



MEDIA RELEASE

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FSC RESPONSE: LCCC COMPLIANCE REPORT

The Financial Services Council (FSC) notes the Life Code Compliance Committee's (LCCC) report on the life insurance industry's compliance with the Life Insurance Code of Practice (the Code) for the year from 1 July 2018 to 30 June 2019, just the second year of the Code's existence.

The FSC established the Code, and the LCCC to monitor it, as a way to improve industry standards. The LCCC Report identifies areas the industry needs to focus on.

FSC CEO Sally Loane said: "When we established the Code we knew that the industry was taking the first step on a journey to improve, and feedback from the Code Compliance Committee helps the industry progress. The 2018-19 report reflects results from the Code's second year in existence and we are confident the industry is undertaking determined steps to improve the way it delivers services to customers.

"We note examples where industry has improved markedly in the past 12 months, including investing \$600m in new systems, including claims management systems that have Code monitoring and reporting embedded in them."

As the third year of the Code approaches on 30 June 2020, the next iteration of the Life Code is already under construction, and will further raise the bar for Australian life insurers and assist consumers. It will set some of the highest standards for life insurers seen anywhere in the World.

In 2019, life insurers paid more than \$12 billion in claims to around 100,000 Australians and their families.

A copy of the LCCC report can be found on the LCCC website: <https://lifeccc.org.au/>.

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About the Financial Services Council

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing almost \$3 trillion on behalf of more than 15.6 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world.