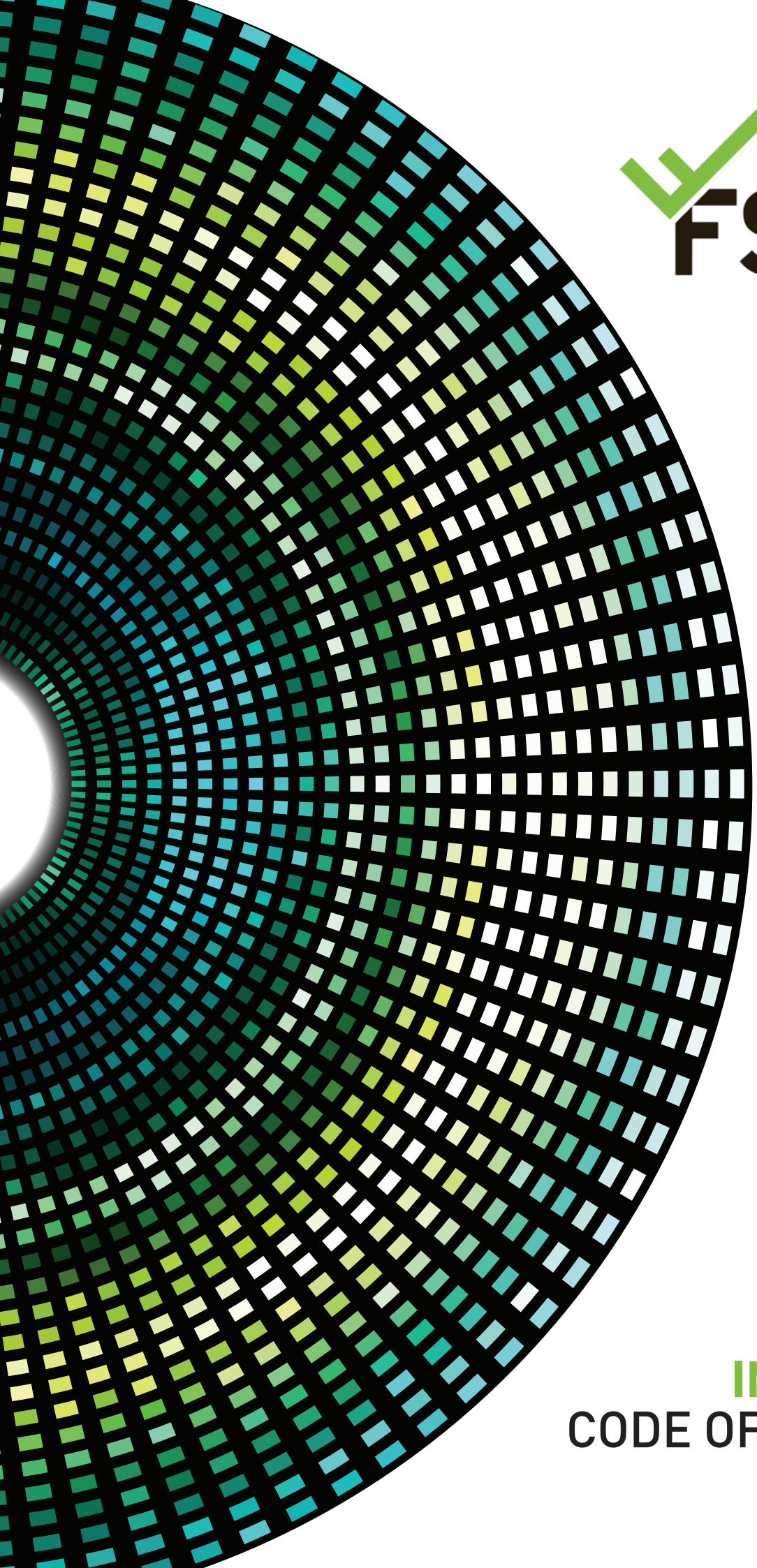

FSC
FINANCIAL SERVICES COUNCIL

LIFE INSURANCE CODE OF PRACTICE

What is the Life Insurance Code of Practice?

The Code is the life insurance industry's commitment to mandatory customer service standards.

It has been voluntarily developed by the life insurance industry through the Financial Services Council to:

1. Promote high standards of service to consumers
2. Provide a benchmark of consistency within the industry
3. Establish a framework for professional behavior and responsibilities

Designed to protect you, the consumer.

What does the Life Insurance Code of Practice cover?

The Code sets out the life insurance industry's key commitments and obligations to customers on standards of practice, disclosure and principles of conduct for their life insurance services, such as being open, fair and honest.

It also sets out timeframes for insurers to respond to claims, complaints and requests for information from customers.

The Code covers many aspects of a customer's relationship with their insurer, from buying insurance to making a claim, to providing options to those experiencing financial hardship or requiring additional support.

The Code is binding on life insurance companies; in its first iteration it is not intended to put obligations on financial advisers or planners or superannuation trustees. A list of the companies bound by the Code can be found on the FSC website.

The Code is monitored by an independent committee, to ensure effective compliance by life insurers. Insurers can be sanctioned if they do not correct breaches of the Code.

Key Code Promises

1. We will be honest, fair, respectful, transparent, timely, and where possible we will use plain language in our communications with you.
2. We will monitor sales by our staff and our authorised representatives to ensure sales are appropriate.
3. If we discover that an inappropriate sale has occurred, we will discuss a remedy with you, such as a refund or a replacement policy.
4. We will provide additional support if you have difficulty with the process of buying insurance or making a claim.
5. When you make a claim, we will explain the claim process to you and keep you informed about our progress in making a decision on your claim.
6. We will make a decision on your claim within the timeframes defined in the Code, and if we cannot meet these timeframes you can access our complaints process.
7. If we deny your claim, we will explain the reasons in writing and let you know the next steps if you disagree with our decision.
8. We will restrict the use of investigators and surveillance, to ensure your legitimate right to privacy.
9. The independent Code Compliance Committee will monitor our compliance with the Code.
10. If we do not correct Code breaches, sanctions can be imposed on us.

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1. Introduction and objectives

1.1 The Life Insurance Code of Practice (**Code**) is binding on **us**. The **Code** commits **us** to uphold the standards set out in the **Code** when providing products and services covered by the **Code**.

1.2 If **we** fail to meet **our** commitments under the **Code**, the Life Code Compliance Committee (**Life CCC**) may impose sanctions on **us**, as set out in section 13 of the **Code**.

1.3 In accordance with **FSC** Standard No. 1, the **FSC** Board has the discretion to carry out disciplinary action if **we** do not correct a **Code** breach, as explained in section 13.16 of the **Code**.

1.4 The objectives of the **Code** are:

a) to commit **us** to high standards of customer service throughout **your** relationship with **us**;

b) to seek continuous improvement within the life insurance industry;

c) to communicate with **our** customers in plain language where possible; and

d) to increase trust and confidence in the life insurance industry.

1.5 The principles that apply to **our** products and services that are covered by the **Code** are:

a) clarity and transparency;

b) fairness and respect;

c) honesty;

d) timeliness; and

e) communications in plain language.

1.6 **We** acknowledge that a contract of insurance is based on the principle of utmost good faith which requires both **us** and **you** to act honestly and fairly towards each other, and for **us** to have due regard for **your** interests.

1.7 Words with special meanings are in **bold** and can be found in the Definitions section at the end of the **Code**.

2. Scope of the Code

Who does the Code apply to?

2.1 The **Code** applies to:

a) registered life insurance companies issuing **Life Insurance Policies** that are covered under membership of the **FSC**; and

b) any other industry participant, including a non-**FSC** member, which adopts the **Code** by entering into a formal agreement with the **FSC** and the **Life CCC** to be bound by the **Code**.

You can find a list of the entities that are bound by the **Code** on the **FSC** website.

2.2 The **Code** does not apply to:

a) superannuation fund trustees;

b) financial advice companies or financial advisers; or

c) other industry participants,

unless they have adopted the **Code** in accordance with section 2.1(b).

2.3 Where **your** financial adviser or the financial advice company through which **your** financial adviser provides advice to **you** is a related party to **us**, they are not bound by the **Code** unless they have adopted the **Code** in accordance with section 2.1(b). **Your** financial adviser or financial planner who recommends one of **our Life Insurance Policies** has obligations under the law and their own industry codes of conduct.

2.4 "**We**", "**us**" and "**our**" mean the entity that is bound by the **Code**. Where **we** are referred to in the **Code**, this refers to the entities described in section 2.1 acting individually and independently, and not collectively.

2.5 **We** will ensure **our** staff and any person or entity authorised by **us** to provide financial services on **our** behalf under **our** Australian Financial Services licence (**Authorised Representatives**) comply with the **Code** when they are acting on **our** behalf.

2.6 "**You**" and "**your**" mean a person or entity who:

a) owns a **Life Insurance Policy** (called the **Policy-owner**); or

b) is covered by a **Life Insurance Policy** (called the **Life Insured**); or

c) who is entitled to benefits in the event of a claim (called the **Third Party Beneficiary**).

Particular sections of the **Code** do not apply to all of the above parties where stated.

2.7 **FSC** members in their capacity as **Reinsurers** are bound by the **Code**, and will meet their commitments under the **Code** by complying with the principles in sections 1.5 and 1.6 and assisting **us** to meet **our** commitments under the **Code**.

