

# Monitoring Compliance with the Life Insurance Code of Practice 2018-19 Retrospective

The Annual Report of the Life  
Code Compliance Committee

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# Chair's message



It has been a difficult and challenging year for the financial services sector. The industry landscape continues to evolve, with ongoing de-mergers and acquisitions in a fluid policy and regulatory environment. The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Royal Commission) placed unprecedented scrutiny on the life insurance industry, highlighting issues such as misconduct over commissions, claims handling, the sale of add-on insurance products and cold calling.

The need to hold insurers accountable to an industry Code of Practice has never been more important. The Life Code Compliance Committee (the Committee) – the independent body that administers and enforces the Life Insurance Code of Practice (the Code) – has worked hard on several initiatives during 2018–19 to ensure we robustly monitor subscribers' compliance with the Code and engage with them to help improve the quality and consistency of their compliance reporting.

We completed our inaugural Annual Data Compliance Programme (ADCP), culminating in the release of the Annual Industry Data and Compliance Report (Data Report) in March 2019. The first Data Report provided a valuable overview of the industry and its approach to self-regulation and created a baseline from which subscribers can measure and improve their Code compliance.

We launched a programme of high-level meetings between the Committee and subscribers' boards and executive teams during the year, giving both parties an opportunity

to discuss relevant industry and compliance matters, current investigations and Code evolution. From the Committee's point of view, these meetings were extremely fruitful and we look forward to meeting with the senior leadership teams of more subscribers during 2019–20.

With subscribers having completed their transition to the Code in 2017–18, the Committee spent much of 2018–19 focusing on monitoring and enforcing the Code's standards. We published 17 Determinations and issued our first Notice of Sanction to a subscriber.

In this context, I present the Committee's Annual Report for the period 1 July 2018 to 30 June 2019.

The report shows that subscribers have overcome many of the issues highlighted in last year's Annual Report around transitioning to the Code. There were more self-reported and alleged breaches in 2018–19 than in the previous year, suggesting that subscribers are becoming more familiar with their Code obligations and that people and consumer advocates are becoming increasingly aware of the Code and their right to report subscriber breaches to the Committee.

Despite the increase in self-reported breaches this year, information gleaned from investigating other allegations supports the Committee's continuing concerns that not all significant breaches are being reported. Self-reporting of significant breaches is an ongoing obligation. Subscribers should continue to review and enhance their processes for

identifying and determining Code breaches and ensure that staff at all levels are trained appropriately to recognise and report them. If in doubt, we encourage subscribers to err on the side of reporting.

Demonstrated compliance with the Code will be even more critical over the next 12 months in the wake of the Royal Commission, which produced four recommendations that may have far-reaching consequences for the industry Codes and their monitoring and enforcement. The Committee is committed to working with both industry and external stakeholders on how best to implement the recommendations so that changes work to lessen the public's confusion, meet best industry practice initiatives and continue to strengthen the self-regulatory Codes for the benefit of people and industry alike.

For their part, subscribers must embrace the Code fully – complying with it and learning from any breach of it – or risk losing the right to self-regulate. A positive step towards this would be for subscribers to agree to be named in Determinations. At present, the Charter requires the Committee to issue de-identified Determinations, however, we note related initiatives by other industry bodies, in particular AFCA, which has received ASIC approval to start identifying firms in its Determinations.

I take this opportunity to acknowledge the continuing efforts and commitment of our Administrator, the Code Compliance and Monitoring team (Code team) at AFCA. Under the leadership of General Manager, Sally Davis, and Compliance Manager, Ankit Dang, the Code team has provided expert guidance and invaluable support to the Committee over the last 12 months in sometimes challenging circumstances. I extend my thanks to AFCA CEO, David Locke, and to key Financial Services Council (FSC) executives, Allan Hansell and Nick Kirwan, for their support of the Committee's efforts throughout the year.

Finally, I would like to thank my fellow Committee members, Alexandra Kelly and David Goodsall, and also Philippa Heir, the Committee's alternative consumer representative, for ably bringing their consumer and industry knowledge and expertise to bear in Committee discussions and decision-making this year.

I look forward to working with all our stakeholders in 2019–20.



Anne T Brown  
**Independent Chair**  
**Code Compliance Committee**

# Year at a glance

## Monitoring and enforcement activities



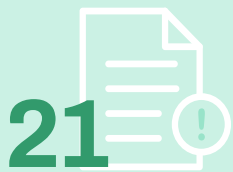
**Self-reported  
Code breaches  
from 23 referrals**



**Alleged Code  
breaches from  
79 referrals**



**Sanction issued  
against a  
subscriber for a  
Code breach**



**Determinations and  
case studies issued**



**Investigations  
and assessments  
completed**



**Self-reported  
breaches  
determined**

## Committee achievements

- ✓ Developed and released the inaugural Annual Industry Data and Compliance Report, reporting on the state of the industry and its Code compliance.
- ✓ Enforced Code compliance, including imposing a sanction on one subscriber.
- ✓ Initiated programme of direct engagement with boards and senior executives of subscribers.
- ✓ Developed and refined Committee processes, further streamlining the Committee's work and enhancing efficiency.

# Introduction

2018–19 was the second year of operation for the Life Insurance Code of Practice (the Code), a code of practice for the life insurance industry. The Code is administered, monitored and enforced by the independent Life Code Compliance Committee (the Committee). This report details subscribers' compliance with the Code in 2018–19 and the Committee's activities and achievements during the year. It provides a snapshot of trends and service standards in the life insurance industry for the reporting period, drawn from an aggregation of Code subscribers' data and insights from the Committee's Code compliance monitoring work.

## The Code

Developed by the life insurance industry through the Financial Services Council (FSC), the Code was introduced on 1 October 2016 for a transitional period of nine months, coming into formal effect on 1 July 2017. The Code commits subscribers to continuous improvement and a high standard of customer service.

### **The Code includes 10 Key Code Promises for subscribers to adhere to:**

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.

These general principles underpin the Code's specific obligations, which cover the many aspects of a customer's relationship with a subscriber, namely:

- policy design and disclosure
- sales and advertising
- buying insurance
- policy changes and cancellation
- customers requiring additional support
- claims
- complaints and disputes
- third party underwriting and claims
- information and education
- access to information.

## CODE REVIEW

The Code is currently being reviewed by the FSC. A first draft of the revised Code v2.0 was issued in November 2018 followed by a consultation period. The original review timetable has been revised following the Royal Commission to facilitate incorporation of responses to recommendations from the Royal Commission final report and a plain English rewrite. Disappointingly, no further draft has yet been issued.

