Compliance Advocacy Solutions

## SECTION 1 – REGULATORY UPDATES

### 1.GI Code Governance 2026-27 Priorities

[https://insurancecode.org.au/resources/cgc-priorities-2026-27/]

1. **Brief Summary: The** CGC's 2026–27 priorities focus on improving insurer compliance and customer outcomes. Key areas include complaints handling, vulnerable customers, financial hardship, claims delays, temporary accommodation, cash settlements and the use of external experts.

2. **Impact for UAC Members:**

   Members who are required to comply with the Code should review their internal procedures and processes to ensure that they can demonstrate compliance with those Code requirements identified as priority areas by the CGC. This will assist Members to respond to insurers or Lloyd's enquiries.

### 2. ICA - consultation on draft General Insurance Code of Practice now closed

[https://insurancecouncil.com.au/code-of-practice/code-submissions/]

1. **Brief Summary:** The Insurance Council's redrafted General Insurance Code of Practice aims to strengthen consumer protections and make key obligations legally enforceable. Proposed changes include stronger support for vulnerable customers, improved claims handling, broader family violence protections and higher standards for expert reports. The consultation has now closed, with the Code moving towards further stakeholder engagement and ASIC approval.

2. **Impact for UAC Members:**

   Members who are subject to Code requirements should continue to actively follow the consultation process. Members should commence mapping existing Code obligations to DRAFT Code obligations to understand the impact of Code changes on their business operations in terms of governance, people, process and IT systems. Such an analysis should include the definitions under the DRAFT Code that differ to definitions under Financial Service laws.

Compliance Advocacy Solutions is available to support Members to understand the impact of the DRAFT code on their business and to work with them on an implementation plan.

## 3. NIBA - consultation on 2027 Final Draft Code Now Open

[https://niba.com.au/code-of-practice-review]

1. **Brief Summary:** NIBA is reviewing the Insurance Brokers Code of Practice to ensure it remains relevant, strengthens professionalism and consumer protection, and meets changing regulatory and client expectations. A draft 2027 Code was released for consultation, informed by feedback from brokers, regulators, consumer groups and other industry stakeholders. Consultation closed 7 August. Implementation is scheduled for January 2027 although changes requiring IT system changes such as remuneration obligations may have a commencement date of 12-18 months

2. **Impact for UAC Members:**

For information only.

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**SECTION 2 – MONTHLY ARTICLE**

## Complaint Management for Underwriting Agencies

UAC members binder agreements with APRA authorised insurers including Lloyds underwriters will generally include requirements for complaint management.

This article explores complaint management requirements under RG 271 and the GI Code of Practice. Any individual requirements for members under their binder agreements should be considered when implementing complaint management procedures.

## The regulatory requirement

Members holding an AFS Licence providing financial services to retail clients must have a dispute resolution system that complies with the enforceable paragraphs of RG 271, and be a member of AFCA.

RG 271 is structured to distinguish between a legal obligation and regulatory guidance. Paragraphs that create legal obligations are preceded by a heading, '**Enforceable paragraphs**', all other paragraphs are guidance to help financial firms comply with their legal obligations (refer RG 271.5 - RG271.11)

## The GI Code of Practice

Part 11 of the GI Code of Practice applies to complaints in connection with 'Retail Insurance products'.

## Overarching obligations

- **at a systems or enterprise level**; a Licensee's Dispute resolution system must provide effective decision-making and complaints management that is 'efficient, honest and fair' (s912A(1)(a) Corporations Act); and
- **at a transactional and operational level**; all dealings with complainants must be honest, efficient, fair, transparent and timely (Code paragraph 21)

## Definition of a 'complaint'

AS/NZS 10002:2014 sets out the following definition of ‘complaint’ at and is a legal obligation:

[An expression] of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required

Given ASIC's report 802, it is recommended that a simpler definition is provided to customer engaging staff to ensure all potential complaints are captured e.g., 'an expression of dissatisfaction.'

An effective and compliant dispute resolution system should include the following elements:

