Carter Newell LAWYERS

CN|FACT SHEET 1

GENERAL INSURANCE AND CODE OF PRACTICE SUMMARY AND TIME LINES

The latest version of the General Insurance Code of Practice came into force on 1 July 2014. All members of the general insurance industry in Australia are encouraged to adopt and maintain the standards set out in the Code. Once members have voluntarily entered into the Code with the Insurance Council of Australia (ICA) they are committing to uphold a set of minimum service standards. Lloyd's has adopted the Code for coverholder-issued policies. A key element of the Code is claim time management – the obligations are summarised in the following chart.

Topic / Action	Details	Timing
Commencement	Participating insurers (including ICA Members, any other general insurers, and other ICA approved entities))	1 July 2014
Code monitoring	The Australian Financial Complaints Authority (AFCA) and the Code Governance Committee (CGC).	
Application	The Code applies to all general insurance products except those specifically excluded (below). Notably applies to Personal insurance and business policies	**The Code must be adopted by participating members within 12 months of commencement — 1 July 2015.**
	Lloyd's has exemptions for open market placements and policies applying outside of Australia but has otherwise adopted the Code for coverholder-issued policies	
Excluded policies	▪ Reinsurance ▪ Workers' compensation ▪ Motor Vehicle Injury Insurance ▪ Marine insurance ▪ Medical Indemnity	
Advice of acceptance or denial of claims to an insured	If no further information is required OR once all relevant information is gathered all enquiries are completed.	Within 10 business days of receiving a claim (s 7.9 and 7.16)
Decision regarding the insured's claim	Where no exceptional circumstances apply decision will be made.	Within four months of receiving the insured's claim (s 7.17)
	Where exceptional circumstances apply decision will be made	Within 12 months of receiving the insured's claim (s 7.18)

Topic / Action	Details	Timing
Information to be provided when a claim is denied	▪ Written reasons for denying a claim ▪ Information about complaints handling procedures ▪ Copies of information about the insured the insurer used to asses the claim ▪ Copies of reports from Service Suppliers or External Experts which are relied upon in assessing a claim.	▪ At the time a claim is denied (s 7.19(a)) ▪ At the time a claim is denied (s 7.19(d)) ▪ On request and supplied within 10 business days (s 7.19(b)) in accordance with (s 14). ▪ On request and supplied within 10 business days (s 7.19(c)) in accordance with (s 14).
Notification to an insured	Requirement for further information If necessary to appoint a loss assessor or loss adjuster	Within 10 business days of receiving a claim (s 7.10(a)) Will do so within 10 business days of receiving a claim (s 7.10(b))
Advice to an insured	Initial estimate of the time required to make a decision on a claim Claim progress	Within 10 business days of receiving a claim (s 7.10(c)) At least every 20 business days (s 7.13)
Response to an insured	For routine requests for information	Within 10 business days (s 7.14)
Agreement	For complex claims	Alternative time frames may be mutually agreed (s 7.5)
Response	Catastrophes	(s 9.4) covers co-operation with the Insurance Council Australia under Industry Catastrophe Coordination Agreements
Internal complaints process	Supplying information relied upon in assessing the complaint	Within 10 business days of assessing the claim (s 10.6)

Topic / Action	Details	Timing
	Stage One ▪ Responding to claim when all the necessary information and investigation is complete. ▪ If unable to respond in 15 business days because do not have necessary information or have not completed investigation.	▪ Within 15 business days of the date of receipt (s 10.11) ▪ As soon as reasonably practicable within 15 business day and agree to alternative timetable (s 10.12(a)), and keep informed every 10 business days (s 10.12(b)).
	Stage 2 ▪ Information about progress of review ▪ Responding to claim when have all the necessary information and investigation is complete ▪ If unable to respond in 15 business days because do not have necessary information or have not completed investigation.	▪ At least every 10 business days (s 10.16) ▪ Within 15 business days of advising that the claim is being advanced to Stage Two (section 10.17) ▪ As soon as reasonably practicable within the 15 business day timeframe and agree to reasonable timetable (s 10.18). Advise the complaint can be taken to AFCA.
External Dispute Resolution	Referring complaint to AFCA	If the complaint is not resolved at Stage Two, or the complaint is not resolved within 45 calendar days of the date the complaint was first received (s 10.22).