The Committee formally responded to initial consultation on draft v2.0 of the Code in January 2019 and called for a revision of our Charter, to improve our ability to function as an independent, efficient, effective and responsive Code monitoring body. Our response recommended other changes and improvements to the Code as follows:

- amendment to the Code's definition of a 'significant breach' to allow the Committee to determine whether or not a breach is significant (since currently, only a subscriber can determine what is significant). This would improve the consistency of application across the industry and enable the Committee to better educate and guide subscribers regarding identification and reporting of such breaches.
- extending the obligation for Third Party Distributors and requiring subscribers to establish a contractual obligation with such distributors to comply with the relevant requirements of the Code.
- changing the onus on some Code obligations to be on the subscriber, specifically in relation to those obligations which currently require the person to initiate a request with the subscriber prior to the application of the obligation.
- expanding upon the range of potential sanctions available - including more stringent sanctions and earlier application. This would demonstrate greater industry accountability in preventing harm and strengthen the overall authenticity of the Code.

The Committee notes the very limited consultation process undertaken to date for the Code review, and we have urged the FSC to take a more formal, consultative and transparent approach to the process. The Committee is aware of the additional challenges and complexities arising from the Royal Commission final report, and we encourage the FSC and industry to maintain momentum on this important project. We hope to provide further contributions over the coming year.

The Committee has also encouraged the FSC to seek the Australian Securities and Investments Commission's (ASIC's) approval for the next version of the Code. This would send a strong signal to that the industry is committed to having – and adhering to – a Code that meets ASIC's good practice standards and the post-Royal Commission community expectations.

## The Committee

Subscribers' compliance with the Code is monitored by the Committee, an independent body established on 1 July 2017. The Committee's purpose is to support the Code objectives of high customer service standards to increase trust and confidence in the life insurance industry. The Committee does this by:

- monitoring, enforcing and reporting on Code compliance
- working collaboratively to improve Code standards and promote industry best practice.

In doing this, the Committee is bound by obligations set out in its Charter<sup>2</sup> and in the Code.

## CODE SUBSCRIBERS

Life insurers that are members of the FSC are required to adopt the Code. As of 30 June 2019, there were 26 subscribers, comprising 25 life insurers (including reinsurers) and one non-insurer that subscribed to the Code (listed in **Appendix A**).<sup>1</sup> All life insurers in the Australian market are now subscribers to the Life Insurance Code of Practice.

## MEMBERS

The Committee is made up of three members:

- **independent Chair**, Ms Anne T Brown, co-appointed by the FSC and the Australian Financial Complaints Authority (AFCA) Board
- **independent industry representative**, Mr David Goodsall, appointed by the FSC
- **Consumer representative**, Ms Alexandra Kelly, appointed by AFCA.

<sup>1</sup> The formal register of subscribers, is published on the Life CCC website at [www.lifeccc.org.au](http://www.lifeccc.org.au)

<sup>2</sup> Financial Services Council [Life CCC Charter](#)



During the reporting period, Ms Kelly identified actual and/or potential conflicts of interest in relation to a small number of Code breach referrals and investigations and recused herself from any Committee deliberations on such matters. In accordance with the Committee's Charter, Ms Kelly nominated, and the Committee approved, appointment of an alternative consumer representative – Ms Phillipa Heir – to take the place of Ms Kelly whenever the Committee discusses and determines the outcome of such investigations.

Profiles of the Committee members are provided in **Appendix B**.

## ADMINISTRATOR

In November 2018, the Code Compliance Monitoring team (Code team) of the Financial Ombudsman Service was transferred to the Australian Financial Complaints Authority (AFCA) – who now acts as Administrator for the Committee under an outsourcing agreement with the FSC. The Code team is led by the General Manager, Sally Davis. Ankit Dang is Compliance Manager for the Committee, replacing Katy Rall, who departed in February 2019. Profiles of key Code team staff are at **Appendix B**.

### **The Code team supports the Committee by:**

- providing administrative and secretariat support
- engaging with subscribers and stakeholders
- investigating alleged Code breaches
- undertaking Code monitoring work
- requesting and analysing aggregated industry data
- preparing reports for the Committee
- promoting compliance with the Code
- undertaking other work as directed by the Committee.



**The need to hold insurers accountable to an industry Code of Practice has never been more important.**

- ANNE T BROWN  
INDEPENDENT CHAIR  
CODE COMPLIANCE COMMITTEE

# Committee activities and achievements

Despite some challenges, the Committee had a successful 2018–19, marked by a number of significant achievements.

The Committee met 8 times during the year (details are at **Appendix C**) and carried out the strategic priorities established under its 2018–19 work plan, which included completing the inaugural Annual Data Compliance Programme (ADCP) which resulted in issuance of the first Annual Industry Data and Compliance Report (Data Report). The ADCP is the Committee’s key compliance data gathering and analysis process and is a considerable annual undertaking both for the Committee and subscribers. The resultant Data Report provided a snapshot of the life insurance industry and its compliance with the Code during the 2017–18 financial year and will also serve as a baseline to measure future Code compliance.



**The Committee continued to provide guidance to subscribers to help improve the quality and consistency of their compliance reporting.**

Investigating Code breach allegation referrals and assessing self-reported breaches remained a priority for the Committee throughout the year. Outcomes were published in the form of de-identified Determinations and case studies to assist subscribers’ understanding of compliance issues arising, and Committee decisions and expectations regarding better practice. The Committee continued its investigation into the bulk alleged Code breach referrals (**p. 16**) and issued its first sanction to a subscriber for a significant breach of the Code (**p. 26**).

Towards the end of the 2018–19 reporting period, the Committee approved a Delegations Framework for handling Code breach allegations. Under the framework, these allegations will be more effectively ‘triaged’ by the Code team to further streamline the investigation process, enable timely escalation of potentially serious matters and ensure that the Committee’s resources are used as efficiently as possible.

The Committee also continued to provide guidance to subscribers to help improve the quality and consistency of their compliance reporting. This involved meeting with and talking to subscribers about their obligations under the Code, including engaging directly with the boards and senior executives of some subscribers. The Committee also drafted and undertook consultation on two additional Guidance Notes during the year, aimed to help subscribers better interpret and achieve their compliance obligations under sections of the Code which appear to present ongoing compliance issues.

2018–19 was not without its challenges. Much of the Committee’s work was carried out against the backdrop of the Royal Commission, which handed down its final report in February 2019. The Royal Commission put financial services, including the life insurance industry, into the public spotlight by highlighting issues of misconduct relating to commissions, cold calling, the sale of add-on insurance and claims handling. Commissioner Hayne recommended several sweeping changes to the industry in his final report, which the Committee endorses for their approach to holding subscribers more accountable and for improving service standards for people.

Resourcing constraints were an ongoing issue for the Committee during the year. The 2018–19 budget was approved later than expected by the FSC, which led to a delay in recruitment of personnel and meant the

Administrator was only fully staffed from June 2019. This negatively impacted the initiation of some investigations and completion of some complex investigations already underway. Attracting highly skilled and experienced people to the Code team was also challenging in the context of a tight labour market, particularly as many of the best candidates were engaged by major industry players during the second half of 2018 in anticipation of significant remediation programmes resulting from the Royal Commission final report.

