCMCM 1.3, 6.3
95	Monitoring/enforcement body will agree with the insurer fair and reasonable corrective measures to be implemented by insurer and relevant timeframes, taking into account any corrective measures related to the breach imposed by a regulatory body and monitor implementation of any corrective measures to determine if these have been implemented effectively and within agreed timeframe.	Y – 13.9(e), (f)	Y – 13.9 (e), (f)	N
96	Monitoring/enforcement body will publish an annual report containing consolidated, de-identified analysis on code compliance.	Y – 13.9	Y – 13.8	Y – CCMCM 12.1
Sanctions for non-compliance with the code				
97	If monitoring/enforcement body considers there has been a failure to correct a code breach in accordance with code, or cannot agree on corrective measures: <ul style="list-style-type: none"> • notify CEO of insurer in writing; • provide an opportunity to respond within 15 days. 	Y – 13.10	Y – 13.11	N
98	Monitoring/enforcement body to consider any response from insurer/bank before making a determination and imposing any sanction.	Y – 13.11	Y – 13.12	Y – CCMCM 10.3
99	Monitoring/enforcement body will notify CEO and FSC in writing of its decision regarding any failure to correct a code breach any sanction to be imposed.	Y – 13.12	Y – 13.13 ³⁷	N
100	When determining any sanction, monitoring/enforcement body will consider: <ul style="list-style-type: none"> • principles and objectives of code; • appropriateness of sanction; • any measures related to the breach or imposed on the insurer by any regulatory body; • whether breach is a significant breach. 	Y – 13.13	Y – 13.14 ³⁸	# – 10.2

³⁷ Not obliged to notify ICA.

³⁸ Not obliged to have regard to measures imposed by any regulatory body.



	Standard	LIC	GIC	BC
101	Binding sanctions that may be imposed by monitoring/enforcement body: <ul style="list-style-type: none"> • requirement that particular rectification steps be taken within a specified timeframe; • a formal warning; • requirement that compliance audit be undertaken; • corrective advertising or write directly to customers impacted by the breach; • publication of non-compliance on the website of the life insurance company and FSC. 	Y – 13.4, 13.15	Y – 13.15, 13.16	# ³⁹
102	Non-compliance with sanctions is a breach of an FSC Standard. This may result in disciplinary action being undertaken by FSC board in accordance with FSC Standard No 1.	Y – 13.16	N	N
Role of monitoring/enforcement body (comprised of consumer representative, industry representative and independent chair)				
103	Responsible for: <ul style="list-style-type: none"> • monitoring and enforcing code compliance; • providing regular reports to FSC’s Life Board Committee/ICA Board, with recommendations on code improvements and industry issues including where non-compliance with standards of code indicate an industry issue or highlights weaknesses in the code.	Y – 12.4, & 12.7	Y – 12.1,12.3, 12.5	# – CCMCM 1.2 ⁴⁰
104	Functions and powers to be set out in monitoring/enforcement body’s charter.	Y – 12.6	Y – 12.4	Y – CCMCM ⁴¹
105	Monitoring/enforcement body may outsource its functions to an appropriate body except for powers to sanction.	Y – 12.8	Y – 12.6	# – CCMCM 3.3 ⁴²
Standards for third parties				

³⁹ CCMC is empowered to name a bank on CCMC’s website and/or the next CCMC annual report if the bank is guilty of serious or systemic non-compliance, ignored the CCMC’s request to remedy a breach, breached a CCMC undertaking, or not taken steps to prevent a breach reoccurring after being warned.

⁴⁰ CCMC does not have power to enforce code compliance.

⁴¹ Under the CCMCM.

⁴² CCMC cannot delegate its power to make Determinations (and does not have power to sanction), but may delegate other powers to the CEO.



	Standard	LIC	GIC	BC
106	The insurer may use independent service providers to assist with underwriting and the handling of claims, including but not limited to independent medical assessors, accountants, investigators, rehabilitation providers and claims management services.	Y – 10.1	# – 6 ⁴³	N/A
107	Insurer/bank will require independent service providers to act with honesty, fairness, respect, transparency and timeliness.	Y – 10.3	Y – 6.2	# – 32.2
108	Insurer will only enter into contracts with independent service providers who reasonably satisfy it of their expertise, experience, qualifications and integrity, and who hold any required Federal, State, Territory or industry licensing.	Y – 10.4	Y – 6.3	N
109	Insurer will include reference in contracts to the relevant States' and Territories' Expert Witness Code of Conduct.	Y – 10.4	N	N/A
110	Insurer will require an independent service provider who is a medical assessor or examiner to comply with the Australian Medical Association's Ethical Guidelines on Independent Medical Assessments or an equivalent international guideline for providers overseas.	Y – 10.5	N/A	N/A
111	Insurer will only rely on reports from treating doctors, allied health professionals and independent service providers in relation to the application for insurance or claim that it is satisfied are impartial and objective. All details in a report will be taken into account.	Y – 10.6	N/A	N/A
112	Insurer will require independent service providers to comply with the <i>Privacy Act 1988</i> and maintain confidentiality of the insured's information, and only use that information for the purpose of the service they are providing.	Y – 10.7	# – 6.4 ⁴⁴	N
113	Insurer will require that an independent service providers involved in the application for insurance or claim must notify the insurer if the insured makes a complaint about their services, and the insurer will handle the complaint in accordance with internal complaints process unless the insurer is satisfied that they have their own complaints handling process of an equivalent standard.	Y – 10.8	Y – 6.7	N/A
114	Set of specific standards applying to investigators.	Y – 10.9	N	N

⁴³ No express provision stating this in the GIC, but clause 6 implies use of third party service suppliers.

⁴⁴ Contracts with service supplies under the GIC must reflect the standards of the GIC as they relate to the services of the service supplier; clause 14.1 of the GIC requires compliance with the *Privacy Act 1988*.



	Standard	LIC	GIC	BC
Governance arrangements				
Code of governance				
115	Responsibility allocated for: <ul style="list-style-type: none">• development of the code;• periodic independent reviews;• consultation with stakeholders to develop the code on an ongoing basis.	Y – 12.1-12.3	Y – 12.7, 12.8	Y – 6
116	Responsibility allocated for monitoring and enforcing compliance with the code.	Y – 12.4-12.8	Y – 12.3	Y – 36 ⁴⁵

⁴⁵ CCMC does not have power to enforce compliance with the BC.