When does the Code apply from?

2.8 The **Code** commences on 1 October 2016, and **we** have a transition period until 30 June 2017 to be bound by the **Code**. **We** must notify the **FSC** and the **Life CCC** of the date on which **we** transition to the **Code**.

2.9 The **Code** applies to all interactions **we** have with **you** from the date **we** are bound by the **Code**, including any interactions relating to an existing claim or **Complaint**.[1]

What policies are covered by the Code?

2.10 The **Code** covers **Life Insurance Policies** issued in the Australian market as defined in the Definitions section of the **Code**. This includes insurance policies that are commonly referred to as:

[1]The **Code** does not apply to interactions **we** have with **you** before **we** are bound by the **Code**; for example, if **you** buy a **Life Insurance Policy** from **us** before **we** are bound by the **Code**, the provisions in section 5 "When you buy insurance" do not apply to that purchase. For applications, claims or **Complaints** that already exist on the date **we** are bound by the **Code**, if the **Code** requires **us** to do something within a specified timeframe, that timeframe begins on the date **we** are bound by the **Code**.

a) term life insurance/death and terminal illness;
b) total and permanent disability (TPD);
c) trauma/critical illness insurance;
d) disability insurance;
e) funeral insurance;
f) income protection/salary continuance;
g) business expense cover; and
h) consumer credit insurance (**CCI**) issued by a life insurer.

2.11 The **Code** does not cover:

a) annuities and investment life products,[2] except any component considered as a **Life Insurance Policy**;
b) whole-of-life and endowment insurance products;
c) insurance products issued by general insurers (including but not limited to cover for death by sickness or accident);
d) health insurance products issued by health insurers; and
e) other products that can be issued by someone who does not need to be registered as a life insurance company with the Australian Prudential Regulation Authority (**APRA**) under the Life Insurance Act 1995.[3]

Insurance products issued by general insurers or health insurers may be subject to similar codes of practice that may be available to **you**.

Communicating with you under the Code

2.12 **We** will have complied with a requirement to communicate to **you** under the **Code** if **we** communicate to any one of the **Life Insured, Policy-owner, Third Party Beneficiary** or **Representative**, as appropriate to **your** circumstances and subject to privacy and confidentiality requirements.

2.13 Where an employer or superannuation fund trustee owns the **Life Insurance Policy** on **your** behalf, some of **our** interactions will be with them and they will communicate with **you** as appropriate.

Legal status of Code

2.14 The **Code** operates alongside and is subject to existing laws and regulations and in no way limits **your** rights under such laws and regulations.

2.15 **You** can:

a) access **our Complaints** process set out in section 9 of the **Code**, if **you** are unhappy with any aspect of **your** experience with **us**; or
b) report any concerns about possible **Code** breaches to the **Life CCC**, which it can investigate at its discretion.

[2]Sections 9(1)(c), (d), (f) and (g), Life Insurance Act 1995.

[3]Such as pre-paid funeral plans issued by funeral directors and discretionary mutual products that may provide benefits similar to those described in section 2.10.

2.16 The **Code** is not intended to create legal or other rights between **us** and any person or entity other than the **FSC**.

2.17 The Financial Ombudsman Service (**FOS**) and the Superannuation Complaints Tribunal (**SCT**) may consider whether **we** have complied with the standards of the **Code** when determining a dispute before it.

2.18 Where there is any conflict or inconsistency between the **Code** and any law or regulation, that law or regulation prevails.

2.19 Where the **Code** imposes standards on **us** that are higher than the law, **we** will comply with both the law and the **Code**.

2.20 **We** may agree service standards with a **Group Policy-owner** in relation to a **Group Policy** that are higher than the **Code** standards, in which case the higher service standards apply.

2.21 The **Code** does not apply once **you** commence proceedings in any court, tribunal or external alternative dispute resolution process (with the exception of **FOS** and the **SCT**).

3. Policy design and disclosure

3.1 When **we** design and introduce new **Life Insurance Policies** after **we** have adopted the **Code**, **we** will:

a) define suitable customers for the product;

b) include benefits intended to cover genuine risks that generally affect the relevant customers;

c) incorporate plain language into **our** sales and policy information, and consumer-test the plain language information required in sections 3.4 and 6.3;

d) ensure that the policy information for policies sold directly to individuals (with no financial adviser/planner or **Group Policy-owner**) is clear and informative for a consumer to reasonably assess the suitability of the policy for them; and

e) regularly review **our** on-sale products to ensure they remain generally suitable for the relevant customers. **We** will re-design **our** on-sale products where necessary.

3.2 The medical definitions in **our** on-sale policies for benefits that are payable after a defined medical event will be reviewed at least every three years and updated where necessary to ensure the definitions remain current. This will be done in consultation with relevant medical specialists. When medical definitions in **your Life Insurance Policy** are updated by **us** as a result of this, **we** will let **you** know.[4]

3.3 Where **your Life Insurance Policy** is owned by a **Group Policy-owner**, they may agree changes to the benefit design and structure for all members covered by the insurance, and the **Group Policy-owner** will inform **you** of these changes.

3.4 When **you** buy a **Life Insurance Policy**, **you** will be provided with documentation that clearly explains the following key information in plain language:[5]

a) the types of cover **you** are insured for;

b) how much **you** are insured for, if there is a fixed amount assigned to **your** cover;

c) how much **your** cover costs;

d) the cooling-off period;

e) specific events **you** are not covered for (exclusions);

f) for key medical definitions in cover where a benefit is payable for a defined medical event, a general description of circumstances in which benefits would be paid, and specifically whether or not benefits are payable on diagnosis or require a certain degree of severity in order to be payable;

g) any waiting periods that apply before **you** can access benefits;

h) a description of how the price **you** pay is structured, for instance whether the cover has stepped or level **premiums** or a single **premium**;

i) information about the impact a claim could have on other benefits or income if it is relevant to **your** policy; and

j) information about **our** claims and **Complaints** process.

[4]This does not apply to cover under a **Group Policy**.

[5]This does not apply to cover under a **Group Policy**.

3.5 Where a **Life Insurance Policy** has an exclusion clause for a pre-existing medical condition:

a) **we** will provide **you** or the **Group Policy-owner** with details of how the exclusion works and when the exclusion applies and the potential implications of this in plain language; and

b) if **we** ask **you** for medical information during the application process and **you** fully and accurately disclose a medical condition to **us**, **we** will not apply a pre-existing exclusion clause in relation to that condition unless **we** agree this with **you** and confirm it **in writing** when **your** policy is issued. On the basis of **your** disclosure, **we** may not offer **you** insurance or may offer it on alternative terms.

3.6 If **we** offer a **Funeral Insurance Policy**, **we** will:

a) provide a minimum period of 30 days within which **you** can cancel the policy and get a full refund (the cooling-off period);

b) ensure that **we** have options available if **you** suffer financial hardship in accordance with section 6.6. These will include allowing **your premium** to remain unpaid for at least 60 days before **we** cancel **your** policy or allowing **you** to stop paying **your premium** for a fixed period, during which time **you** will not be eligible to make a claim; and

c) provide **you** with a key facts sheet that explains in plain language:

i. the benefits **you** will be entitled to and when **you** will be entitled to them;

ii. whether the **premium** structure is level or stepped and an illustration of the impact of this structure on **your** future payments;

iii. any pre-existing medical condition exclusions and how they apply;

iv. any period during which **your** policy pays out only if **you** suffer an accident and not illness;

v. whether the total amount of **premiums** payable under the policy has the potential to exceed the benefit amount;

vi. what happens if **you** cancel the insurance after the cooling-off period, including whether **premiums** paid are refunded;

vii. what happens if **you** stop paying **your premium** including whether **premiums** paid are refunded; and

viii. how **your** beneficiaries can make a claim in the event of **your** death.

3.7 Any product disclosure statement (**PDS**) that **we** have prepared for a **Life Insurance Policy** will be made available online for **you** to view prior to making an application for a new **Life Insurance Policy**. If **you** ask **us** for a **PDS** that has not been prepared by **us** (for example, if it was prepared by a superannuation fund trustee or other **Group Policy-owner**), **we** will refer **you** to the relevant party for a copy and **we** will encourage those that **we** work with to make these available online.

4. Sales practices and advertising

4.1 When **we** advertise and market **our Life Insurance Policies**, **we** will:

a) be clear and not misleading;

b) consider the target audience for the advertisement or marketing communication and whether it provides adequate information for that audience;

c) ensure statements in advertisements or marketing communications are consistent with the features of the relevant policy and the disclosures in any corresponding **PDS**;

d) ensure that any images used do not contradict, detract from or reduce the prominence of any statements used;

e) if price or **premium** are referred to, ensure that these are consistent with the price or **premium** likely to be offered to the target audience for the advertisement or marketing communication;

f) make clear if a benefit depends on a certain set of circumstances;

g) ensure any use of phrases such as "free" or "guaranteed" are not likely to mislead; and

h) comply with the Australian Securities and Investments Commission (**ASIC**)'s guidance for advertising financial products and services[6] and guidance regarding unsolicited sales.[7]

4.2 **Our** staff and the staff of **our Authorised Representatives** who sell **our** policies will:

a) receive appropriate training initially and on an ongoing basis covering **our** policies, suitable customers for **our** policies, acceptable and unacceptable sales practices, the best interests duty of financial advisers when providing personal advice, and the requirements of the **Code**; and

b) receive additional remedial training as needed to correct any identified performance shortcomings.

