



MEDIA RELEASE

Wednesday 18 August 2021

LIFE INSURANCE CODE OF PRACTICE RELEASED FOR PUBLIC CONSULTATION

The Financial Services Council (FSC) has today released the second draft of the Life Insurance Code of Practice 2.0 (Code) for public consultation.

The revised draft released today incorporates feedback from the first consultation draft, as well as recommendations from the Parliamentary Joint Committee on Corporations and Financial Services inquiry into the life insurance industry, ASIC reviews, Productivity Commission reports, feedback from consumer advocates and the Hayne Royal Commission.

FSC CEO Sally Loane said: “The Code, which is mandatory for all FSC’s life insurance members and will be governed by the independent Life Code Compliance Committee, has been reviewed line by line and letter by letter from the starting point that every clause can be improved.

“We have had the Code independently re-structured and re-written by plain English experts to ensure that the Code is as easy to read and as easy to navigate for everyday Australians as possible,” Ms Loane said.

“The FSC appreciates the consultative approach taken over recent months by consumer groups which has helped us develop a stronger and more consumer-focused Code.

“The FSC is pleased to present this version for a final public consultation before we submit the Code for registration under ASIC’s new enforceable code regime.”

The first Code originally came into effect on 30 June 2016, binding all life insurance FSC members to minimum standards of service for consumers for the first time. The Code covers all new policies taken out in Australia, because all life insurers issuing new policies in Australia are FSC members.

“I am proud of the current Life Insurance Code of Practice and of the industry’s enthusiasm to adopt it, but we recognise that Codes can always be further improved, and that’s what this version sets out to do” Ms Loane continued.

“We look forward to working with all stakeholders to ensure the Code gives consumers the confidence to get life insurance and trust that it will work as they expect and when they need it.”

Interested parties are invited to give their feedback on this draft of the Code until 29 September 2021. Please send any feedback to policy@fsc.org.au. To find out more, including to download a copy of the revised Code, <https://fsc.org.au/resources/2247-fsc-life-insurance-code-of-practice-2-0-final-consultation-version/file>

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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.