In the face of these challenges, the Committee worked hard to develop and refine its processes, streamline its work and enhance efficiency. With a full team now on board, the Committee can finish bedding down its operational frameworks and policies, and look ahead to forthcoming challenges, including contributing to the delivery of a revised Code.

## **Annual Industry Data and Compliance Report**

Under its Charter, the Committee is required to publish an annual data report on the life insurance industry and its compliance with the Code of Practice.

The Committee’s key achievement for 2018–19 was completing the ADCP, resulting in production of the first Data Report, which presented a snapshot of the industry and its compliance with the Code from 1 July 2017 to 30 June 2018.

The 2017–18 Data Report was based on data sourced directly from 24 subscribers using a questionnaire that was developed with stakeholder consultation. The quantitative data included, for each distribution channel, the volumes and types of cover in force, the volume of claims received and finalised, and the number and nature of consumer

complaints. This contextual information was complemented with data on subscribers’ compliance with the Code, sourced either directly from subscribers or from the Committee’s compliance monitoring work. Additional qualitative information was requested on subscribers’ compliance frameworks and monitoring processes.

The Data Report was published on 28 March 2019. It was well received by all stakeholders as a valuable overview of industry’s Code compliance status and a reasonable baseline from which subscribers can progress and improve. The report received media coverage and was also promoted by the FSC.

Completing the ADCP to produce the Data Report was a significant effort for both the Committee and subscribers, with learnings

on both sides. Recognising the challenges involved in collecting and analysing a complex dataset in the first year of the programme, the Committee took a pragmatic and collaborative approach with subscribers. Acknowledging that there were limitations in the first year's data, the Committee is continuing to work closely with subscribers on refining and improving the ADCP process to achieve a quality industry dataset that is complete, accurate and consistent.

The Committee was pleased with subscribers' engagement in the ADCP and looks forward to seeing this continued constructive dialogue and cooperation to ensure future reports are accurate, effective and meet the expectations of stakeholders to demonstrate the industry's commitment to transparency and compliance. For the year 2018-19, the Committee is focusing its qualitative data collection on training and skills of the underwriters and claims assessors by asking subscribers to demonstrate how they satisfy their obligations under Sections 5.15 and 8.20 of the Code.

## **Engaging with stakeholders**

In 2018–19 the Committee and Code team continued their engagement with industry, consumer groups, regulators, policymakers and AFCA.

### **SUBSCRIBERS AND INDUSTRY**

The Committee and the Code team engaged regularly with subscribers during 2018–19. The Code team met with individual subscribers about specific reporting and non-compliance matters throughout the year to help improve the quality and consistency of their compliance reporting.

The Committee initiated a programme of meetings with the boards and leadership teams of Code subscribers, with the aim of enhancing engagement about and focus on Code compliance at the highest level. The Committee was pleased with the response and met with board members and senior executives from a number of subscribers during the year to discuss current industry developments and issues, culture and compliance matters, Code progress and current investigations. The Committee will continue to run the programme during 2019–20 and encourages other subscribers to participate in this high-level engagement.

The Committee worked with the FSC during 2018–19, with the Code team meeting regularly with FSC executives about matters including approval of the budget and work plan, the development of Guidance Notes for subscribers on compliance with specific sections of the Code, and the onboarding process for new Code subscribers. The Committee also attended meetings of the FSC's Life Board Committee to discuss relevant matters, including the Committee's inaugural Data report and budget/resource planning.

During the year, Committee members attended a number of industry and regulatory conferences, including speaking roles. These events allowed the Committee to meet directly with Subscribers and other stakeholders as well as keep up to date with industry issues.

## ROYAL COMMISSION & IMPLEMENTATION OF FINAL REPORT RECOMMENDATIONS

At the request of the Royal Commission, the Committee provided information to the Commission, and the Committee Chair provided a Witness Statement.

In the Royal Commission Final Report, four recommendations related specifically to industry Codes, with three directly impacting the Life Code. The first and second recommendations<sup>3</sup> both concern the way Codes of Practice in the financial services industry are created, monitored and enforced – outlined in more detail below is

the policy work undertaken by the Code Chair, in collaboration with the Chairs of all other financial services industry codes, to respond to this recommendation.

The third relevant recommendation<sup>4</sup> relates to sanctioning powers and recommends strengthening and accelerating the applicability of such powers, a move which the Committee strongly endorses and has itself previously proposed for inclusion in the current Code review.

## CONSUMER GROUPS

Consumer groups are an important source of intelligence about issues affecting people in life insurance. That intelligence can feed into how the Code is interpreted as well as provide an understanding of what types of harm the Code addresses. Consumer groups also play a useful role in promoting awareness of the Code and, in particular, people's rights to refer alleged breaches to the Committee. To raise peoples' awareness of the Code and the work that the Committee undertakes to ensure subscribers comply with the Code, the Committee placed two articles in the Consumers' Federation of Australia newsletter during the year – one about the release of the Committee's inaugural Annual Report and the other about the release of the first Data Report. Committee Chair Anne Brown also attended the Financial Counselling of Australia annual conference in May 2019.



**Consumer groups are an important source of intelligence about issues affecting people in life insurance**

## REGULATORS

On behalf of the Committee, the Code team met with ASIC and APRA on several occasions during 2018–19.

<sup>3</sup> Royal Commission Final Report, Recommendations 1.15 and 4.9 Enforceable Code Provisions.

<sup>4</sup> Royal Commission Final Report, Recommendation 4.10: Extension of Sanctions Powers.

## POLICY

As noted above, one of the recommendations in the Royal Commission's final report was for ASIC to be given increased oversight of financial services industry Codes, and for breaches of some Code provisions to be made illegal as a way of preventing systemic failures in applying the Code. In response, the federal government pledged to enhance the current approved Codes framework in the Corporations Act and released a Treasury consultation paper on the enforceability of financial services Codes in early 2019.

The Committee Chair, along with the Chairs of all other Code Committees, met with Treasury during the year as part of its consultation, and the Code Chairs collaborated on a joint submission to the Treasury consultation process.

Whilst endorsing in principle any recommendation that improves service standards for members of the public, the Chairs' joint submission highlighted that implementing the Royal Commission recommendations on enforceability of codes may have unintended, adverse consequences. Since the Codes currently hold subscribers to a higher standard than the law, allowing enforcement by regulators of part (or all) of a Code may result in a Code that is adhered to on the basis of what is strictly legal rather than what is the right thing to do.

The Committee also provided feedback to the FSC on the changes and improvements the Committee would like to see made to the Code as part of the FSC's Code review (see [page 7](#))



**The strength and effectiveness of an individual Code's power lies in its ability to encourage and influence continuous improvement**

## AFCA

As the provider of administrative services to the Committee, and a potential referrer of alleged Code breaches, AFCA is an important stakeholder. In 2018–19, the Code team provided internal training on the Code to AFCA systemic issues and external dispute resolution staff to assist their understanding of the content and informational needs of the Committee when referrals are made.