4.3 **We** will have clearly documented sales rules to ensure **our** staff conduct sales appropriately and prevent pressure selling or other unacceptable sales practices. These will include:

a) how to identify if someone is unlikely to ever be eligible to claim the benefits under a policy;

b) having clear rules on when **our** staff must stop selling if **you** indicate **you** do not want a **Life Insurance Policy** being offered or if it becomes clear that **you** will be unlikely to ever be eligible to claim the benefits under the policy;

c) how to record and keep adequate evidence that **you** have genuinely consented to purchase the **Life Insurance Policy**;

d) the minimum information that must be disclosed to **you** about the **premium**, features, benefits, exclusions, limits and cooling-off period of the **Life Insurance Policy**; and

e) compliance performance measures included in **our** staff incentive programs including consequences if **we** identify they have engaged in pressure selling, incentivisation of financial advisers contrary to law or other unacceptable sales practices.

[6]ASIC Regulatory Guide 234: Advertising financial products and services (including credit): Good practice guidance, as issued in November 2012.

[7]ASIC Regulatory Guide 38: The hawking provisions, as issued on 1 May 2005. See also, Section 992A, Corporations Act 2001.

4.4 **We** will have a framework in place to monitor **our** staff's compliance with **our** sales rules, including:

a) quality assurance measures for reviewing sales such as call monitoring, mystery shopping and post-sale call surveys; and

b) analysis and reporting on key data, such as sales results, lapses, claim declines and **Complaints**.

4.5 With **our Authorised Representatives**:

a) **we** will agree with them their sales approach, staff training requirements and their monitoring and reporting framework, to satisfy **us** that their staff and businesses are meeting their agreed commitments, **our** sales rules, and the requirements of the **Code**; and

b) **we** will have monitoring arrangements in place to oversee their conduct, such as mystery shopping, independent audits and analysis of key data such as sales results, lapses, claim declines and **Complaints**.

4.6 **We** will make clear to anyone distributing **our** policies that pressure selling is not permitted.

4.7 If **you** apply for a consumer credit insurance (**CCI**) **Life Insurance Policy** as an add-on to another financial product, either with **us** directly or through **our Authorised Representative**, **we** will:

a) require **you** to provide consent to purchase the **Life Insurance Policy**;

b) provide the following information prior to purchase:

i. a clear statement that the purchase of the **Life Insurance Policy** is optional;

ii. a clear question asking if **you** consent to the purchase of the **Life Insurance Policy**; and

iii. a clear explanation of the eligibility criteria for the **Life Insurance Policy**, the main exclusions that apply and the cooling-off period;

c) inform **you** how the **premiums** will be structured;

d) if the **CCI Life Insurance Policy** is an add-on to a loan:[8]

i. if the option of paying the **premium** through the loan is offered, then at least one non-financed payment option such as a monthly direct debit will also be offered; and

ii. if the **premium** is fully funded by the loan, **you** will be informed that **you** will pay interest on the **premium**, and **your** loan repayments will be quoted with and without the **premium** for comparison;

e) obtain adequate evidence that **you** have consented to purchase the **Life Insurance Policy**;

f) have a minimum cooling-off period of 30 days; and

g) provide **you** with an annual notice **in writing** each year prior to the anniversary of **your Life Insurance Policy**. The annual notice will include:

i. the period of cover;

ii. the types of cover; and

iii. contact details if **you** have any questions or need to make a claim.

[8]For clarity, this does not include CCI protecting a credit card or line of credit facility/overdraft where the **premium** is charged regularly to the credit card or line of credit facility/overdraft.

4.8 When **you** tell **our** sales staff that **you** are replacing an existing **Life Insurance Policy**, they will tell **you** that **you** should not cancel any existing cover until **your** new application is accepted, and explain the general risks of replacing an existing policy, including the loss of any accrued benefits, the possibility of waiting periods to start again, and the implications of any non-disclosure on **your** new application (even where unintentional).

4.9 **We** will investigate concerns raised or identified with the sales practices of **our** staff and **our Authorised Representatives**. If as a result **we** identify that one of **our Life Insurance Policies** has been sold inappropriately:

a) **we** will contact **you** to discuss an appropriate remedy. Appropriate remedies will vary depending on the circumstances, and may include:
   i. cancelling the cover;
   ii. arranging a refund of **premiums** paid;
   iii. payment of interest on the refunded **premium**;
   iv. adjusting the cover or arranging for more suitable cover;
   v. correcting incorrect information; or
   vi. honouring a claim;

b) if **you** are not satisfied with **our** proposed remedy, **we** will review this and tell **you** how to make a **Complaint**; and

c) **we** will correct any identified sales practice issues including through further education and training.

5. When you buy insurance

5.1 This section only applies where **your** application requires an underwriting decision.

5.2 **We** are legally required to send all communications about **your** policy to the **Policy-owner**. However, where the **Policy-owner** is different from the **Life Insured**, **we** will not communicate personal medical information about a **Life Insured** to a **Policy-owner** unless the **Life Insured** has given consent for this.

5.3 At the start of the application process, before asking **you** any underwriting questions, **we** will explain the duty of disclosure and the consequences of not disclosing all relevant information and answering all questions honestly and completely.

5.4 Where the information **we** have received from **you** is all **we** need to make **our** decision on **your** application, **we** will let **you** know **our** decision within five **business days**.

5.5 **We** may also require direct discussions with a third party (for example, **your** doctor), or ask for information or reports from them, to further assist in **our** assessment of **your** application.

5.6 **We** may also require additional information to assess the application such as a medical examination by an **Independent Service Provider** who is selected by **us**.[9] **We** will only engage an **Independent Service Provider** where **we** believe this to be relevant and reasonable for the assessment of **your** application, and **we** will provide **you** with **our** reasons for requiring the additional information. If **you** disagree with the relevance of any assessment,

[9]Standards for **Independent Service Providers** are contained in section 10 including particular requirements for medical assessors/examiners at section 10.5.

we will review the need for this, and if **you** are not satisfied with **our** review **we** will tell **you** how to make a **Complaint**.

5.7 Where **we** require **you** to attend an assessment by an **Independent Service Provider**, **we** will meet the cost of the appointment (excluding missed appointment fees), extraordinary travel costs agreed in advance, and production of any reports.

5.8 If **we** ask **you** to attend an assessment with an **Independent Service Provider**, **we** will ask them to provide their report on the assessment within ten **business days**. If **we** request any other reports from **Independent Service Providers** that do not require **you** to attend an assessment, **we** will ask for the report to be provided to **us** no later than four weeks after the date of request. If the **Independent Service Provider** fails to meet these timeframes, **we** will inform **you** of this, and keep **you** informed of **our** progress in obtaining the report.

5.9 **We** will request the information **we** need as early as possible and will avoid multiple information requests where possible.

5.10 If **we** become aware during the application process of any errors or mistakes in the application or the information **we** have asked for, **we** will address these promptly. **We** may require additional information to implement corrections.

5.11 If **we** issue temporary insurance while **we** are undertaking the underwriting process, **we** will let **you** know that this insurance is only temporary, what it does and does not cover, and when it will cease.

5.12 Once **we** have all the information **we** reasonably need and have completed all reasonable enquiries relating to the application,[10] **we** will let **you** know **our** decision about whether to accept the application and on what terms within five **business days**.

5.13 After considering the application, **we** may only be able to offer insurance on alternative terms based on **your** personal circumstances, such as:

a) an additional **premium**;
b) the exclusion of specific events, activities or medical conditions that are not covered;
c) alterations to any waiting periods that apply before benefits can be accessed;
d) alterations to the benefit period that applies, including the term of the insurance cover;
e) any other specific terms or conditions that may be applicable to the **Life Insurance Policy**; or
f) an alternative policy.

There may also be circumstances in which **we** are unable to offer any insurance cover.

5.14 If **we** do not offer any insurance cover, or if **we** offer on alternative terms, **we** will let **you** know (or **your** doctor, where appropriate):

a) the reasons for **our** decision;
b) that **you** have the right to the information about **you** that **we** have relied on to make **our** decision, and if **you** request **we** will provide this to **you** (or **your** doctor, where appropriate) within ten **business days**, in accordance with the Access to Information section of the **Code**; and

[10]Including referral to one or more **Reinsurers** where necessary.

c) if **you** disagree with **our** decision, or if **you** think that the information **we** have relied on to make **our** decision is incorrect or out of date, **you** can discuss this with **us** and **we** will review **our** decision, and if **you** are not satisfied with **our** review **we** will tell **you** how to make a **Complaint**.

5.15 **Our** underwriters will be appropriately skilled and trained. They will not make underwriting decisions on **our** behalf until they have demonstrated technical competency and an understanding of all relevant law, the requirements of the **Code** and relevant **FSC** Standards and Guidance. They will have access to professional advice and support during the assessment process where required, in the relevant disciplines (for example, medical specialists and accountants).

5.16 **We** will comply with all relevant **FSC** Standards and Guidance[11] during the assessment process.

