

Member forums

General Insurance

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Today's session includes



2020-21 complaints



Focus in next 6 months



Code update



Interesting decisions

General insurance complaints



Complaints received

16,912 complaints received

47% resolved at Registration and Referral stage

Top five general insurance complaints received by product ¹

Product	Total
Motor Vehicle-Comprehensive	4,386
Home Building	3,527
Travel	2,477
Home Contents	1,079
Motor Vehicle-Uninsured Third Party	934

Top five general insurance complaints received by issue ¹

Issue	Total
Claim amount	3,161
Denial of claim - exclusion/condition	3,146
Delay in claim handling	3,126
Denial of claim	2,479
Service quality	1,164

Complaints closed

17,841 complaints closed ²

More than **\$71.1** million ³ in compensation was awarded or obtained through AFCA

69% of complaints resolved by agreement, or in favour of complainants

Average time to close a complaint
88 days

Stage at which general insurance complaints closed

Stage	Total
At registration	8,359
At case management	4,325
Preliminary assessment	1,060
Decision	2,001

Average time taken to close general insurance complaints

Time	Total
Closed 0–30 days	21%
Closed 31–60 days	30%
Closed 61–90 days	14%
Closed greater than 90 days	36%

¹ One complaint can have multiple products/issues.

² This includes X,XXX received before 1 July 2020, and X,XXX received from 1 July 2020 to 30 June 2021.

³ This includes matters previously received by AFCA's predecessor, Financial Ombudsman Service, and resolved by AFCA between 1 July 2020 to 30 June 2021.

Focus on next 6 months

- > BI test case
- > Legislative changes
- > Premium disputes
- > Natural disaster
- > Stakeholder engagement





2020 General Insurance Code of Practice

Phased transition – effective dates



2020 Code provisions	Effective date of 2020 Code	Status of 2014 Code
Paragraph 95 – a Code subscriber must have a publicly available policy to support individuals affected by family violence. Sits in part 9 – Supporting customers experiencing vulnerability	No later than 1 July 2020	There is no counterpart under the 2014 Code
Part 9 – Supporting customers experiencing vulnerability	No later than 1 January 2021, but may adopt earlier if practicable	There is no counterpart under the 2014 Code
Part 10 – Financial hardship	No later than 1 January 2021, but may adopt earlier if practicable	Section 8 – Financial hardship no longer applies from 1 January 2021
Parts 1-8 and 11-15	No later than 1 July 2021 unless adopted earlier	Code ceases to operate from 1 July 2021, or earlier if a subscriber adopts earlier

2020 Code – Highlights



- > A single overarching obligation:
 - “We, our Distributors and our Service Suppliers will be honest, efficient, fair, transparent and timely in our dealings with you.”
- > Enforceable sanctions powers for the Code Governance Committee
- > Significant changes and new standards around buying insurance, claims, complaints, financial hardship and consumers experiencing vulnerability



Buying insurance – key updates

Part 4 – Standards for us and our Distributors

- > Replaces the term 'Authorised Representative' with 'Distributor'
 - clarifies and expands the types of external sellers captured by the 2020 Code when engaged by subscribers to sell their retail general insurance products

Part 6 – Buying insurance

- > Prohibits 'pressure selling'
 - unethical, misleading, or extended sales techniques that place customers under pressure, or that limit their ability to make an informed purchase decision

Claims – key updates



Part 8 – Making a claim

> Partially accepted claims

- The requirement to provide information to a consumer when a subscriber denies a claim now also applies when a subscriber does not accept their claim in full

Part 15 – Claims investigation standards

> New section in the 2020 Code

- 43 standards that apply to the investigation of claims carried out by subscribers' employees and their external investigators.