**The Committee has previously encouraged subscribers to err on the side of caution by reporting a breach if unsure whether it is significant or not and we continue to do so.**

### Complying with the Charter

The Committee complied with its Charter obligations for the 2018-19 period.

However, in the spirit of the Charter, the Committee considers that it was not able, at all times during the reporting period, to meet the aspiration contained in Charter section 7.3(a) which expects that a Code breach allegation will be considered (and potentially investigated) by the Committee “*within a reasonable time of receiving a report of an alleged breach.*” This was directly related to the resource constraints experienced during 2018-19, and the ongoing volume of breach allegation referrals received. Given that the Committee’s Administrator is now fully resourced, we expect that any remaining backlog will be addressed and more timely consideration of breach allegation referrals will be maintained during 2019-20.

### Looking ahead

In its third year of operation, the Committee will continue to focus on the core functions and responsibilities outlined in its Charter.

Specific priorities for the Committee in 2019–20 include:

1. Launching the Life Code Compliance Committee website ([LifeCCC.org.au](http://LifeCCC.org.au)).
2. Addressing backlog and reducing time for investigations.
3. Enhancing the Committee’s Charter and operational framework.
4. Implementing a Delegations Framework for streamlining the management of referrals to the Committee.
5. Publishing further Guidance Notes, Determinations and other special reports to help subscribers interpret and comply with the Code.
6. Continuing effective stakeholder engagement, including with subscribers’ boards and senior executives.
7. Contributing as a major stakeholder to the FSC’s Code review, which is currently due for completion in 2020.

# Monitoring and enforcement of subscriber compliance

## HOW THE COMMITTEE MONITORS COMPLIANCE

The Committee monitors subscribers' compliance with the Code in a number of ways: collecting self-reported breach data from subscribers; receiving and investigating referrals from members of the public and others that a subscriber has breached the Code; and undertaking proactive, targeted investigations of compliance in specific areas.

In this report, the term 'referral' means a referral to the Committee of one or more alleged Code breaches by a person, personal representative, AFCA, subscribers or anyone who thinks that a code breach has occurred.

## Total Code breaches in 2018-19

A total of 241 alleged Code breaches were reported to or identified by the Committee in 2018–19. Of these, 43 were self-reported by subscribers, while the remaining 198 alleged breaches were reported to or identified by the Committee as part of referrals from individuals or their representatives (**Table 1**).

The 2018-19 total of 241 is considerably fewer than the 810 alleged breaches in 2017–18, however 711 of those were referrals in bulk from a plaintiff law firm concerning 11 subscribers. Excluding this bulk referral, the number of alleged breaches referred by individuals or their representatives in 2018–19 rose from 74 in the previous year to 198, suggesting that public awareness of the Code and its purpose is increasing.

The legal profession also appears to have a good awareness and understanding of the Code and the ability to report breaches to the Committee on behalf of clients: 101 of the 198 alleged Code breaches (38 of the 79 consumer referrals) came from legal professionals representing clients.



TABLE 1.

**Code breaches self-reported and alleged, by Code chapter, 2018-19**

Code chapter	2017-18				2018-19		
	Self-report	Alleged	Web audit	Total	Self-report	Alleged	Total
Claims	5	43*	-	48	9	106	115
Complaints and disputes	1	14*	-	15	1	39	40
Policy changes and cancellation	7	1	-	8	7	6	13
Sales and advertising	4	3	-	7	4	11	15
Code objectives	-	3	-	3	1	8	9
Policy design and disclosure	2	-	-	2	-	8	8
Access to information	-	6	-	6	-	8	8
Buying insurance	3	-	-	3	7	2	9
Monitoring, enforcement and sanctions	-	-	-	-	14	-	14
Additional consumer support	-	3	-	3	-	3	3
Third party underwriting and claims	1	1	-	2	-	2	2
Information and education	-	-	2	2	-	1	1
Key Code promises	-	-	-	-	-	4	4
<b>Total</b>	<b>23</b>	<b>74*</b>	<b>2</b>	<b>99</b>	<b>43</b>	<b>198</b>	<b>241</b>

\*excludes 2017-18 bulk referral numbers to allow more reasonable year-to-year comparison

## Self-reported breaches

Under the Code, subscribers are required to self-report significant breaches of the Code to the Committee within ten business days of identifying the breach. Whether a breach is significant is determined by a subscriber using the definition of a significant breach in the Code.

In 2018–19, there were 43 breaches self-reported by subscribers compared to 23 in the previous year. Six subscribers reported a significant breach for the first time in 2018–19.

Previously noted resource constraints impacted upon the Committee’s capability to work through these matters. The Committee confirmed that 5 of the 43 self-reported breaches amounted to a breach of the Code. In addition, the Committee found that 4 of the self-reported breaches did not amount to a breach of the Code as the relevant conduct was outside the Code’s jurisdiction. The remaining 34 self-reported breaches were still being assessed at the close of the reporting period (**Table 2**).

An increase in the number of self-reported breaches from the previous year could be viewed positively, as it suggests

that subscribers are committed to their compliance obligations. However, given information taken from assessment of other breach referrals, the Committee is not satisfied that subscribers are adequately reporting all significant breaches of the Code. The Committee reminds subscribers that self-reporting is an ongoing obligation, and subscribers must ensure they have robust internal frameworks in place for identifying and reporting Code breaches.

The Committee has previously encouraged subscribers to err on the side of caution by reporting a breach if unsure whether it is significant or not and we continue to do so.

In its current form, the Code relies upon subscribers, rather than the Committee, to determine whether or not a breach is considered significant and must be reported to the Committee promptly. This remains inconsistent with other Codes and as noted above, the Committee has recommended that the FSC amend the Code to provide the Committee with the power to determine if a breach is significant.

TABLE 2.

**Self-reported and determined breaches by Code chapter, 2018–19**

Code chapter	2017-2018 Self-reported	2017-2018 Determined	2018-2019 Self-reported	2018-2019 Assessed	2018-2019 Determined
Policy changes and cancellation	7	6	7	-	-
Sales and advertising	4	4	4	4	-
Claims	5	1	9	4	4
Policy design and disclosure	2	2	-	-	-
Buying insurance	3	2	7	-	-
Third party underwriting and claims	1	1	-	-	-
Code objectives	-	-	1	1	1
Information and education	-	-	-	-	-
Monitoring, enforcement and sanctions	-	-	14	-	-
Complaints and disputes	1	1	1	-	-
<b>Total</b>	<b>23</b>	<b>17</b>	<b>43</b>	<b>9</b>	<b>5</b>

The breakdown of self-reported breaches by Code chapter in 2018–19 shows that the increase from 2017–18 is predominantly related to claims (Code chapter 8), buying insurance (Code chapter 5) and the adequacy of subscribers’ compliance monitoring (Code chapter 13).

