



MEDIA RELEASE

Friday, 30 June 2023

CONSUMERS TO BENEFIT FROM ENHANCED SERVICE STANDARDS AND PROTECTIONS FROM 1 JULY

The Financial Services Council (FSC) welcomes important changes to financial services products, superannuation funds and life insurance policies that come into effect on 1 July 2023.

FSC, CEO, Blake Briggs said: “The changes will better empower Australians in managing their superannuation, provide enhanced consumer protections in the life insurance sector and change the way the financial services industry approaches the design and distribution of products to consumers.

Insurance Claims Handling for Superannuation Funds

From tomorrow, the FSC enforceable standard for handling group life insurance claims in superannuation will commence operation on a mandatory basis for all FSC superannuation members to complement the protections in the new Life Insurance Code of Practice.

The Standard includes consumer-focused commitments for trustees to help their members navigate through the claims process including making a claim on their insurance, overseeing the timeframes for claims assessment, reviewing the life insurer’s decision and ensuring accepted claims are paid promptly to the member.

New Life Insurance Code of Practice

From 1 July, the New Life Insurance Code of Practice will take effect, introducing over 50 new protections for consumers across all aspects of their interaction with life insurers. These protections encompass product design, sales practices, and claim processes. Notably, the New Life Code includes vital safeguards for customers during periods of vulnerability, financial hardship, or when experiencing mental health conditions.

The industry is committed to prioritising consumer interests and ensuring transparency and fairness in life insurance services. Along with the launch of the New Life Code, we have released a detailed guide on life insurance law that outlines the most important legal rights and obligations for life insurance customers, as well as a consumer fact sheet that details key information about life insurance premiums.

Enhancing Regulatory Practice in Funds Management

The FSC has released an updated template Target Market Determination (TMD) for funds management products. This template is a vital component of the Design and Distribution Obligations (DDO) regime, which revolutionises how the financial services industry designs and distributes products to consumers.

The changes to the template aim to enhance industry compliance, improve customer outcomes, and address ASIC concerns about DDO implementation in the industry.

"The updates to the FSC's template TMDs reflect our ongoing commitment to creating a fair and transparent financial landscape that serves the best interests of all Australians," said Mr Briggs.

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About the Financial Services Council

The FSC is a peak body which sets mandatory Standards and develops policy for more than 100 member companies in one of Australia's largest industry sectors, financial services. Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, life insurers and financial advice licensees. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing more than \$3 trillion on behalf of over 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 one of the largest pools of managed funds in the world.