Vulnerability and Financial Hardship



Part 9 – Supporting customers experiencing vulnerability

- > A new section in the 2020 Code, including requirements to:
 - Ensure that staff are trained to understand if a consumer may be vulnerable and to decide how best to engage with them
 - Work with vulnerable consumers to provide appropriate support
 - Have a publicly available family violence policy

Part 10 – Financial Hardship

- > Enhanced standards around:
 - Identifying consumers experiencing financial hardship
 - Timeframes for assessing requests for support
 - Communicating with and providing support to consumers experiencing financial hardship



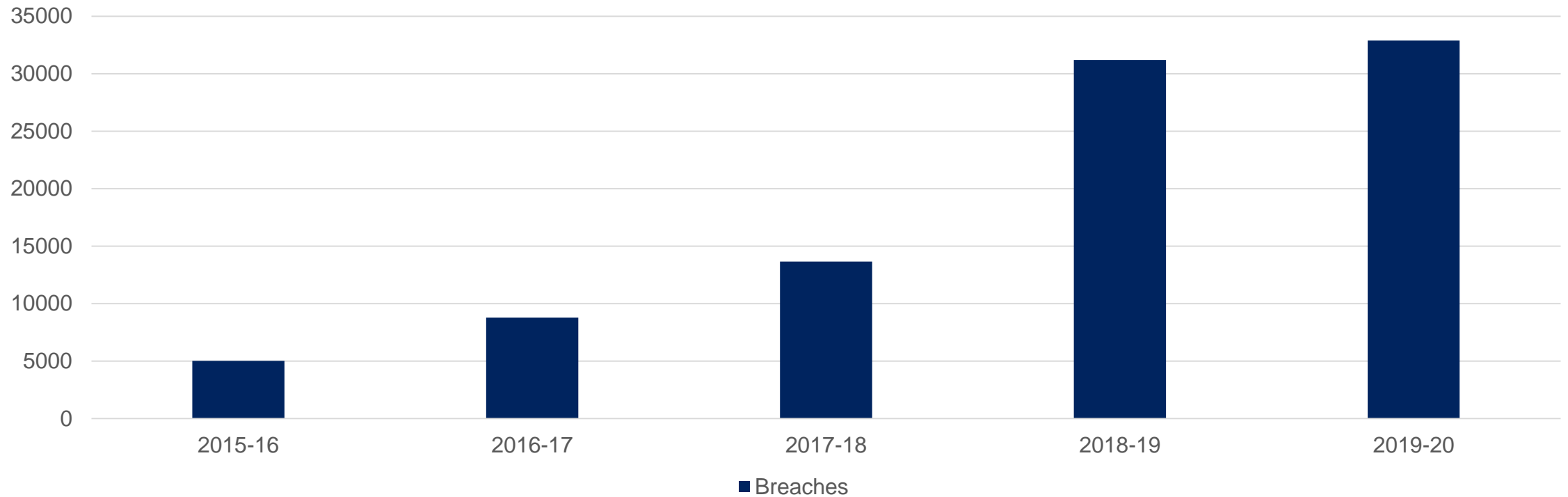
General Insurance Code of Practice

Annual Industry Data and
Compliance Report 2019-20

Annual data collection – Self-reported breaches



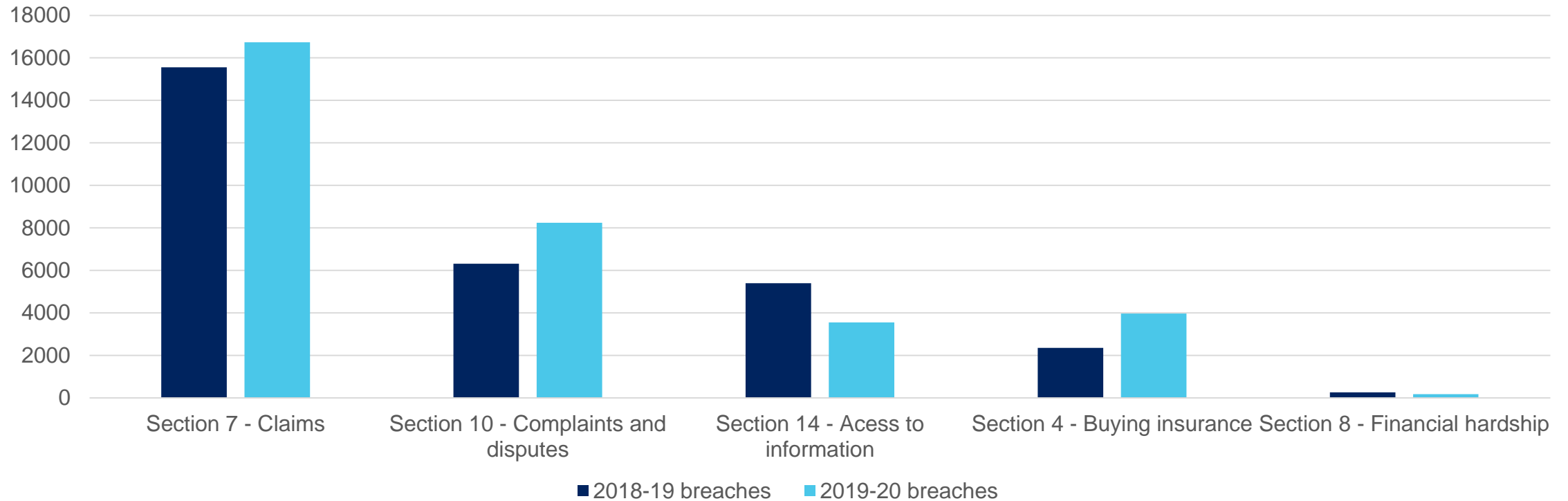
Self-reported breaches