**MONITORING, ENFORCEMENT AND SANCTIONS**

Thirteen of the 14 self-reported breaches in **Table 2** which concerned monitoring, enforcement and sanctions as covered in Code chapter 13, were in relation to section 13.3(a) and (c) of the Code, which requires the subscriber to have appropriate processes and procedures to enable compliance with the Code and have a governance process in place to report on compliance. Ten of the 14 self-reported breaches came from one subscriber in one referral.

In the Committee’s view, a significant breach of the Code will often indicate that the subscriber did not have appropriate processes and procedures in place to enable compliance with the Code. It is therefore unsurprising that a large number of the self-reported breaches include section 13.3(a) and/or (c) as a secondary breach. The Committee encourages subscribers to always consider compliance with these sections when self-reporting a significant breach of another section of the Code.

**CLAIMS**

The second largest number of self-reported breaches for 2018–19 concerned claims, covered in Code chapter 8 (**Table 2**). These are important protections designed to keep subscribers accountable to people at a critical point in the relationship – when a claim is made. It also gives people the comfort of knowing what to expect as they navigate a claim in what is often an emotional and stressful context.

There were 9 self-reported breaches of Code chapter 8; the Committee confirmed 4, all of which were confirmed to be systemic in nature.

The key Code clauses breached related to:

- the timing around informing a customer about a claim decision (sections 8.15–8.18)
- a delay to an income protection payment (section 8.9)
- a subscriber’s obligation to provide clarity of benefits entitlements, contact points and when the customer can expect to be contacted about progress on the claim (sections 8.2–8.4)
- a subscriber’s obligation to inform a customer about reasons for the delay in a claim, and that the customer had the right to disagree with the reasons (section 8.17).

## Case studies

### A subscriber fails to make a decision on a claim within six months

A woman had life insurance with the subscriber as part of her superannuation fund membership. The life insurance policy, which included a Total and Permanent Disability (TPD) benefit, was a group policy held by the trustee for its members, which included the woman.

Despite lodging a TPD claim in May 2016, the woman did not receive a decision on her claim from the subscriber until February 2018. The woman's legal representatives alleged that the subscriber had breached section 8.17 of the Code, which requires subscribers to inform people of the decision on a claim within six months unless there are unexpected circumstances.

While the claim was in progress, the subscriber adopted the Code. This meant that all timeframe obligations were reset to begin from the Code adoption date of 30 June 2017. The Committee determined that this would have constituted an unexpected circumstance under section 8.17. However, as the subscriber did not notify the woman or the trustee of its decision on the claim within six months of adopting the Code, or that unexpected circumstances had arisen during the progress of the claim, the Committee found that the subscriber had breached section 8.17.

The subscriber has since updated its claims processes to include a template letter that informs policy holders when a claim is delayed due to unexpected circumstances.

### A subscriber makes its decision on a claim within six months of adopting the Code

In January 2017, a TPD claim was lodged by a man who had life insurance under a group policy as part of his superannuation fund. Under section 8.17 of the Code, subscribers have six months to inform people of the decision on a claim unless there are unexpected circumstances.

On 30 June 2017, while the man's claim was still in progress, the subscriber adopted the Code. This meant that the subscriber's timeframe obligations under the Code were reset to begin on 30 June 2017, giving the subscriber until 31 December 2017 to inform the man and/or the superannuation fund trustee of its decision on the claim.

The subscriber provided its decision on the man's claim to the trustee in October 2017 and followed this up with an addendum to its decision in December 2017 after the man provided the subscriber with new information.

The Committee notes that the timeframe obligations for subscribers under the Code only start from the day that the subscriber adopts the Code.

## POLICY CHANGES AND CANCELLATION

There were 7 self-reported breaches in 2018–19 concerning policy changes and cancellation rights, covered in Code chapter 6 (**Table 2**).

The breaches resulted from legacy policies (off sale policies) and the restrictions with their IT systems. This concerned the obligation to provide people with an annual written notice outlining the details of their policy,

including the type of cover, the amount they are insured for and an explanation of any increase in premiums (section 6.3). This is an important obligation, as it keeps people informed about the insurance policy they hold and enables them to review whether the product is still suitable for their needs.

Other breaches relating to policy changes and cancellation included failure to notify people of automatic upgrades of benefits (section 6.4), failure to advise people about available options if they are in financial hardship or wish to change the terms of their policies (section 6.5) and failure to advise people of their cancellation rights.

As the Code enters its third year since its adoption by the Life insurance industry, the Committee considers that industry has had sufficient time to resolve and remediate all transitional issues and the Committee expects subscribers to ensure any remaining breaches are advised and remediated promptly.

#### SALES AND ADVERTISING

Non-compliance with the Code's sales and advertising obligations (chapter 4) accounted for 4 self-reported breaches. All the self-reported breaches related to the sale of Consumer Credit Insurance (CCI) life insurance policies as an add-on to another financial product, either directly through the subscriber or through an authorised representative.

The 4 reported breaches all related to the various sub-sections of section 4.7 of the Code, requiring subscribers to provide an annual notice, maintain a minimum cooling off period of 30 days and provide the option of a non-financed premium, rather than adding the premium to the loan as an interest-accruing lump sum.

Following preliminary assessment, the Committee found all 4 breaches were outside the jurisdiction of the Code. However, given the potential for industry education, the Committee issued de-identified case studies on some of the matters to highlight better practice to subscribers, consistent with the spirit of the Code.



### **Consistent with the Royal Commission findings and recommendations, a recent report by ASIC highlights ongoing poor practices and consumer harm relating to CCI policy sales**

Regarding chapter 4 of the Code, the Committee notes that the Code does not cover policies that are not issued under the subscriber's Australian Financial Services Licence (AFSL). Given the potential detriment to the public, this is a gap in the Code that the Committee is concerned with, especially noting that the sale of CCI products and pressure selling is an area of ongoing concern for regulators. The Committee has previously recommended enhancements to the Code to help address this gap.

Consistent with the Royal Commission findings and recommendations, a recent report by ASIC highlights ongoing poor practices and consumer harm and foreshadows further consultation with a view to banning such products.<sup>5</sup>

<sup>5</sup> ASIC Report 622 issued on 11 July 2019: REP622 [Consumer credit insurance: Poor value products and harmful sales practices](#)



## ... the Committee recommended enhancements to better capture third party distributors under the Code and provide more transparency

### Case study

#### A subscriber identifies and addresses the poor sales practices of a third party

A subscriber discovered that one of its third-party sellers was not following the Code's obligations regarding the sale of add-on CCI. In breach of Code sections 4.7 (d), 4.7 (f) and 4.7 (g), the seller failed to offer customers the option of a non-financed premium, had a cooling-off period shorter than 30 days and did not provide customers with an annual notice in writing.

The subscriber self-reported 3 significant Code breaches of sections 4.7 (d), 4.7 (f) and 4.7 (g), and described the processes it would undertake to ensure its sales practices for add-on CCI were compliant with the Code.