5.17 **Our** decisions on applications for insurance will comply with the requirements of anti-discrimination law. **Our** decisions will be evidence-based, involving relevant sources of information where this is available, and having regard to any other relevant factors where no data is available and cannot reasonably be obtained. **We** will regularly review **our** underwriting decision-making processes to ensure **we** are not relying on out-of-date or irrelevant sources of information.

5.18 **We** will monitor **our** underwriters to ensure the questions asked and the decisions made are consistent, evidence-based and compliant with legislation and regulation.

5.19 Where **we** allow **you** to apply for insurance via electronic underwriting, **we** will regularly review and monitor this to ensure the questions asked and the decisions made are consistent, compliant with legislation and regulation and **we** believe are necessary for **us** to assess **your** application based on information, analysis and evidence available to **us**. Where a decision about **your** application has been made solely via an electronic method and **you** have questions or concerns about the outcome, **you** can contact **us** to review the decision.

5.20 Should **we** become aware after the cover is issued that information **you** provided in **your** application for insurance was incorrect or incomplete at the time the **Life Insurance Policy** was issued:

a) if **we** consider the information to be important for **your** cover, **we** will ask **you** to provide an explanation, including giving **you** an opportunity to review any relevant documents about **you**, before **we** make any decision such as changing the terms or cancelling **your** cover; and

b) once **we** have made a decision, **we** will advise **you** of **our** decision and any actions **we** will be taking, and the process to have this reviewed or make a **Complaint** if **you** disagree with **our** decision.

[11]As at 1 October 2016, Standard No. 11 - Genetic Testing Policy, Standard No. 16 - Family Medical History Policy, Standard No. 21 - Mental Health Education Program and Training, Guidance Note No. 15 - Underwriting Guidelines for Mental Health Conditions and Guidance Note No. 32 – HIV/AIDS Underwriting Guidelines.

6. Policy changes and cancellation rights

6.1 This section 6 does not apply to cover under a **Group Policy**, as the **Group Policy-owner** is responsible for communication with **you** and policy changes.

6.2 For the rest of this section "**you**" means the **Policy-owner** only.

Communication during the term of your policy

6.3 **We** will provide **you** with an annual notice **in writing** each year prior to the anniversary of **your Life Insurance Policy**.[12] The annual notice will include:

a) the types of cover **you** are insured for and how much **you** are insured for;

b) an explanation for any increase in **your premiums** in accordance with the terms of **your Life Insurance Policy**;

c) information about the risks of cancelling and replacing an existing **Life Insurance Policy**;

d) information about how to contact **us** to discuss options if **you** want to change the terms of **your Life Insurance Policy** or are having difficulty meeting **your** payments; and

e) what to do in the event of a claim.

6.4 If **your Life Insurance Policy** has an automatic upgrade of benefits and **we** pass an automatic upgrade on to **you**, **we** will notify **you** of the relevant changes to the key information detailed above at section 3.4.

Life Insurance Policy changes and financial hardship

6.5 If **you** wish to change the terms of **your Life Insurance Policy**, or if **you** are having trouble meeting **your premium** payments, **we** will tell **you** about the options that may be available to **you**, such as:

a) changing **your** benefit structure or how much **you** are insured for;

b) reducing **your** benefits and/or removing or altering benefit options in order to reduce **your premium**; or

c) stopping **your** payments for a short period. **You** would not be able to make a claim for any event that occurs or condition that is diagnosed or first becomes apparent during this period, but **your Life Insurance Policy** would not be cancelled, in accordance with **our** hardship procedures.

6.6 If **you** ask **us** to consider an arrangement on the basis of financial hardship, **you** may be required to provide reasonable evidence of **your** hardship, such as:

a) for Centrelink clients, **your** Centrelink statements;

b) financial documents including bank statements; or

c) a statement of termination from **your** employment.

Cancellation rights

6.7 **You** may be entitled to a refund when **you** cancel **your Life Insurance Policy**, in accordance with the terms of **your Life Insurance Policy**. If **you** cancel **your Life Insurance Policy**, any money **we** owe **you** will be reimbursed to **you** within 15 **business days**.

6.8 If **your Life Insurance Policy** is cancelled due to non-payment of **premiums**, **you** may contact **us** if **you** wish **us** to consider reinstatement of **your** policy. Reinstatement will be subject to the terms of **your Life Insurance Policy** and is at **our** discretion, and may require additional questions and assessment.

[12]This section 6.3 does not apply to **CCI**, as the requirements for the annual notice for **CCI** are contained in section 4.7.

7. Consumers requiring additional support

7.1 **We** recognise that some groups may have unique needs, such as older persons, consumers with a disability, people from non-English speaking backgrounds and Indigenous people, when accessing insurance, making an inquiry, claiming on their insurance, making a **Complaint** and communicating with **us**. Where **we** identify that a customer requires additional support, **we** will take reasonable measures to ensure that **we** provide additional support.

7.2 **We** will have processes in place to train **our** staff to help identify and engage appropriately with consumers who are having particular difficulty with the process of buying insurance, making an inquiry, making a claim or making a **Complaint**, or who may not be capable of making an informed decision, and to refer these consumers for appropriate additional support where required.[13] **We** will take into account someone's capability when making decisions that impact them.

7.3 **We** acknowledge that **we** will not always be able to identify when someone requires additional support at the time of their insurance application. If **we** later become aware that **we** or **our Authorised Representative** has sold a **Life Insurance Policy** to a customer who was not provided with the additional support they needed to make an informed decision, **we** will investigate this and if the **Life Insurance Policy** was sold inappropriately, **we** will remedy this in accordance with section 4.9. If the person who recommended **our Life Insurance Policy** (for example, **your** financial adviser) is not **our** staff or **our Authorised Representative**, **we** will tell **you** how **you** can have the matter addressed.

7.4 **We** recognise that some groups of consumers (for example, people from Indigenous communities or those from non-English speaking backgrounds) may require support in meeting identification requirements when buying insurance or making a claim or **Complaint**. **We** will undertake reasonable measures to assist those consumers and still meet **our** obligations under the law.

7.5 **We** recognise that people living in remote and regional communities may have trouble meeting their obligations to provide **us** with documents and to take part in assessments in the timeframes **we** set. **We** will take this into account when going through the underwriting and claims processes.

[13]This is in addition to the requirements of FSC Standard 21: Mental Health Education Program and Training.

8. When you make a claim

8.1 If **your** claim is covered by a **Group Policy**, **we** may be required to provide the communications referred to below to the **Group Policy-owner** (for example, the superannuation fund trustee which owns **your Life Insurance Policy**) in accordance with section 2.13. The **Group Policy-owner** will then communicate with **you** and assist with **your** claim. When **you** make a claim, **we** and/or the **Group Policy-owner** will let **you** know who will be in contact with **you**.

When you make a claim

8.2 When **you** make a claim **we** will consider all of the features of the **Life Insurance Policy** to which **your** claim relates in order to ensure **you** are claiming for all available benefits under **your Life Insurance Policy**. **We** will not discourage **you** from making a claim.

8.3 Within ten **business days** of being notified about **your** claim, **we** will explain to **you your** cover and the claim process, including why **we** request certain information from **you** and any waiting period before payments will be made. **We** will give **you** contact details that **you** can use to get information about **your** claim.

8.4 Prior to making a decision on **your** claim, **we** will keep **you** informed about the progress of **your** claim at least every 20 **business days** unless otherwise agreed with **you** or the **Group Policy-owner**. **We** will respond to **your** requests for information about **your** claim within ten **business days**.

What we require to assess your claim

8.5 **We** will only ask for and rely on information and assessments that are relevant to **your** claim and policy, and **we** will explain why **we** are requesting these. This can include, for example, financial, occupational and medical information. If **you** disagree with the relevance of any information, **we** will review the request, and if **you** are not satisfied with **our** review **we** will tell **you** how **you** can make a **Complaint**.

8.6 Where **we** require information from other sources, such as **your** doctor, accountant or another health professional, **we** may ask **you** for a general authority to obtain information about **you** from them. **We** will only use a general authority to obtain information that **we** reasonably believe is relevant to **your** claim. **You** can instead authorise **us** to request particular information from particular sources. However, this may cause delays in the assessment of **your** claim or mean that **we** are unable to assess **your** claim, and **we** may require further authorities before **we** can progress the assessment of **your** claim.

8.7 **We** will request the information **we** need as early as possible and will avoid multiple information requests where possible.

8.8 If **we** request a report from an **Independent Service Provider**, **we** will ask for the report to be provided to **us** no later than four weeks after the date of request or the date of **your** appointment (if **you** are required to attend one). If the **Independent Service Provider** fails to meet this timeframe, **we** will inform **you** of this, and keep **you** informed of **our** progress in obtaining the report.

8.9 For income-related claims (such as income protection or business expense cover):[14]

a) information may need to be provided on an ongoing basis in order to review **your** entitlement to benefits or to calculate **your** payments. This can include financial as well as medical information;

b) **we** will not require **you** to get ongoing statements from **your** doctor more frequently than reasonably necessary to assess **your** condition, so that **we** can determine **your** ongoing entitlement to benefits. For monitoring purposes, **we** may seek information from **your** doctor every six months, even if **your** condition is stable;

c) **we** will not request a medical statement from **your** doctor for the sole reason of processing **your** regular payment;

d) **we** will only request financial information in circumstances where it is required to assess **your** eligibility to claim or to calculate **your** entitlement;

e) if **you** disagree with the relevance of any requested information, **we** will review this; and

f) if **your** payment is going to be delayed, **we** will notify **you** prior to this and let **you** know the reasons for the delay.