Annual data collection – Breaches by section



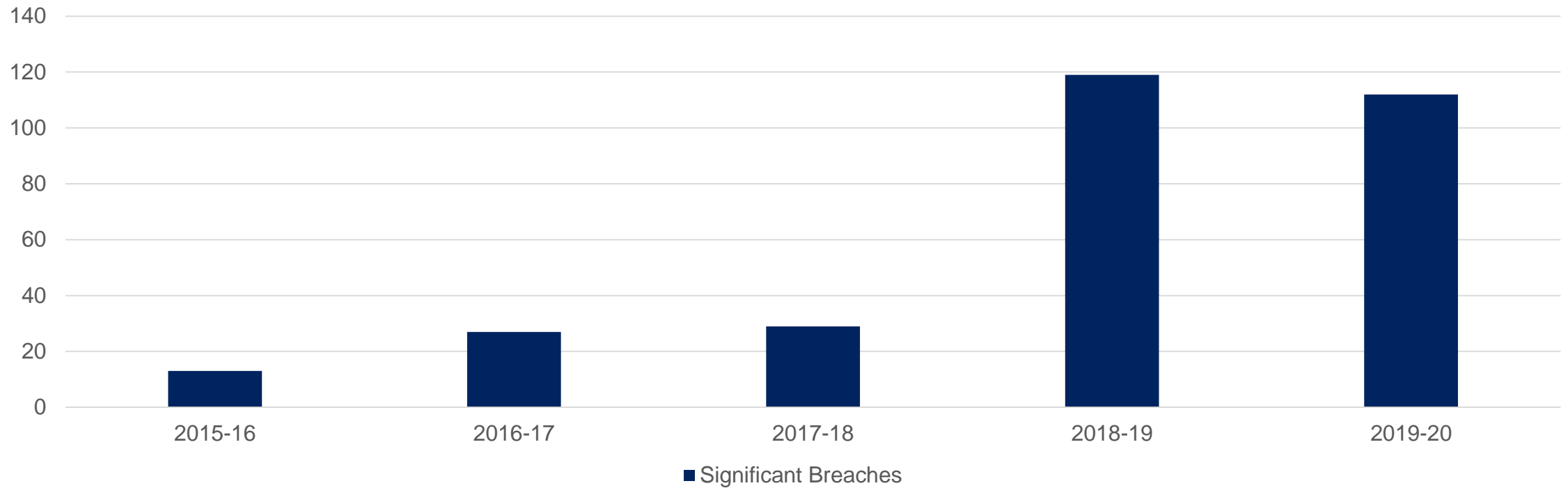
Self-reported breaches by section



Annual data collection – Significant Breaches



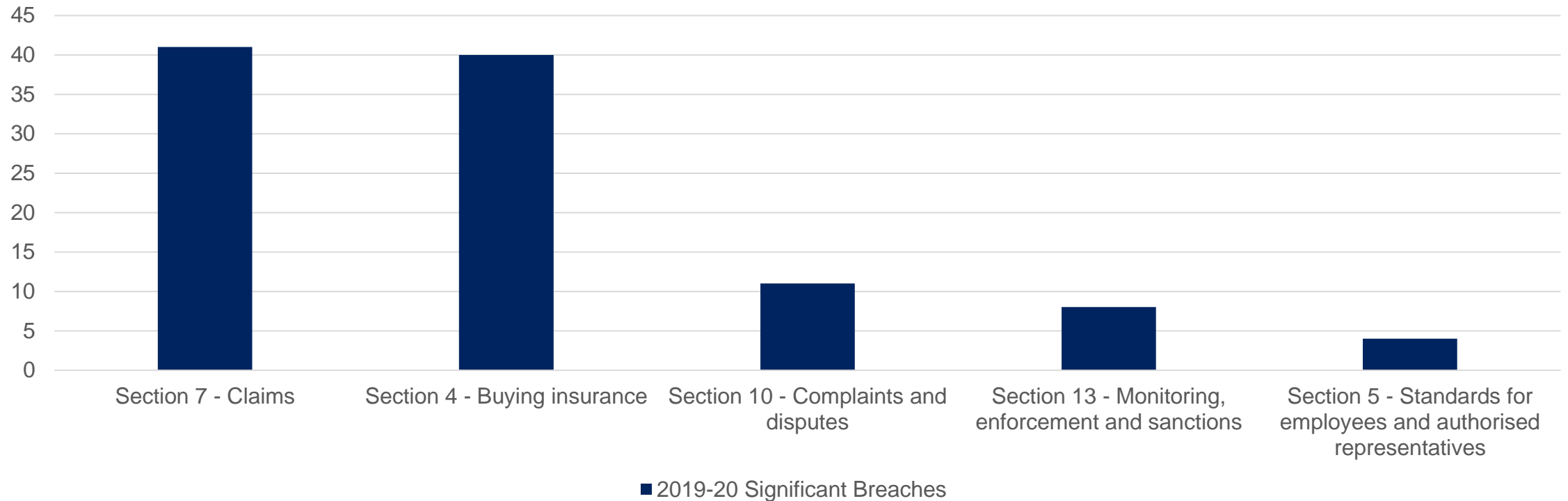
Significant Breaches



Annual data collection – Significant Breaches



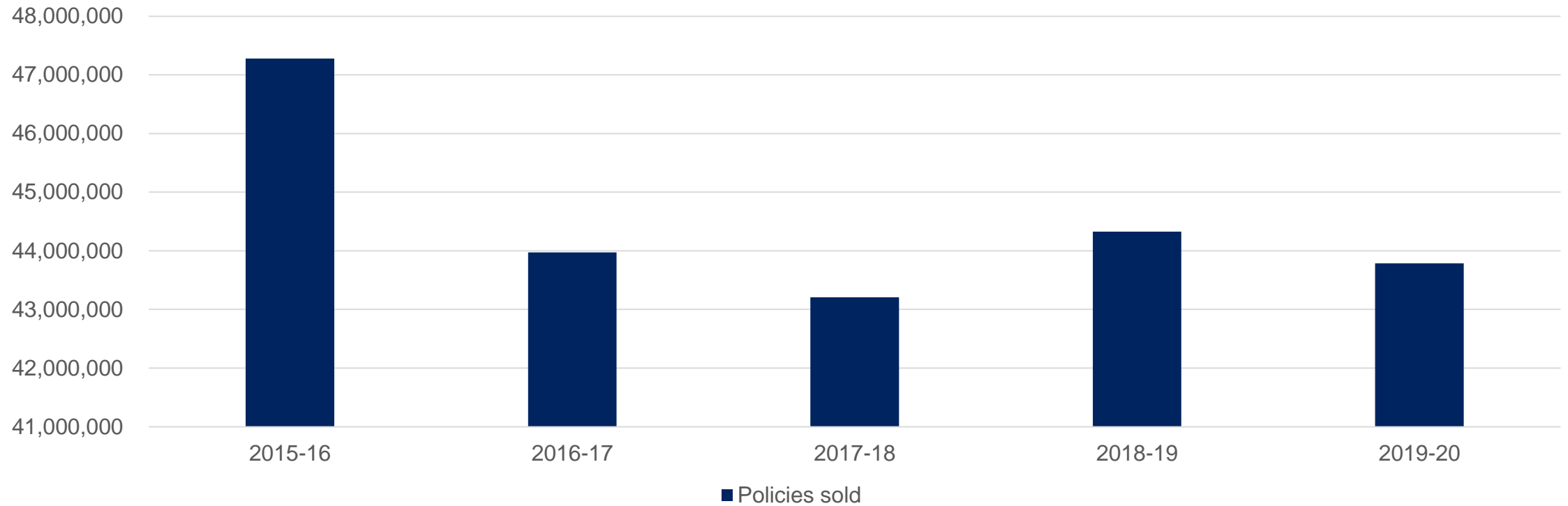
Significant Breaches by section 2019-20



Annual data collection – 5-years trends



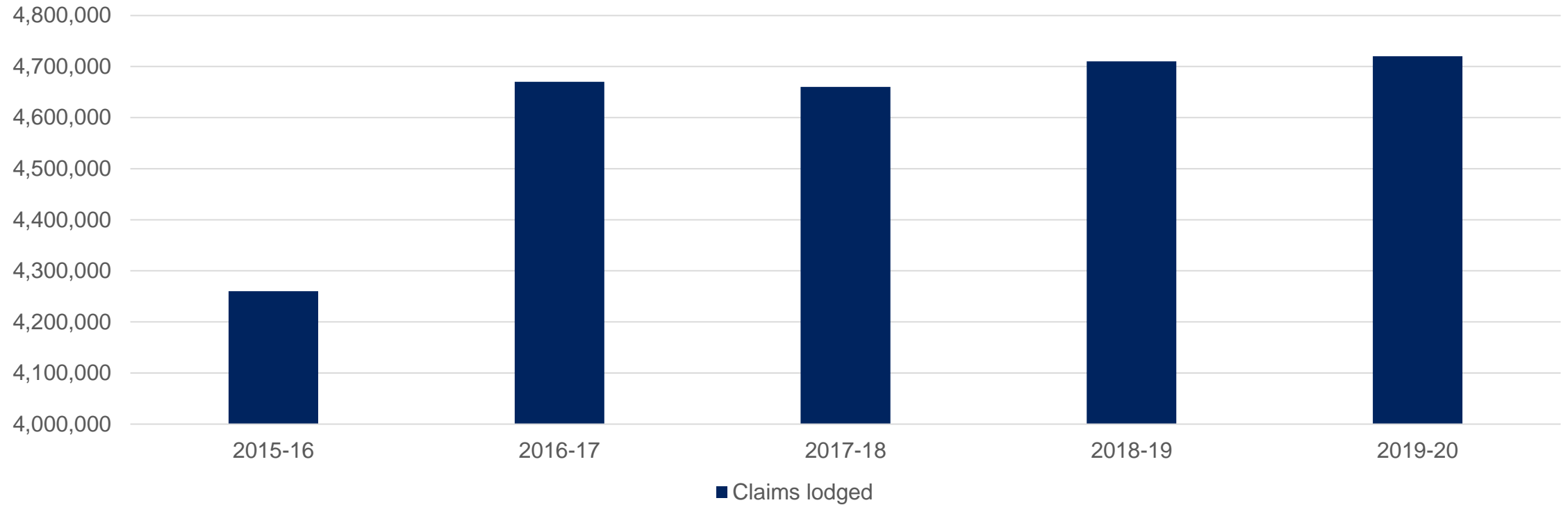