In reviewing the matter, the Committee found that the third party seller did not fit the Code's definition of an Authorised Representative, as it was acting under its own AFSL. Its sales practices were therefore outside both the scope of the Code and the Committee's jurisdiction.

Although the Committee did not make a formal determination, the subscriber was commended for handling the matter in the spirit of the Code and taking a careful and proactive approach to self-reporting and remediation.

As part of the Committee's data collection for production of the 2017-18 Data Report, it asked for information about subscriber business that is sold by entities under a different AFSL to that of the subscriber, in other words, sold by a third party distributor.

Analysis of that data confirmed that a large portion of business sold through the direct distribution channel (without the provision of personal advice) is done through third party distributors.

Given the potential reputational harm for subscribers and the industry if third party distributors were to be engaging in practices the Code seeks to limit, we encourage subscribers to work closely with other AFSL licensees – in particular, third party distributors - to be compliant with the Code.

As part of its Code review submission, the Committee recommended enhancements to better capture third party distributors under the Code and provide more transparency on websites and in relevant marketing material regarding such relationships.

The Committee considers that the most effective way to capture third party distributors under the Code would be for the Code to require subscribers to establish a contractual obligation with distributors for the latter to comply with the relevant requirements of Code. The Committee would then monitor this through the subscribers who would ultimately be responsible. Given this would require changes to existing contracts, it could be on an 'if not why not' basis for existing contracts as a transitional measure.

## BUYING INSURANCE

There were 7 self-reported breaches in 2018–19 concerning buying insurance (**Table 2**). The Code requires subscribers to provide a decision on an insurance application within five business days, and to provide the reasons underlying any decision not to offer insurance cover.

Five of the 7 self-reported breaches were in relation to the timeframe taken by subscribers to provide the decision on an application for insurance, and the other 2 breaches were in relation to the subscriber failing to properly inform the consumer about the reasons for the decision when the subscriber did not offer any insurance cover.

Subscribers generally reported a breach of chapter 5 in relation to increased volumes of applications, resulting in subscribers being unable to meet the five business day timeframe under the Code. The Committee noted that, rather than reflecting any underlying compliance process shortcoming, the breaches were resolved by adding staff resources to underwriting teams.

## Alleged Code breaches

### HOW ALLEGATIONS WORK

Anyone can refer an alleged breach of the Code to the Committee. The Committee then has discretion to investigate the referral; determine whether a breach or breaches occurred with the alleged breach or any Code obligation; agree with the subscriber on corrective measures; and monitor their implementation.

### ALLEGED CODE BREACHES: FROM REFERRAL TO REMEDIATION

#### 1. Referral

A person, personal representative or AFCA makes a referral. We apply a triage process to check whether the referral is covered by the Code and to decide whether and how to proceed.

Where a matter falls within the Committee's jurisdiction, we consider whether the subscriber involved is currently being (or has previously been) investigated by the Committee for a breach of the same Code section. If not, we will commence an investigation. If so, we will consider the merits of investigating the new matter, taking into account factors including (but not limited to):

- impact on the person or people involved
- whether the matter is likely to be isolated or industry wide

- whether guidance or a key principle could be developed as a result of any investigation
- whether the Committee should conduct a wider inquiry into the area of concern, rather than an individual investigation.

We will also consider whether the issue being raised in the new referral occurred before or after the previous investigation took place. If it occurred before the previous investigation, we will look at whether the cause of the issue has been addressed by the remedial outcomes of the investigation. If it occurred after the completion of the previous investigation, it may indicate that the remedial action was insufficient or that an event was not isolated, and that escalation and investigation is warranted.

## 2. Investigation and Determination

If we decide to investigate, we ask for necessary information from the person (including an appropriate Privacy Authority) and the subscriber. We review the facts to ascertain whether a breach or breaches have occurred and whether the issue may be systemic and/or serious.

We issue a Determination setting out our findings and share it with the person who made the referral, the subscriber involved, and (on a de-identified basis) with all subscribers.

## 3. Remediation

If there was a breach, we work with the subscriber to identify and agree appropriate remediation. The investigation is closed when we are satisfied that the subscriber has completed the appropriate or agreed remedial action.

### ALLEGATIONS RECEIVED DURING THE YEAR

During 2018–19, the Committee received 79 referrals containing a total of 198 potential Code breaches. As previously noted, this is significantly fewer than the previous year, when the Committee received 747 referrals alleging a total of 785 Code breaches (711 of which were submitted in bulk by a plaintiff law firm, with each referral alleging a single Code breach). For the purposes of reasonable comparison, last year's bulk referral figures have been excluded from **Table 3**.

TABLE 3.

**Alleged Code breaches by Code chapter, 2018–19**

Code chapter	Alleged breaches 2017-2018 and % of Total		Alleged breaches 2018-2019 and % of Total	
	No.	%	No.	%
Claims	43*	58%	106	54%
Complaints and disputes	14*	19%	39	20%
Policy changes and cancellation	1	1%	6	3%
Sales and advertising	3	4%	11	6%
Code objectives	3	4%	8	4%
Policy design and disclosure	-	-	8	4%
Access to information	6	8%	8	4%
Buying insurance	-	-	2	1%
Monitoring, enforcement and sanctions	-	-	-	-
Additional consumer support	3	4%	3	2%
Third party underwriting and claims	1	1%	2	1%
Information and education	-	-	1	1%
Key Code promises	-	-	4	2%
<b>Total</b>	<b>74*</b>	<b>100%</b>	<b>198</b>	<b>100%</b>

\*excludes 2017-18 bulk referral numbers to allow more reasonable year-to-year comparison

Despite the difference in the number of alleged Code breaches from year to year, the two most commonly alleged breaches, in 2017–18 and again in 2018–19, concerned claims and complaints.

### CLAIMS ISSUES IN ALLEGED CODE BREACHES

Alleged breaches of the standards set out in chapter 8 of the Code (‘When you make a claim’) accounted for 54% of all alleged breaches in 2018–19 (Table 3), an overall increase of 147% compared with the prior year. The alleged breaches spanned several sections of the chapter, with most relating to the timeframes for advising people about the status of their claims.

As was the case in 2017–18, the most common section alleged to have been breached was section 8.17, which relates to the requirement to make a decision on a lump sum claim within six months, or 12 months if unexpected circumstances apply.

Most of the section 8.17 matters considered by the Committee related to the subscriber

failing to properly inform the person of the existence of unexpected circumstances. If the unexpected circumstances apply, then the insurer is required to provide a person with the reasons for the delay and also give them an option to disagree.

As part of the Committee’s response to the bulk referral received in 2018, the Committee is reviewing the 11 subscribers’ processes and procedures for section 8.17 and will provide guidance to subscribers in relation to any gaps that the Committee identifies.

As a result of this work, the Committee expects the number of breaches of section 8.17 to decrease going forward.