8.10 Where **we** require **you** to attend an independent medical examination:[15]

a) **we** will meet the cost of the appointment (excluding missed appointment fees), production of any reports and extraordinary travel costs agreed in advance;

b) **you** can request copies of **your** independent medical examination reports, which **we** will send to **you**, or **your** doctor where appropriate.

c) **we** will avoid requesting more than one independent medical examination from the same type of specialist within six months where possible. If **we** do require more than one (such as where the claim is for a terminal illness or where superannuation legislation requires this), **we** will let **you** know the reasons for this; and

d) if **you** request, **you** can choose from a list of doctors **we** nominate for **your** independent medical examination, although this may cause delays to **your** claim depending on **your** chosen doctor's availability.

8.11 Where **we** require interviews to be carried out:[16]

a) the interviewer will tell **you** who they are, that they are acting on **our** behalf, their reason for contacting **you**, and **your** right to have a **Representative** or other support person present, before statements are taken;

b) if **you** have requested that **we** communicate through a **Representative**, **we** will let the interviewer know to advise the **Representative** before contacting **you**;

c) **you** can choose to have someone attend the interview with **you**. If **you** require an interpreter, **we** will arrange this at **our** cost;

d) if the interview relates to a claim involving mental illness, **we** will only use an interviewer that **we** are satisfied has appropriate training or experience to carry out the interview;

[14]An income-related claim is a claim for an ongoing benefit that **we** pay to **you** when **you** are unable to work due to being ill or injured.

[15]Standards for independent medical examiners are contained in section 10.5.

[16]This section 8.11 does not apply to independent medical examinations, which are covered in section 8.10, or interviews conducted by an allied health professional.

e) if the interview is to be recorded, **you** will be advised before the interview starts and **you** may request a copy of the recording;

f) interviews will be conducted respectfully and take a maximum time of two hours, unless **you** agree to an extension. A further interview will be organised if it is reasonably required;

g) **you** can request breaks during the interview if **you** require;

h) if **you** request, **we** will arrange an interviewer of the same sex if one can reasonably be arranged;

i) **you** can choose to be interviewed somewhere other than **your** home, at a location acceptable to both parties, unless interviewing **you** at **your** home is essential to establishing whether **you** are eligible to claim;[17] and

j) a transcript of the interview (or copy of the recorded interview if requested) will be provided to **you** for confirmation.

8.12 Where **we** require surveillance to be carried out:

a) alternative methods of verifying information will be sought prior to arranging surveillance;

b) surveillance will only be arranged where **we** reasonably believe prior to carrying out the surveillance that **your** claim appears to be inconsistent with information available to **us**, and **our** reasons for this will be documented;

c) requests for surveillance must be internally reviewed and approved by a senior claims manager;

d) surveillance will not be conducted in any court or other judicial facility, in any medical or health facility, in any bathroom, change room, lactation room or inside **your** house;

e) **our** investigator will not intentionally film people in the company of the subject of the enquiry, and where this cannot be avoided, any footage of people in the company of the subject of the enquiry will be pixelated or blurred before being provided by **us** to any external party such as a court or external dispute resolution body;

f) **we** will discontinue surveillance where there is evidence from an independent medical examiner that it is negatively impacting **your** recovery; and

g) surveillance investigators will not communicate with neighbours or work colleagues in ways which might directly or indirectly reveal that surveillance is being, will be or has been conducted.

8.13 If **we** become aware of any errors or mistakes in **your** claim or the information **we** have asked for, **we** will address these promptly. **We** may require additional information to implement corrections.

Claims decisions and benefit payments

8.14 All efforts will be made to meet the timelines required by the **Code**. However, timeframes for making claims decisions can be affected by factors outside **our** control (**Unexpected Circumstances**). Examples of this include the time taken by a superannuation trustee to review **our** decision or fulfil its legal obligations, or the time taken by **you** or **your** treating doctor to provide information. Where **we** cannot comply with a deadline required by the **Code** due to a delay that is out of **our** control, **we** will not have breached the **Code**. If there are external impacts on timeframes, **we** will inform **you** of this and **we** or the **Group Policy-owner** will keep **you** informed of progress.

[17]For example, where **your** claim relates to a total and permanent disablement cover with an "Activities of Daily Living" definition.

8.15 Once **we** have all the information **we** reasonably need and have completed all reasonable enquiries[18] to assess **your** claim, including **your** response to the evidence **we** are basing **our** decision on if **we** have presented this to **you**, **we** will let **you** know **our** decision on **your** claim within ten **business days**.

8.16 For income-related claims, **we** will let **you** know **our** initial decision no later than two months after **we** are notified of **your** claim or two months after the end of **your** waiting period (whichever is later), unless **Unexpected Circumstances** apply. Where **Unexpected Circumstances** apply, **our** decision will be made no later than 12 months after **we** are notified of **your** claim. **We** will let **you** know the reasons for the delay, and if **you** disagree **we** will review this. If **we** cannot make a decision within 12 months, **we** will give **you** details of **our Complaints** process.

8.17 For all claims other than income-related claims, **we** will let **you** know **our** decision no later than six months after **we** are notified of **your** claim or six months after the end of any waiting period, unless **Unexpected Circumstances** apply. Depending on **your** policy, **our** decision may be a requirement that **you** undertake a period of rehabilitation or retraining, or it may be a final decision on **your** benefits. Where **Unexpected Circumstances** apply, **our** decision will be made no later than 12 months after **we** are notified of **your** claim. **We** will let **you** know the reasons for the delay, and if **you** disagree **we** will review this. If **we** cannot make a decision within 12 months, **we** will give **you** details of **our Complaints** process.

8.18 If **we** accept **your** claim and it includes a lump sum payment, **we** will suggest **you** seek financial advice to help manage **your** claim payment. For an income-related claim, if **we** offer to pay **you** a lump sum instead of ongoing payments in order to finalise **your** claim, **we** will suggest that **you** seek financial and legal advice before accepting **our** offer.

8.19 If **we** decline **your** claim **we** will let **you** know **in writing**:

a) the reasons for **our** decision;

b) that **you** have the right to copies of the documents and information **we** have relied on, and if **you** request **we** will provide **you** (or **your** doctor, where appropriate) with copies within ten **business days**, in accordance with the Access to Information section of the **Code**; and

c) that **you** have the right to request a review if **you** disagree with **our** decision, and **we** will give **you** details of **our Complaints** process.

8.20 **Our** claims assessors will be appropriately skilled and trained to make objective decisions. They will not make claims decisions on **our** behalf until they have demonstrated technical competency and an understanding of all relevant law, the **Code** and relevant **FSC** Standards and Guidance. Remuneration and entitlements to bonuses will not be based on declined claims or deferrals of decisions.

Income-related benefits

8.21 Where **you** are receiving an income-related benefit, **we** will not stop payments during a non-disclosure investigation (in accordance with section 5.20) unless **we** reasonably believe that **we** have evidence that will lead to **your** claim being declined or **your Life Insurance Policy** being cancelled or avoided.[19]

[18]Including referral to one or more **Reinsurers** where necessary.

[19]This standard does not apply to policies owned by a superannuation fund trustee as access to superannuation benefits is limited by law.

8.22 **Your** policy may state that **your** income-related claim payments will continue after a period of time only if additional or different requirements are met. **We** will give **you** at least three months' notice of this and explain to **you** what is changing and any additional information **we** need to assess **your** eligibility after the change takes effect.

8.23 If **we** identify that **your** income-related claim payments are coming to an end, **we** will contact **you** to confirm when the last payment is to be made, either:

a) at least 30 days in advance of the last payment if **your** benefit period is expiring; or

b) as soon as possible if **we** have received information that has caused **us** to cease all future payments.

How we support you when you make a claim

8.24 **We** acknowledge that claims time is difficult for **our** customers, and that empathy is required in **our** claims management. **We** will treat **you** with compassion and respect.

8.25 If **you** tell **us** that **you** are having difficulty providing requested claim information **we** will work with **you** to find a solution. This will include endeavours to collect the information on **your** behalf.

8.26 For income-related claims **we** will:

a) seek to identify ways **we** can support **your** recovery at the early stage of **your** claim;

b) seek to collaborate with **your** doctor, other healthcare providers and **your** employer in ways which will optimise **your** health outcome;

c) ensure **you** have a primary contact person for the duration of **your** claim; and

d) if injured or ill, **we** will promote best-practice rehabilitation and injury management.

Urgent financial need

8.27 While **we** are assessing **your** claim, **you** can tell **us** if **you** are in urgent financial need of the benefits **you** are covered for under **your Life Insurance Policy**,[20] as a result of the condition that has caused the claim.

8.28 **We** will ask **you** to provide documentation to support this, but will only ask for information that is reasonably necessary to assess **your** request, such as:

a) for Centrelink clients, **your** Centrelink statements; or

b) financial documents including bank statements.

