



MEDIA RELEASE

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Busy start for life insurance compliance body

The Life Code Compliance Committee (the Committee) today released its inaugural [Annual Report](#). The Committee independently monitors subscribing insurers' compliance with good industry practice, as set out in the Life Insurance Code of Practice (the Code).

The 2017-18 Annual Report outlined a busy first year, in which the Committee:

- established processes and procedures for its operations and Code monitoring, including launching its Annual Data and Compliance Programme
- met and inducted all subscribers, clarifying with them compliance obligations and how to report instances of non-compliance
- investigated Code breach allegations
- engaged with stakeholders to build awareness of the Code
- shared its experience and suggestions for improvements to the Code with a submission to the Financial Services Council (FSC)

The Committee's key purpose is to help the life insurance industry improve its service to customers. In 2017-18, working with the FSC, the Committee developed an online Code breach allegation tool for consumers. The Committee also worked with subscribers to rectify Code breaches and implement remedial action to improve outcomes for consumers.

Subscribers self-reported 23 breaches of the Code, most often concerning policy changes and cancellation rights. The Committee identified two Code breaches through its targeted monitoring of compliance.

The Committee received 747 Code breach allegation referrals, including 711 referred in bulk by a plaintiff law firm. Towards the end of 2017-18, the Committee began investigating a sample of the allegations from the bulk referral, as well as continuing progress on the other 36 referrals.

The Code came into effect on 1 October 2016 and subscribers had a transition period before having to adopt the Code by 30 June 2017. As at 30 June 2018, there were 26 subscribers.

The Committee's primary role is to:

- carry out proactive and reactive monitoring
- make determinations in relation to matters it investigates
- ensure remedial action is carried out and sanctions are imposed if required.

Committee Chair Anne Brown said: "We aim to achieve robust monitoring of the Code in a timely manner, and provide practical guidance to subscribers on how to comply with the Code."

"We also want to provide assurance to consumers that subscribers are being held to account in meeting their Code obligations and look forward to receiving sufficient ongoing resourcing to meet those obligations and objectives."

"It was pleasing to note in ASIC Report 587 the impact the Code has already had on improving the quality of sales of direct life insurance and we look forward to contributing to the next version of the Code during the 2018-19 year."

Further information:

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