## COMPLAINTS AND DISPUTES ISSUES IN ALLEGED CODE BREACHES

Issues relating to the Code's complaints and disputes obligations in chapter 9 accounted for 20% of all Code breach allegations received in 2018-19 and amounted to an overall increase of 178% compared with the prior year. A number of these related to the requirement under section 9.12 to communicate the response to a complaint with 45 days.

The vast majority, however, concerned section 9.10, which requires subscribers to respond in a timely way to people's complaints received via a superannuation fund trustee. This was also the case in 2017-18.

Recognising that this is an ongoing issue for subscribers, the Committee has drafted a Guidance Note to help subscribers more easily and consistently interpret and understand their obligations under section 9.10, and to demonstrate compliance. Feedback from subscribers is currently being considered prior to issuance of the final Guidance Note in 2019-20.

### Case study

#### **A subscriber responds to a woman's response, but doesn't include all the information needed**

A woman had life insurance with the subscriber as part of her superannuation fund membership. The life insurance policy, which included a TPD benefit, was a group policy held by the trustee for its members, which included the woman.

The woman lodged a TPD claim, which the subscriber declined in July 2015. Dissatisfied with the decision, the woman sought a review by lodging a complaint with the trustee, which referred the complaint to the subscriber in February 2016. This request was declined by the subscriber in June 2016 and 13 months later, in July 2017, the woman made another complaint about the decline.

Under section 9.10 of the Code, when a subscriber receives a complaint via a trustee, the subscriber must respond, where possible, in a timeframe that enables the trustee to provide its final response to the complaint within 90 calendar days. The response must include certain information, including the final decision and information about external dispute resolution options.

As the woman had not received a response to her second complaint by January 2018, her legal representatives alleged a breach of section 9.10.

In its review of the case, the Committee found that the subscriber had provided a response to the trustee on 17 July 2017, which was well within the required timeframe. However, the subscriber's response did not include all the information specified in section 9.10:

- the final decision and the reasons for it
- advice that the woman could ask for copies of the information used to assess the complaint
- advice that the woman could take her complaint to the Superannuation Complaints Tribunal, and its contact details.

The Committee therefore made a determination that the subscriber had breached section 9.10.

It was also found that the subscriber's complaints process and template letter made no reference to customers being entitled to ask for copies of the information used to assess the complaint. This indicated that the non-compliance was serious and systemic.

The subscriber has since amended its complaints process and its template letters in line with its obligations under section 9.10 of the Code.

## INVESTIGATING AND DETERMINING ALLEGED CODE BREACHES

### BULK REFERRAL PROGRESS

As reported in the 2017–18 Annual Report, in February 2018 a plaintiff law firm submitted, in bulk, 711 referrals concerning 11 subscribers. Each referral alleged a single Code breach of section 8.16, 8.17 or 9.10 of the Code.

The Committee chose to investigate a sample of 31 referrals, including at least one referral from each of the 11 subscribers covering both sections 8.16/8.17 and 9.10 of the Code.

The Committee sought explanations from each of the 11 subscribers on how they are complying with the sections of the Code in question. In assessing these responses, the Committee has highlighted some common issues, including:

- practices that don't appear to align consistently with the documented processes in place
- template letters which only partially include obligations aligned to Code sections and which don't always support the intent or spirit of the Code

- monitoring that does not assess the effectiveness of the compliance processes
- staff training that is lacking in some instances.

Due to the size of the bulk referral and the resource constraints experienced during 2018 and early 2019, this investigation has carried over into the 2019–20 reporting year.

The findings are due by the end of 2019 and the Committee looks forward to delivering a full report on the bulk referrals in its 2019–20 Annual Report.

Looking ahead, the Committee will continue to develop Guidance Notes to help subscribers better understand and comply with those sections of the Code most frequently breached or queried.

### Investigation Outcomes

The Committee issued 17 Determinations during 2018–19. In line with the Committee's Charter, these Determinations were published on a de-identified basis and shared with all subscribers as a way of informing them about how breaches can occur and about how the Committee handles them.

Similarly, 4 other matters considered by the Committee during the year were converted into de-identified case studies which were also published and shared with subscribers.

The Committee encourages subscribers to circulate Determinations and case studies to staff throughout their businesses, and to use these publications for compliance education and training purposes.

### Remediation and sanctions

As part of the Committee's investigations, subscribers may be required by the Committee to engage in corrective action and remediate any breaches as determined by the Committee.

If so, the Committee will work with a subscriber to agree on the relevant corrective action and the remediation timeframe, as well as monitor the subscriber's progress and implementation of the corrective action. Remediation may include both internal and external activities.

Internal actions usually focus on improvements to subscribers' compliance frameworks. These often include enhancing the compliance/operational procedures and

structures – for example, increased staff training and supervision, amendment of letter templates, and increased monitoring of the subscriber’s compliance with the Code – and product amendment/withdrawal.

External actions can include amendment of information on websites or in relevant marketing material, and communication/negotiation with and/or reimbursement of people impacted.

The Committee notes that its investigations process does not offer people an individual outcome for their dispute, and any compensation that arises out of an investigation by the Committee is at the discretion of subscribers.<sup>6</sup> However, the Committee does encourage subscribers to pro-actively conduct remediation if the Committee’s investigation uncovers unfair or unjust treatment.

As noted under the Code, the Committee has the power to impose sanctions on subscribers, however this is triggered only:

- after a subscriber has failed to implement the corrective measures to address a Code breach within the timeframe agreed in accordance with the Committee’s formal determination, **or**
- where the Committee fails to reach an agreement in a reasonable time with a subscriber about the corrective action to be taken to address a Code breach.

During the 2018–19 reporting period, the Committee imposed one sanction on a subscriber. Notably, it is the first sanction imposed by a financial services Code Compliance Committee for a number of years.

The sanction was imposed upon OnePath Life Limited (OPL) after its failure to satisfactorily implement corrective measures within the agreed timeframe. In breach of Code section 4.7 (d)(i), OPL offered a CCI life insurance policy as an add-on to a loan without offering at least one non-financed premium payment option (such as a monthly direct debit). This was determined by the subscriber to be a significant breach of the Code.

Despite agreeing on 15 November 2018 to implement remedial actions, including writing to all persons who purchased the non-compliant product by 31 January 2019, OPL did not do so until 10 May 2019 – one year and 10 months after first reporting the breach to the Committee. OPL also continued to sell the non-compliant product until 22 February 2019.

On 21 June 2019, the Committee sanctioned OPL, requiring information about the non-compliance to be published on the websites of both OPL and the FSC.

<sup>6</sup> Readers should note that if an individual outcome is desired, particularly in relation to financial disputes, this can be pursued via an appropriate internal or external dispute resolution process at <https://www.afca.org.au>

# Appendix A.

## List of subscribers

As at 30 June 2019, the Code had 26 subscribers.