8.29 If **you** reasonably demonstrate to **us** that **you** are in urgent financial need, **we** will:

a) prioritise the assessment and decision in relation to **your** claim; and/or

b) make an advance payment to assist in alleviating **your** immediate hardship.

8.30 **We** will notify **you** about **our** decision within five **business days** of receipt of the documentation **we** have reasonably requested from **you**. If **you** disagree with **our** decision, **we** will review this. If **we** accept **your** request, **we** will confirm the arrangement **in writing**.

[20]This standard does not apply to policies owned by a superannuation fund trustee as access to superannuation benefits is limited by law. However, **you** should contact the trustee directly as they may have other means of assisting **you** with financial hardship.

9. Complaints and disputes

9.1 **You** are entitled to make a **Complaint** to **us** about any aspect of **your Life Insurance Policy**, claim, or customer experience with **us**, or with one of **our Authorised Representatives** or **Independent Service Providers**.

9.2 If **you** tell **us** that **you** have a concern about someone recommending **our Life Insurance Policies** who is not **our Authorised Representative**, **we** will tell **you** how **you** can have the matter addressed.

9.3 **We** will make information about **your** right to make a **Complaint** and **our** process for handling **Complaints** available on **our** website and in **our** relevant communications.

9.4 **Your Complaint** will be handled by someone different from the person or persons whose decision or conduct is the subject of the **Complaint**.

9.5 **We** will notify **you** of the name and contact details of the person assigned to liaise with **you** in relation to **your Complaint**.

9.6 **We** will only ask for and rely on information relevant to the investigation into **your Complaint** and **our** response to **your Complaint**.

9.7 If **we** become aware of errors and mistakes in the handling of **your Complaint**, **we** will address these promptly.

9.8 **We** will make an arrangement with **you** for keeping **you** regularly informed about the progress of **your Complaint**.

9.9 If **we** resolve **your Complaint** to **your** satisfaction by the end of the fifth **business day** after **your Complaint** was received by **us**, and:

a) **your Complaint** does not relate to hardship, a declined insurance claim,[21] or the value of an insurance claim; and

b) **you** have not requested a response **in writing**,

the processes described below in sections 9.10 to 9.13 do not apply.

Where your Complaint is about a Life Insurance Policy owned by a superannuation fund trustee

9.10 Where possible, **we** will respond to the superannuation fund trustee so that it can provide a final response to **your Complaint** in writing within 90 calendar days[22] of the superannuation fund trustee receiving **your Complaint**. **You** will be informed of:

a) **our** final decision in relation to **your Complaint** and the reasons for that decision;

b) that **you** have the right to copies of the documents and information **we** relied on in assessing **your Complaint**, and if **you** request **we** will provide **you** (or **your** doctor, where appropriate) with copies within ten **business days**, in accordance with the Access to Information section of the **Code**;

c) that **you** may have the right to take **your Complaint** to the Superannuation Complaints Tribunal (**SCT**) if **you** are not satisfied with **our** decision and the timeframe within which **you** must take **your Complaint** to the **SCT**; and

d) contact details for the **SCT**.

[21]For the purposes of this section only, in accordance with ASIC Regulatory Guide 165, "declined insurance claim" means **you** have made a claim on an insurance policy, and:
a. **we** have declined or not accepted the claim; or
b. **we** have not determined the claim within 10 **business days** of receiving all the information necessary to do so.

[22]This timeframe is prescribed by section 19, Superannuation (Resolution of Complaints) Act 1993.

9.11 If the superannuation fund trustee does not respond to **your Complaint** within 90 calendar days of receiving **your Complaint**, **you** can request written reasons from them for the delay. **You** have the right to take **your Complaint** to the **SCT** if **you** are not satisfied.

Where your Complaint is about a Life Insurance Policy that is not owned by a superannuation fund trustee

9.12 Where possible, **we** will provide a final response to **your Complaint in writing** within 45 calendar days. **We** will tell **you**:

a) **our** final decision in relation to **your Complaint** and the reasons for that decision;

b) that **you** have the right to copies of the documents and information **we** relied on in assessing **your Complaint**, and if **you** request **we** will provide **you** (or **your** doctor, where appropriate) with copies within ten **business days**, in accordance with the Access to Information section of the **Code**;

c) **your** right to take **your** Complaint to the Financial Ombudsman Service (**FOS**) if **you** are not satisfied with **our** decision, and the timeframe within which **you** must take **your** Complaint to **FOS**; and

d) contact details for **FOS**.

9.13 If **we** are unable to respond to **your Complaint** within 45 calendar days, **we** will inform **you** of the reasons for the delay before the end of the 45 calendar days, and inform **you** of **your** right to take **your Complaint** to **FOS** if **you** are not satisfied, along with contact details for **FOS**.

External Dispute Resolution

9.14 **FOS** is available to customers and third parties who fall within the **FOS** Terms of Reference. The **SCT** is available to customers and third parties whose complaints are covered by the Superannuation (Resolution of Complaints) Act 1993. **You** may seek independent legal advice and access any other external dispute resolution options that may be available to **you** or of which **we** are a member.

9.15 If **our** final decision does not resolve **your Complaint** to **your** satisfaction, or if **we** do not resolve **your Complaint** within the timeframes required above, **you** may refer **your Complaint** to **FOS** or the **SCT** as appropriate.

9.16 External dispute resolution **Determinations** made by **FOS** are binding on **us** in accordance with the **FOS** Terms of Reference. **Determinations** made by the **SCT** are binding on **us** and the superannuation fund trustee in accordance with the Superannuation (Resolution of Complaints) Act 1993.

10. Standards for third parties dealing with underwriting or claims

10.1 **We** may use **Independent Service Providers** to assist with underwriting and the management of claims, including but not limited to independent medical assessors, accountants, investigators, rehabilitation providers and claims management services.

10.2 This section applies to agreements with **Independent Service Providers** that **we** enter into or that are renewed after **we** are bound by the **Code**, which must reflect the standards of the **Code** as they relate to the **Independent Service Provider's** services.

10.3 **We** will require **Independent Service Providers** to act with honesty, fairness, respect, transparency and timeliness towards **you** and **us**.

10.4 **We** will only enter into contracts with **Independent Service Providers** who reasonably satisfy **us** of their expertise, experience, qualifications and integrity, and who hold any required Federal, State, Territory or industry licensing. **Our** contracts will include reference to the relevant States' and Territories' Expert Witness Code of Conduct.

10.5 Where **we** engage an **Independent Service Provider** who is a medical assessor or examiner, **we** will require them to comply with the Australian Medical Association's Ethical Guidelines on Independent Medical Assessments or an equivalent international guideline for providers overseas.

10.6 **We** will only rely on reports from treating doctors, allied health professionals and **Independent Service Providers** in relation to **your** application for insurance or claim that **we** are satisfied are impartial and objective. All details in a report will be taken into account.

10.7 **We** will require **Independent Service Providers** to comply with the Privacy Act 1988 and maintain confidentiality of **your** information, and only use that information for the purpose of the service they are providing.

10.8 **We** will require that an **Independent Service Provider** involved in **your** application for insurance or claim must notify **us** if **you** make a **Complaint** about their services, and **we** will handle the **Complaint** in accordance with **our** internal **Complaints** process unless **we** are satisfied they have their own complaints handling process of an equivalent standard.

Standards for investigators

10.9 **We** may engage an investigator to assist **us** with **your** claim. If **we** engage an investigator, in addition to the above obligations, **we** will require that:

a) surveillance can only be carried out by a licensed private investigator and they must comply with any relevant State and Territory legislation;

b) the investigator does not use illegal means to carry out the investigation, or induce someone to perform a task or activity that they would not have performed without the involvement of the investigator;

c) the investigator only collects information relevant to its investigation;

d) the investigator does not make any threat or promise or offer any inducement to any person when conducting an investigation on **our** behalf;

e) the investigator acts in accordance with the standards relating to interviews and surveillance in sections 8.11 and 8.12; and

f) records of all investigation activities are kept in accordance with the requirements of the Privacy Act 1988.

11. Information and education

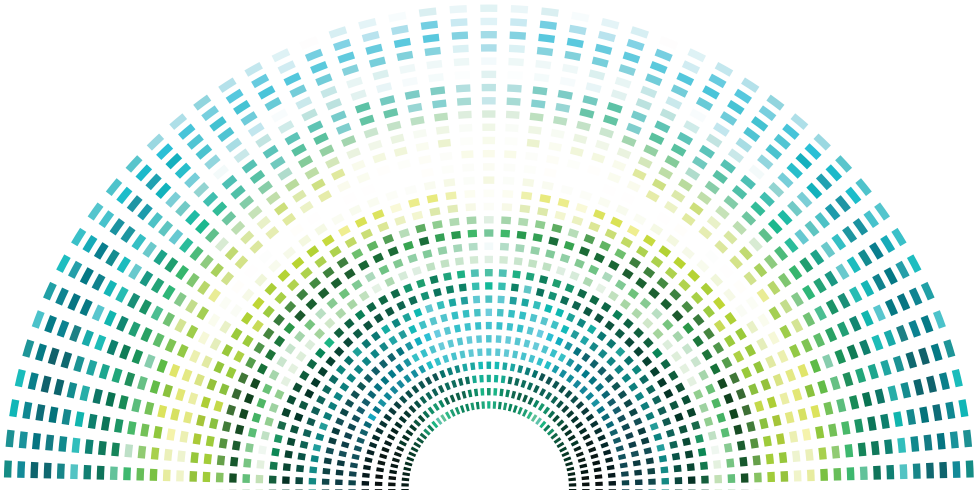
11.1 **We** will make **our** customers aware of the **Code**, which will include providing information about the **Code** on **our** websites and in **our** relevant marketing documents.