Policies sold



Annual data collection – 5-years trends



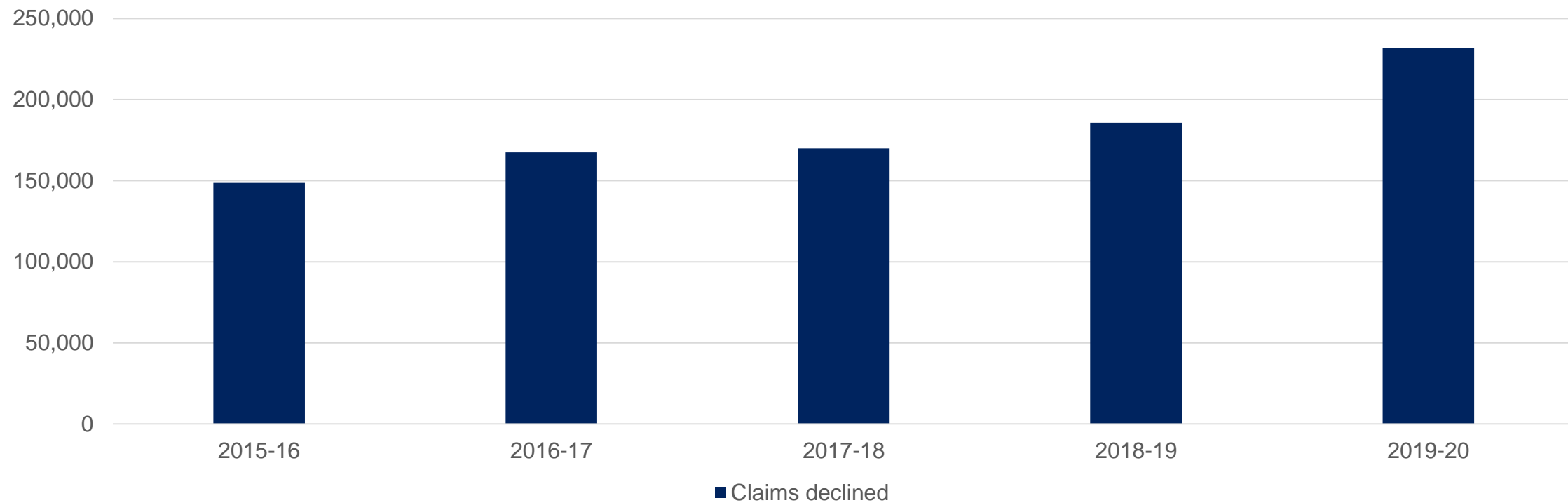
Claims lodged



Annual data collection – 5-years trends



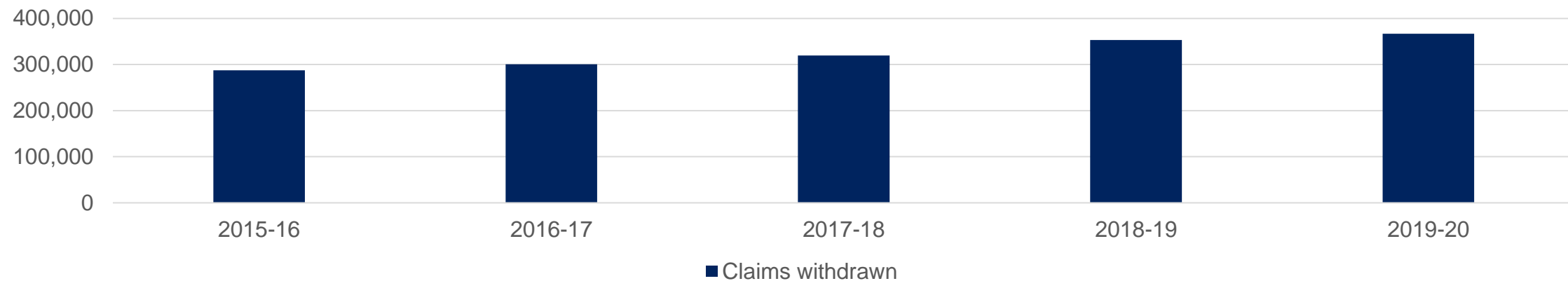
Claims declined



Annual data collection – 5-years trends



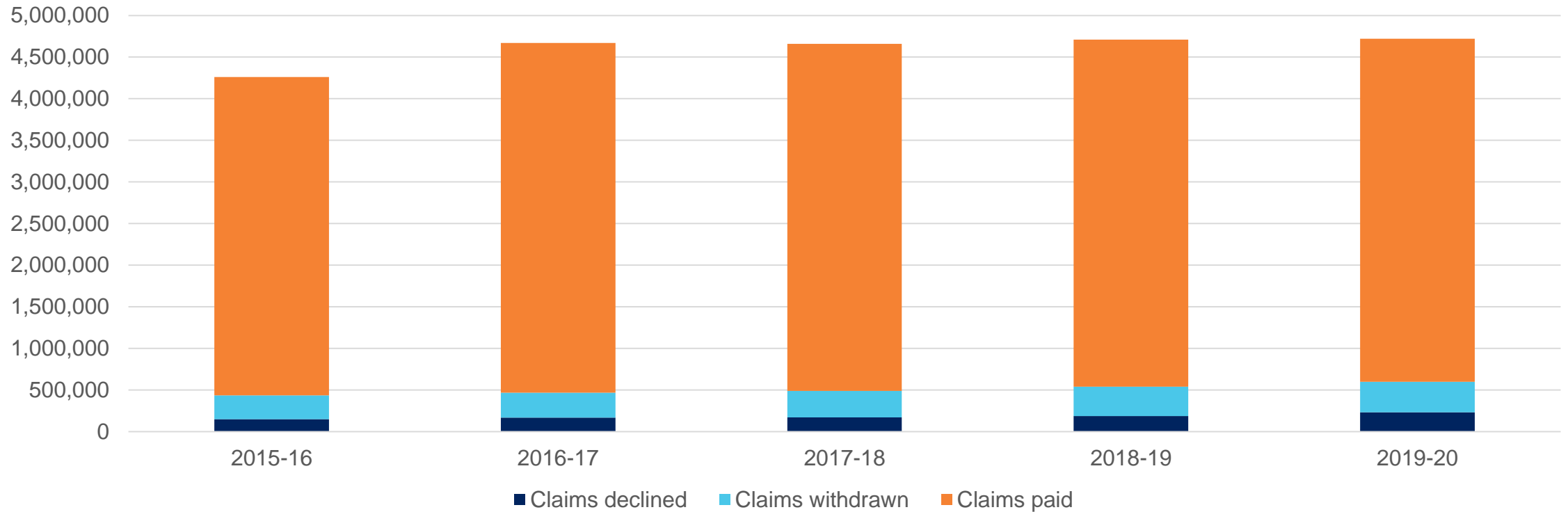
Claims withdrawn



Annual data collection – 5-years trends



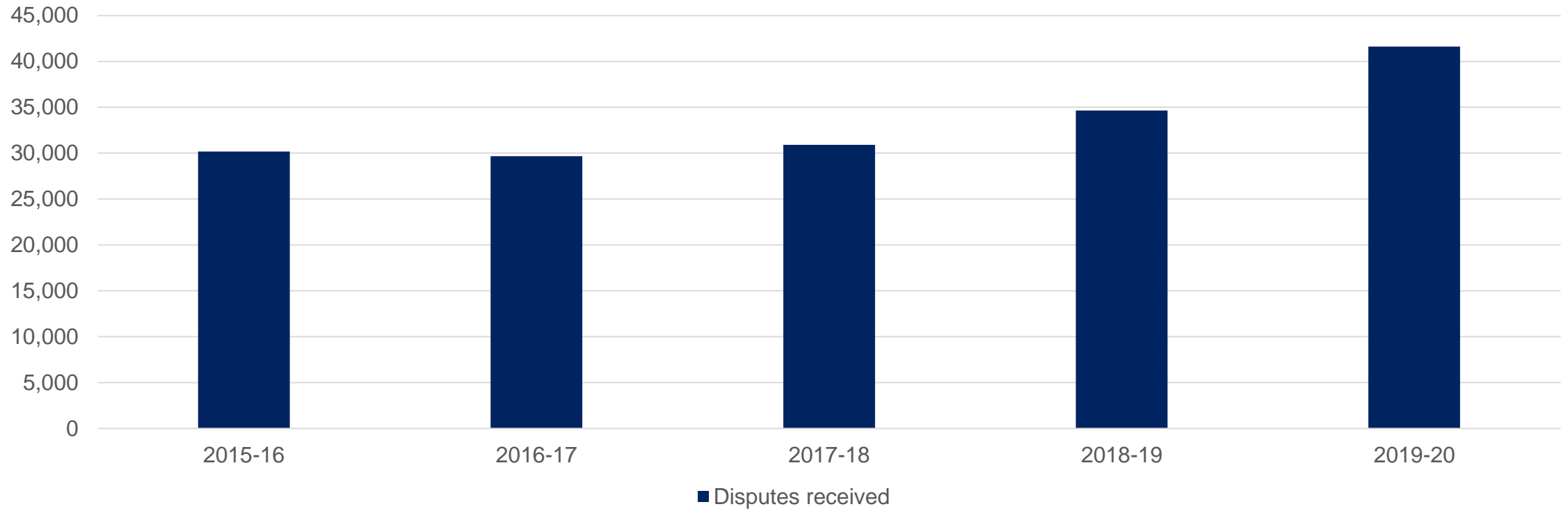
Claim outcomes



Annual data collection – 5-years trends