Name	Date of adoption
AIA Australia Limited	30 June 2017
Allianz Australia Life Insurance Limited	30 June 2017
AMP Life Limited	30 June 2017
ClearView Life Assurance Limited	30 June 2017
EMLife Pty Ltd*	14 March 2018
General Reinsurance Life Australia Ltd	30 June 2017
Hallmark Life Insurance Company Ltd (part of the Latitude Financial Services Group)	30 June 2017
Hannover Life Re of Australasia Ltd	30 June 2017
HCF Life Insurance Company Pty Ltd	1 July 2018
Integrity Life Australia Limited	1 July 2018
MetLife Insurance Limited	30 June 2017
MLC Limited	30 June 2017
Munich Reinsurance Company of Australasia Limited	30 June 2017
NobleOak Life Limited	30 June 2017
OnePath Life Limited (a company of ANZ Wealth Australia Limited)	30 June 2017
QInsure Limited	15 September 2017
RGA Reinsurance Company of Australia Limited	30 June 2017
SCOR Global Life Australia Pty Ltd	30 June 2017
St Andrew's Life Insurance Pty Ltd	30 June 2017
St George Life Limited	30 June 2017
Suncorp Life & Superannuation Limited (trading as Asteron Life)	30 June 2017
Swiss Re Life & Health Australia Limited	30 June 2017
TAL Life Limited	30 June 2017
The Colonial Mutual Life Assurance Society Limited (trading as CommInsure)	30 June 2017
Westpac Life Insurance Services Limited	30 June 2017
Zurich Australia Limited	30 June 2017

\* EMLife is not a life insurer and voluntarily agreed to subscribe to the Code, under section 2.1(b).

# Appendix B.

## Committee members and administrator staff

MS ANNE T BROWN,  
BA CA GAICD  
COMMITTEE CHAIR



Anne has substantial knowledge and practical experience of Australian regulatory environments, risk management, corporate governance and financial markets infrastructure.

Anne is a non-executive director of the Clean Energy Regulator, a member of the Australian Securities and Investments Commission's Markets Disciplinary Panel and a member of the Finance, Audit and Risk Committee of Monte Sant' Angelo Mercy College Limited.

Previously Anne was Chief Risk Officer with ASX Limited following its merger with SFE Corporation Limited, where she also chaired a range of broader group executive committees and oversaw integration strategy, risk management and policy for ASX's two clearing houses. Anne also represented ASX as the Chair and executive committee member of CCP12, an influential global industry association of all major international clearing houses. Prior to the ASX/SFE merger, Anne held senior management positions with SFE and KPMG.

Anne holds a double major degree in accountancy and computer science from Heriot-Watt University, Edinburgh. She is a member of the Institute of Chartered Accountants of Scotland and a graduate member of the Australian Institute of Company Directors.

MS ALEXANDRA KELLY,  
LLM, BPSYCH

CONSUMER  
REPRESENTATIVE



Alexandra is the Director of casework at the Financial Rights Legal Centre (FRLC), which operates the National Debt Helpline in NSW, the Mob Strong Debt Helpline, a dedicated national service for Aboriginal and Torres Strait Islanders, and the National Insurance Law Service.

As a solicitor at FRLC for the last 10 years she has had the privilege of speaking to consumers about their lived experiences of financial services products, including life insurance; advocating on individual and systemic issues; and lobbying and advocating from an evidence-based position.

Alexandra is a non-executive director of CHOICE and a member of the Australian Consumer Law Subcommittee of the Law Council. She is committed to social justice, consumer advocacy and consumer education as to their financial rights.

Alexandra has a Bachelor of Laws (Hons) and Bachelor of Psychology from Australian National University and Master of Laws from Sydney University and a graduate member of the Australian Institute of Company Directors.

DAVID GOODSALL,  
BA, FIAA, FAICD, CERA

INDUSTRY  
REPRESENTATIVE



David Goodsall has spent his career advising institutions in the financial services, general insurance and health insurance industries in Australia and overseas. David has extensive commercial and boardroom experience both as a director, and having advised many major institutions in life insurance, reinsurance, and broader financial services on a range of transactions, product, strategy, risk management, culture, governance, and regulatory issues.

David is a consulting actuary and co-founder of Fiduciary Dynamics, a specialist advisory firm that provides strategic governance and risk management advice to financial services companies. He is an independent director and chair of the Audit and Risk Committee of BrightsideCo Insurance. Previously David was a senior partner in the Financial Services practice of Ernst & Young, leading the Actuarial practice, as well as an independent director of ClearView Wealth, and Medical Insurance Australia. He was President of the Institute of Actuaries of Australia in 2012.

David holds a BA majoring in actuarial studies, is a Fellow of the Institute of Actuaries of Australia, a Fellow of the Australian Institute of Company Directors, and a Chartered Enterprise Risk Analyst.

**SALLY DAVIS,  
BCOMM, LLB, GRAD DIP  
(ARTS) GAICD**

**GENERAL MANAGER  
– CODE COMPLIANCE  
AND MONITORING**



Sally Davis is General Manager – Codes at AFCA and CEO of the Banking Code Compliance Committee. Her role includes oversight of the work plans and budgets of five independent Committees which monitor compliance with codes of practice across the financial services industry covering the banking, customer owned banking, general insurance, life insurance and insurance broking industries.

Sally has worked at AFCA and its predecessor schemes since 2000 and was previously Senior Manager of Systemic Issues at the Financial Ombudsman Service (FOS). Sally has extensive experience in the financial services industry, as well as good relationships with regulators, industry and consumer groups. Sally is passionate about providing community assurance and ensuring continuous improvement through her role supporting the Committee.

**ANKIT DANG,  
BCOMM HONS,  
MPROFFACC**

**COMPLIANCE MANAGER  
– CODE COMPLIANCE  
AND MONITORING**



Ankit Dang joined AFCA as Compliance Manager working with the Life Code Compliance Committee following more than 16 years' experience working in customer service, end-to-end claims experience, management and leadership in the insurance industry. Most recently, Ankit managed the Claims Assessment Team (Direct) at TAL, leading, coaching and supporting a team of claim assessors.

# Appendix C.

## Committee meetings

Date	Attendance			
	ANNE T BROWN	ALEXANDRA KELLY	DAVID GOODSALL	PHILLIPA HEIR*
24 August 2018	✓	✓	✓	
12 October 2018	✓	✓	✓	
6 December 2018	✓	✓	✓	
14 February 2019	✓	✓	✓	
20 March 2019	✓	✓	✓	
20 March 2019	✓		✓	✓
15 April 2019	✓	✓	✓	
30 May 2019	✓	✓	✓	

\* Alternative consumer representative



**The Annual Report of the Life  
Code Compliance Committee  
2018-19**

**To make a Code breach referral  
visit our website [LifeCCC.org.au](http://LifeCCC.org.au) or  
email [info@codecompliance.org.au](mailto:info@codecompliance.org.au)**