11.2 The **FSC** is responsible for the promotion of the **Code** to consumers and to industry participants that have not yet adopted the **Code**. **We** will work with the **FSC** to promote the **Code**.

11.3 The **FSC** will work with the **Life CCC**, relevant regulators and stakeholders to encourage all life insurers and other industry participants that carry on business in Australia to adopt the **Code**.

11.4 The **FSC** may develop guidance documents from time to time which are not enforceable but assist **us** in interpreting and meeting **our** obligations under the **Code**.

11.5 **We** will work with the **FSC** on the promotion and education of life insurance, financial literacy and the life insurance industry.



12. Code governance

Role of FSC

12.1 The **FSC** is responsible for the development of the **Code**, including the Charter of the **Life CCC**.

12.2 The **FSC** is responsible for commissioning formal independent reviews of the **Code** as appropriate, no less than every three years. The **Life CCC** may recommend to the **FSC** Life Board Committee that the **Code** be reviewed, if the **Life CCC** believes the application of the **Code** is not meeting its objectives.

12.3 In addition to formal independent reviews of the **Code**, the **FSC** will consult with the **Life CCC**, **FOS**, **SCT**, consumer and industry representatives, relevant regulators and other stakeholders to develop the **Code** on an ongoing basis.

Role of Life Code Compliance Committee

12.4 The **Life CCC** is the body responsible for monitoring and enforcing **our** compliance with the **Code**.

12.5 The **Life CCC** is made up of:

a) a consumer representative;

b) an industry representative; and

c) an independent chair.

12.6 The **Life CCC's** functions and powers are set out in its Charter.

12.7 The **Life CCC** is responsible for providing regular reports to the **FSC**'s Life Board Committee, with recommendations on any **Code** improvements and industry issues, including where non-compliance with any standards of the **Code** indicates an industry issue or highlights weaknesses in the **Code**.

12.8 The **Life CCC** may outsource its functions to an appropriate body, with the exception of its powers to sanction.

13. Monitoring, enforcement and sanctions

13.1 Anyone can report alleged breaches of the **Code** to the **Life CCC**. If the **Life CCC** determines that **your** allegation is better dealt with through **our** internal **Complaints** process, it will refer **you** to **us** to make a **Complaint**.

13.2 **FOS** may report possible **Code** breaches to the **Life CCC**.

Our Responsibility

13.3 **We** will:

a) have appropriate systems and processes in place to enable compliance with the **Code**;

b) prepare an annual return to the **Life CCC** on **our** compliance with the **Code**; and

c) have a governance process in place to report on **our** compliance with the **Code** to **our** Board of Directors or executive management.

13.4 If **we** identify a **Significant Breach** of the **Code** within **our** organisation, within ten **business days** of becoming aware of the breach **we** will report it to the **Life CCC** unless:

a) the breach relates to a matter that has been reported to a regulator; and

b) the regulator has been informed that the matter may also involve a breach of the **Code**.

13.5 **We** will be in breach of the **Code** if **our** staff or **our Authorised Representatives** fail to comply with the **Code**.

13.6 **We** will cooperate with the **Life CCC** in its:

a) review of **our** compliance with the **Code**;

b) investigations of any alleged **Code** breach; and

c) reasonable requests of **us** when it carries out its functions.

13.7 **We** will apply fair and reasonable corrective measures within set timeframes, as agreed with the **Life CCC**, in response to a **Code** breach. For the avoidance of doubt, any corrective measures related to the breach agreed with **us** or imposed on **us** by any regulatory body will take precedence.

Life CCC Responsibility

13.8 The **Life CCC** will:

a) receive allegations about breaches of the **Code**;

b) notify **us** of any alleged **Code** breaches by **us** and provide an opportunity for **us** to respond;

c) use its discretion to investigate alleged breaches in accordance with the **Code**;

d) determine whether a breach has occurred;

e) agree with **us** any fair and reasonable corrective measures to be implemented by **us** and the relevant timeframes, taking into account any corrective measures related to the breach imposed on **us** by any regulatory body; and

f) monitor the implementation of any corrective measures by **us** and determine if they have been implemented effectively and within the agreed timeframe.

13.9 The **Life CCC** will publish an annual report containing consolidated, de-identified analysis on **Code** compliance.

Sanctions

13.10 If the **Life CCC** considers **we** have failed to correct a **Code** breach in accordance with section 13.8, or if **we** cannot agree on corrective measures, it will:

a) notify **our** Chief Executive Officer **in writing**; and

b) provide an opportunity for **us** to respond within 15 **business days**.

13.11 The **Life CCC** will consider any response by **us** before making a final determination and imposing any sanctions.

13.12 The **Life CCC** will notify **our** Chief Executive Officer and the **FSC in writing** of its decision regarding any failure to correct a **Code** breach and any sanctions to be imposed.

13.13 When determining any sanctions to be imposed, the **Life CCC** will consider:

a) the principles and objectives of the **Code**;

b) the appropriateness of the sanction;

c) any measures related to the breach imposed on **us** by any regulatory body; and

d) whether the breach is a **Significant Breach**.

13.14 The **Life CCC** may at its discretion impose one or more of the following sanctions:

a) a requirement that particular rectification steps be taken by **us** within a specified timeframe, taking into account any rectification related to the breach imposed on **us** by any regulatory body;

b) a formal warning;

c) a requirement that a **Code** compliance audit be undertaken;

d) a requirement that **we** undertake corrective advertising or write directly to the customers impacted by the breach; and/or

e) publication of **our** non-compliance on **our** website and on the **FSC** website.

13.15 The **Life CCC's** decisions are binding on **us**.

13.16 Where **we** do not comply with a sanction imposed on **us** by the **Life CCC**, this is regarded as a breach of an **FSC** Standard. The **FSC** Board has the power to undertake disciplinary action in accordance with **FSC** Standard No. 1.

14. Access to information

14.1 **We** will abide by the principles of the Privacy Act 1988 and any other legal obligations when **we** collect, store, use and disclose personal information about **you**.

14.2 Subject to section 14.5, **you** can access the information about **you** that **we** have relied on in assessing **your** application for insurance cover, **your** claim or **your Complaint**.

14.3 Subject to section 14.5, **you** can also access the reports from **Independent Service Providers** that **we** have relied on in assessing **your** application for insurance cover or **your** claim.

14.4 If **we** cannot comply with a timeframe for providing information to **you** required by the **Code** due to the fact that **we** are waiting for permission from a third party to release information to **you**, **we** will advise **you** of this before the end of the timeframe, and this will not constitute a **Code** breach.

14.5 In special circumstances, **we** may decline to provide access to or disclose information to **you**, such as:

a) where information is protected from disclosure by law, including the Privacy Act 1988;

b) where **we** reasonably determine that the information should be provided directly by **us** to **your** doctor;

c) where the release of the information may be prejudicial to **us** in relation to a dispute about **your** insurance cover or **your** claim, or in relation to **your Complaint**; or

d) where **we** reasonably believe that the information is commercial-in-confidence.

14.6 If **we** decline to provide access to or disclose information to **you**:

a) **we** will not do so unreasonably;

b) **we** will give **you** a schedule of the documents **we** have declined to provide and give **you** reasons for doing so; and

c) **we** will provide details of **our Complaints** process.

14.7 If **you** request any of **your Life Insurance Policy** documentation from **us**, **we** will provide this to **you** promptly and in an electronic form if **you** request, subject to any process for releasing policy documentation that **we** are required to carry out by law.

15. Definitions

APRA means the Australian Prudential Regulation Authority.

ASIC means the Australian Securities and Investments Commission.

Authorised Representative means a person, company or other entity authorised by **us** to provide financial services on **our** behalf under **our** Australian Financial Services licence, in accordance with the Corporations Act 2001. It does not include a person, company or entity that is an authorised representative of an Australian Financial Services licensee that is a related company to **us**.

business days are Monday to Friday excluding public holidays.

CCI means consumer credit insurance.

Code means the Life Insurance Code of Practice 2016.

Complaint means an expression of dissatisfaction made to **us**, related to **our** products or services, or **our Complaints** handling process itself, where a response or resolution is explicitly or implicitly expected.

Determination means a final determination made by a **FOS** Ombudsman or by the **SCT**.

FOS means the Financial Ombudsman Service.

FSC means the Financial Services Council Limited.

Funeral Insurance Policy means a **Life Insurance Policy** where the primary purpose of all of the benefits is to meet the expenses of or that are incidental to the funeral, burial or cremation of the person covered under the policy or a member of their family.

Group Policy means a **Life Insurance Policy** owned by an employer, superannuation fund trustee or another person or entity, covering a group of **Lives Insured** or an individual **Life Insured** and includes additional cover purchased by **Lives Insured**.

Group Policy-owner means a **Policy-owner** of a **Group Policy**.