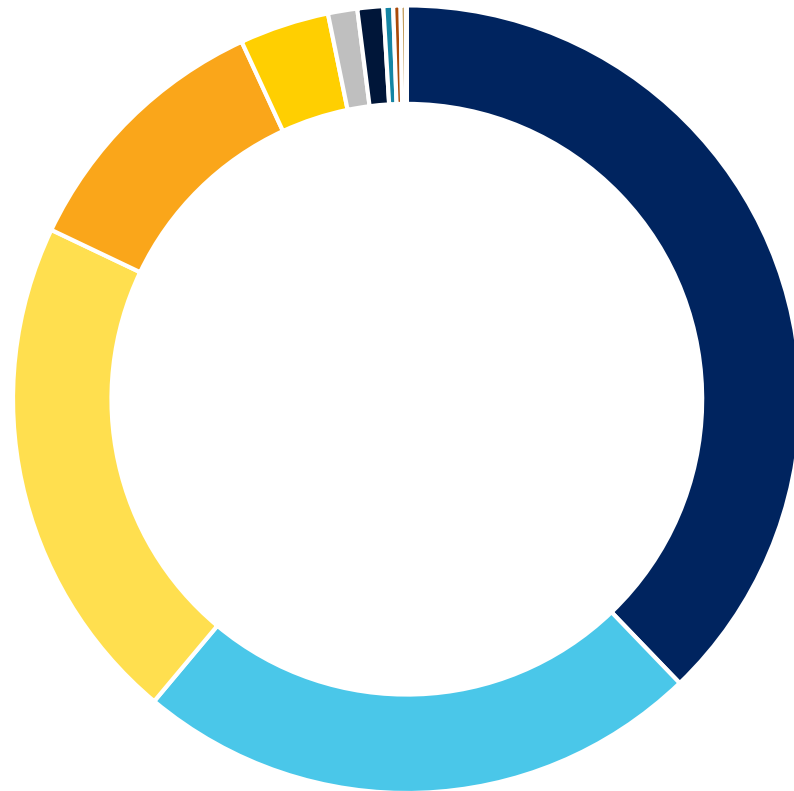
Disputes received



Annual data collection – 2019-20



Reason for dispute



- Declined claims
- Other claim issue
- Quantum/Value
- Buying insurance
- Catastrophes
- Refusal to reopen a withdrawn claim
- Employees
- Financial hardship or third party beneficiaries
- Authorised Representatives
- Access to information
- Financial hardship - uninsured third parties

Earth movement

Overview

Determination 707124

The policy excluded damage caused by earth movement.

However, that exclusion does not apply when the earth movement is not the proximate cause, but was itself the result of an insured event.

This determination summarises our Approach.



Earth movement

Landslide within 72 hours of storm

Determination 725398

Cover applies to landslide/subsidence which occurs within 72 hours of a storm event, but retaining walls are specifically excluded.

The landslide moved soil from under a rear verandah (and compromised the overall stability of the house). It extended to damaging 4 retaining walls/terraces at the rear of the property.

The insurer was not entitled to decline cover for the area apart from the verandah, based on the exclusion for retaining walls.

That is because the retaining walls were a fundamental element of the work needed to restore the insured property damage.



Thank you