## A dispute resolution roadmap

1. **Identity, raise and record** - staff (including authorised representatives, distributors and service suppliers) must be trained, and provided with a tool kit, to enable them to identify a complaint or likely complaint. The complaint should be recorded in the dedicated system as soon as possible.
2. **Sources of complaints** - phone calls, emails and social media should be monitored as potential sources of direct complaints. Complaints can also be received from AFCA (where the complainant lodge the complaint with AFCA in the 1st instance), and indirectly as a secondary issue as part of a sales, servicing or claims process. Note: ASIC has restricted a complaint from a post on social media to ' *a post on a social media channel or account owned or controlled by the financial firm that is the subject of the post, where the author is both identifiable and contactable'*. RG 271.32
3. **Publicly available information -** the right to make a complaint, the firms dispute resolution process, and contact details for AFCA including how to contact AFCA, must be available and easily located on the firms website (Code paragraph 140)
4. **Acknowledgement and resolution** - a complaint should generally be acknowledged within 24-48 hours and details of the primary contact provided (RG 271.51 (guidance) and Code paragraphs 142-144)
5. **Triage** - an experienced person should review the complaint and provide a management plan based on complexity, existence of vulnerability factors and experience of the staff member (who received the complaint).
6. **Incidents, breaches and systemic issues** - at triage, complaints should be considered as part of incident management (including breaches) and whether the root cause may give rise to a systemic issue (refer RG 271 Section D, enforceable paragraphs RG 271.118-RG 271.120 and Report 802)
7. **Early resolution** - ASIC encourages complaints to be resolved at first point of contact (refer RG 271.155 - RG 271.156 Report 802). An IDR response is not

required if a complaint is resolved to the complainant's satisfaction within 5 business days and the complainant has not requested a written response or the complaint does not relate to hardship, a declined claim or value of a claim (RG 271.71 and 271.75 and Code paragraph 150))

8. **Relevant information** - the Underwriting Agency may only ask for information from the complainant that is relevant to the complaint decision, viewed objectively. (Code paragraph 145)
9. **Complaint decision -** an IDR response must be provided no later than 30 calendar days after receiving the complaint (RG 271.56 enforceable and Code para 147). Information relied on in responding to a complaint must be made available to the complainant, on request (Code para 161)
10. **IDR response** - an IDR response must be provided (other than if the 5-day rule applies) and meet the enforceable IDR response content requirements (refer RG 271.53 - RG 271.54)
11. **Links to AFCA** - if a complaint is unresolved through the IDR process complainants must be informed of their right to pursue their complaint with AFCA and provide details how to access AFCA (enforceable RG 271.111 - RG 271.112 and refer Code 149, 153-157)

## ASIC IDR Standards

ASIC expects financial firms to comply with the IDR standards for the design, implementation, and ongoing improvement of financial firms' IDR processes. 'Process' refers to the totality of all procedures, documents, policies, resources, systems, governance and arrangements in place to manage complaints. (RG 271 Section E)

1. **commitment and culture** - ASIC expects firms to develop and maintain a positive complaint management culture that welcomes and values complaints. including top-level commitment. (RG 271.127-128)
2. **enabling complaints** - The IDR process must be easy to understand and use, including by people with disability or language difficulties (enforceable RG 271.134) and must be free (enforceable RG 271.141)
3. **resourcing** - The IDR process must be resourced so that it operates fairly, effectively and efficiently. The firm must regularly review whether the IDR process is adequately resourced (enforceable RG 271 142 -143) and staff are empowered with financial delegations (enforceable RG 271.146-147)
4. **responsiveness** - covers early resolution, acknowledging complaints, triage, responding flexibly and remedies
5. **objectivity and fairness** - ASIC expects firms to develop processes that ensure each complaint is managed fairly, objectively and without actual or perceived

bias. This includes embedding objectivity, fairness, privacy considerations and processes for managing unreasonable complainant conduct

6. **policy and procedures** - Firms must have a publicly available, readily accessible complaints policy and an internal complaint management procedure. (enforceable RG 271.172)
7. **data collection, analysis, and internal reporting** - Firms must record all complaints that they receive. They must have an effective system for recording information about complaints. The system must enable firms to keep track of the progress of each complaint. (enforceable RG 271.179). Firms must provide reports about complaints data regularly to senior management and the firm's board (or equivalent) (enforceable RG 271.183)
8. **continuous improvement** - Firms should monitor and review the performance of their IDR process. This includes monitoring of complaint metrics, ongoing quality assurance and regular reviews.

## IDR data reporting

All AFS licensees that provide financial services to retail clients must submit an IDR report to ASIC.
Firms must submit an IDR report to ASIC every six months. The reporting periods are:

- 1 January to 30 June, and
- 1 July to 31 December.

A two-month submission window opens at the end of each reporting period. Submission windows are:

- 1 January to end of February, and,
- 1 July to 31 August.

Financial firms must submit an IDR report through ASIC's Regulatory Portal that contains an IDR data file in machine-readable format, consistent with the specifications in the IDR data reporting handbook.

## IDR dashboard

The **ASIC Internal Dispute Resolution (IDR) Dashboard** is an interactive tool that shows IDR complaint data submitted by financial firms. It helps users explore trends and compare the complaint handling performance of financial firms.

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