Independent Service Provider means someone **we** enter into an agreement with to assist with underwriting, administration or claims management, including but not limited to an independent medical assessor, an allied health professional, an accountant, an investigator, a rehabilitation provider or a claims management service. This excludes **Reinsurers**.

in writing means a communication conveyed by mail or via electronic means such as via email, facsimile or text message, or any other means permitted by legislation or regulation.

Life CCC means the Life Code Compliance Committee as described in section 12.

Life Insurance Policy means:

a) a contract of insurance that provides for the payment of money on the death of a person or on the happening of a contingency dependent on the termination or continuance of human life (Section 9(1)(a), Life Insurance Act 1995);

b) a contract of insurance that is subject to payment of **premiums** for a term dependent on the termination or continuance of human life (Section 9(1)(b), Life Insurance Act 1995);

c) a continuous disability policy (Section 9(1)(e), Life Insurance Act 1995); or

d) another contract of insurance, if **we** carry on life insurance business (other than annuity business) by issuing or undertaking liability under such a contract due to a declaration by APRA under section 12A of the Life Insurance Act 1995,

issued in the Australian market and excluding a contract of reinsurance.

Life Insured means a person covered under a **Life Insurance Policy** covered by the **Code**, regardless of whether that person is a party to the **Life Insurance Policy**, but excludes a **Third Party Beneficiary** (collectively referred to as **Lives Insured**).

PDS means product disclosure statement.

Policy-owner means a person, company or entity seeking to own or owning a **Life Insurance Policy** covered by the **Code**, including joint **Policy-owners**, but excludes a **Third Party Beneficiary**.

Premium or **premiums** mean the amount **you** pay for **your** insurance cover or an amount paid by another person or entity for **your** insurance cover.

Reinsurer means an entity that provides insurance to issuers of **Life Insurance Policies** (referred to as reinsurance). A **Reinsurer** does not have a contract of insurance with **you**.

Representative means someone **you** have nominated to communicate with **us** on **your** behalf, such as a lawyer, financial adviser, financial planner, **Group Policy-owner**, interpreter, or family member.

SCT means the Superannuation Complaints Tribunal.

Significant Breach means a breach that is reasonably determined by **us** to be significant by reference to:

a) the number and frequency of similar previous breaches;

b) the impact of the breach on **our** ability to provide **our** services;

c) the extent to which the breach indicates that **our** arrangements to ensure compliance with **Code** obligations are inadequate; or

d) the actual or potential financial loss caused by the breach.

Third Party Beneficiary means a person or entity who is not a **Life Insured** or **Policy-owner** but is seeking to be or is specified or referred to in a **Life Insurance Policy** covered by the **Code**, whether by name or otherwise, as a person to whom the benefit of the insurance cover extends.

Unexpected Circumstances means:

a) **your** claim has been notified to **us** more than 12 months after the later of the date of disability or the end of **your** waiting period, and there are reasonable delays obtaining evidence necessary for the assessment of **your** claim from the intervening period;

b) for a claim for total and permanent disability, **we** cannot reasonably satisfy ourselves on the basis of the information provided in the six months after the end of **your** waiting period that **your** condition meets the requirements of **your Life Insurance Policy**;

c) **we** have not received reports, records or information reasonably requested from an **Independent Service Provider**, **your** doctor, a government agency or other person or entity (including a **Reinsurer**);

d) the **Policy-owner** or **Group Policy-owner** has disputed or taken a protracted period to consider **our** decision;

e) **you** or **your Representative** have not responded to **our** reasonable enquiries or requests for documents or information concerning **your** claim;

f) there are difficulties in communicating with **you** in relation to the claim due to circumstances beyond **our** control;

g) there is a delay in the claims process that **you** have requested; or

h) the claim is fraudulent or **we** reasonably suspect fraud or non-disclosure that requires further investigation.

we, us and **our** mean the entity that is bound by the **Code**, and includes **our Authorised Representatives** but not an authorised representative of a company related to **us**.

you and **your** mean a **Life Insured**, **Policy-owner**, or a **Third Party Beneficiary**, as relevant to a particular section of the **Code**.

Appendix: minimum standard medical definitions

Add the following in Section 8 – Claims (immediately after 8.20)...

Minimum standard Trauma/Critical Illness Definitions

8.20A The **minimum standard medical definitions** in the **Code** apply to the first $2 million of trauma/critical illness cover where **we** issued **your Life Insurance Policy** or group trauma/critical illness scheme on or after 1 July 2017. They do not apply to other benefits such as trauma/critical illness cover either reinstated after a claim or where the amount payable varies according to the severity of the condition, or to payments for benefits included with Income Protection or Total Permanent Disability (TPD).

8.20B Where **your** trauma/critical illness cover includes cancer, a heart attack or a stroke and **you** make a claim, **we** will assess **your** claim against:

a) the applicable definition in **our** PDS/Policy Document linked to the full benefit amount; and
b) if different, the corresponding **minimum standard medical definition** in the **Code** that is current at the time of the insured event;

so that **you** get the better of the two definitions.

Add the following in Chapter 15 - Definitions...

minimum standard medical definition means:

a) Cancer – *excluding specified early stage cancers*

Cancer means any malignant tumour diagnosed with histological confirmation and characterised by:

a) the uncontrolled growth of malignant cells; and
b) invasion and destruction of normal tissue beyond the basement membrane.

The term malignant tumour includes leukaemia, sarcoma and lymphoma.

The following are not covered:

- All tumours which are histologically classified as any of the following:
  a) pre-malignant;
  b) non-invasive;
  c) high-grade dysplasia;
  d) borderline or low malignant potential.
- Carcinoma in situ except carcinoma in situ of the breast where a total mastectomy with full removal of the breast has been undertaken and was considered by treating doctors to be the appropriate and necessary treatment.
- All cancers of the prostate unless:
  a) histologically classified as having a Gleason score of 7 or above; or
  b) having progressed to at least clinical stage T2bN0M0 on the TNM clinical staging system; or
  c) where a total prostatectomy has been undertaken where the procedure was specifically to arrest the spread of malignancy and was considered by treating doctors to be the appropriate and necessary treatment.

- All cancers of the thyroid unless:
  a) having progressed to at least TNM classification T2N0M0; or
  b) where a total thyroidectomy has been undertaken and was considered by treating doctors to be the appropriate and necessary treatment.
- All cancers of the bladder unless having progressed to at least TNM classification T1N0M0.
- Cutaneous lymphoma confined to the skin.
- Chronic lymphocytic leukaemia unless having progressed to at least Rai stage I.
- All non-melanoma skin cancers unless having spread to the bone, lymph node, or an other distant organ.
- All melanoma skin cancers unless having progressed to at least TNM classification T2bN0M0.

b) Heart attack – *with evidence of severe heart muscle damage*

Heart attack means the death of a portion of the heart muscle as a result of inadequate blood supply, where the diagnosis is supported by the detection of a rise and/or fall of cardiac biomarker values with at least one value above the 99th percentile upper reference limit (URL) and with at least three of the following:

a) Symptoms of ischaemia.
b) New significant ST-segment–T wave (ST–T) ECG changes or new left bundle branch block (LBBB).
c) Development of new pathological Q waves in the ECG.
d) Imaging evidence of new regional wall motion abnormality present at least six weeks after the event.

If the tests specified in a) to d) above are inconclusive or unable to be met, then the definition will be met if at least three months after the event the insured's left ventricular ejection fraction is less than 50 per cent.

The following are not covered:

- A rise in biological markers as a result of an elective percutaneous procedure for coronary artery disease.
- Other acute coronary syndromes including but not limited to angina pectoris.

c) Stroke – *in the brain resulting in specified permanent impairment*

Stroke means death of brain tissue caused by one of the following:

a) Ischaemic infarction of brain tissue.
b) Intracranial haemorrhage (cerebral, intraventricular or subarachnoid).

The diagnosis must be supported by both of the following:

a) Evidence of *permanent neurological deficit with persisting symptoms* confirmed by a specialist physician as a definite result of the stroke at least six weeks after the event.
b) Findings on MRI, CT, or other reliable imaging evidence consistent with the diagnosis of a new stroke.

The following are not covered:

- Transient ischaemic attacks.
- Brain damage due to an accident, injury, infection, or non-vasculitic inflammatory disease.
- Vascular disease affecting the eye or optic nerve.
- Ischaemic disorders of the vestibular system.
- Strokes caused by or related to illicit drug use or substance abuse.
- Migraine.
- Hypoxic events.

Words within the definition that have special meaning

"Permanent neurological deficit with persisting symptoms" means dysfunction in the nervous system that is present on clinical examination and expected to last throughout the insured person's life. It includes outcomes such as: numbness, hypertonicity, hemiplegia, monoplegia, hemiparesis, monoparesis, hyperaesthesia (increased sensitivity), paralysis, localised weakness, dysarthria (difficulty with speech), aphasia (inability to speak), dysphagia (difficulty in swallowing), visual impairment, difficulty in walking, lack of coordination, tremor, coma and objectively documented significant loss of cognitive function.

The following do not constitute *"permanent neurological deficit with persisting symptoms"*:

- An abnormality seen on brain or other scans without definite related clinical symptoms.
- Neurological signs occurring without symptomatic abnormality, such as brisk reflexes without other symptoms.
- Symptoms of psychological or psychiatric origin.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