UAC February Newsletter

SECTION 1 – REGULATORY UPDATES

1.AFCA's updated Approaches to Family Violence and Elder Financial Abuse

1. **Brief Summary:** AFCA has released updated Approaches to family violence and the financial abuse of older people, replacing earlier Approaches. The updates reflect evolving community expectations and clarify how vulnerability and abuse can arise across financial services, including insurance.
   Firms are expected to better identify warning signs, respond with flexibility and sensitivity, and avoid placing additional burden on affected customers. The Approaches raise expectations on how complaints are assessed and handled, with a stronger focus on protecting vulnerable consumers.

2. **Impact for UAC Members:** Agencies should update their internal training, procedures and IDR processes in respect of 'Customers experiencing vulnerability', to take into account the new AFCA Approaches.

2. NIBA Blueprint for Insurance Brokers Code of Practice

1. **Brief Summary:** NIBA has set out its blueprint in response to the Independent Review of the Insurance Brokers Code of Practice, aiming to strengthen consumer protections and elevate professionalism within the broking profession. The blueprint supports extended remuneration disclosure to retail and small business clients, consolidated conflicts of interest provisions, enhanced vulnerability provisions, a longer renewal contact period and explicit record-keeping obligations, alongside a move to a five-year independent review cycle.

2. **Impact for UAC Members:** Those Agencies who distribute their insurance products through insurance brokers should continue to monitor the progress of the review of the NIBA Code of Practice and understand the potential impact of proposed changes, such as in respect of remuneration disclosures for small business clients.

3. ASIC renews guidance on managing conflicts of interest - RG 181

1. **Brief Summary:** ASIC has renewed its guidance on managing conflicts of interest for Australian financial services businesses by updating **Regulatory Guide 181 (Licensing: Managing conflicts of interest)**. The refreshed guidance clarifies how the legal obligations in s912A(1)(aa) of the *Corporations Act* apply, what kinds of conflicts should be identified and managed, and practical steps firms should take to strengthen their conflicts management frameworks.

2. **Impact for UAC Members:** Agencies who hold an AFS Licence should review their current Conflicts of Interest practices against the new RG 181 and update accordingly. The review should consider Conflicts of Interest Policy, training for staff and any authorised representative(s), attestations and procedures. New requirements for managing conflicts of interests should be rolled out to any authorised representative, or supplier of services on behalf of the Agency.

4.ASIC calls on Australian companies to adopt better practices to protect whistleblowers

1. **Brief Summary:** ASIC has highlighted gaps in how Australian companies support and protect whistleblowers after a first-of-its-kind questionnaire of corporate whistleblower policies and practices. The findings show wide variation in maturity of programs, with many companies still lacking basic elements like dedicated reporting web pages, regular staff training and employee feedback processes, creating opportunities for improvement.

2. **Impact for UAC Members:** Agencies should review their internal training and information provided to staff in connection with Whistleblower protections to ensure that it meets the requirements of the Corporations Act. Agencies should refer to ASIC INFO 238

SECTION 2 – MONTHLY ARTICLE

Looking ahead to 2026 - key regulatory compliance impacts for General Insurance:

Key areas of focus for 2026

2026 shapes as another year of regulatory impacts and changes for general insurance. To assist in staying ahead of the curve, I've analysed various media releases, reviews, reports and the like and compiled the following (non-exhaustive) list:

1. **AFCA Claims Handling Approach** - consultation on AFCA's Approach to general insurance claims handling has closed. The new Approach is expected to be

released shortly. Insurers have key obligations under the Insurance Contracts Act 1984 (Cth), including the duty of utmost good faith, which requires them to handle insurance claims fairly, transparently, and efficiently. This Approach provides information about how AFCA considers various types of complaints relating to the handling of general insurance claims, against an insurer's legal obligations and has regard to industry standards.

2. **Cash Settlements.** In ASIC's Corporate Plan 2025-26 - *[ASIC] will review general insurers' use of cash settlements to better understand the practices and disclosures surrounding the offers being made and to assess whether there are risks of consumer harm*. Cash settlements were also called out as an area of 2026 focus by the Code Governance Committee and in AFCA's [new] Claims Handling Approach.
3. **Industry use of external experts.** has highlighted improvements in how insurers oversee and engage external experts, with better measures to strengthen accountability and quality assurance. The CGC, in its *Oversight of external experts: follow up 8 December 2025* has identified areas of ongoing work.
4. **Pricing promises and pricing transparency.** ASIC Corporate Plan 2025-26 *[ASIC] will examine the accuracy and transparency of general insurers' disclosures about premiums and work to better understand consumer experiences*.
5. **Complaints (IDR).** In 2024, ASIC reviewed 11 general insurers to understand how they are supporting customers who make a complaint. ASIC's **Report 802** highlighted a failure to identify 1 in 6 complaints and a lack of identifying systemic issues. ASIC has also indicated that it will be moving to publishing IDR data at a firm-level (refer CP 383). The General Insurance Code Governance Committee highlighted complaints handling as a main priority for 2025-26. The Insurance Brokers Code Compliance Committee in their Annual Report 2024-25 found 42% of brokers reported no breaches or complaints
6. **Incident and Breach Reporting.** ASIC's review of reportable situations (4th December 2024) revealed a number of poor practices among licensees including deficiencies in Licensee's incident management. The Insurance Brokers Code Compliance Committee in their Annual Report 2024-25 found 42% of brokers reported no breaches or complaints
7. **Privacy** changes were introduced in December 2024 with automated-decision making to be regulated by December 2026. The OAIC launched a new Notifiable Data Breaches (NDB) statistics dashboard 4 November 2025. Additional changes are contemplated to the Privacy Act.
8. **CPS 230 - operational resilience and BCPs.** The new prudential standard CPS 230 introduces strict requirements for insurers to strengthen operational resilience, meaning they must effectively manage operational risks and ensure continuity of critical functions during and after a disruption event and oversee "material service providers" such as claims processing and underwriting agencies. APRA will conduct a review of the large insurers during 2026 with learnings shared for all other insurers and their material service providers.
9. **GI Code of Practice**. The insurance Council of Australia and insurers are moving to the next stage of the development of a new General Insurance Code of Practice, with a redrafted Code that is consumer-centric, modern, fit-for-

purpose, and contractually enforceable. The new Code is anticipated to be released for consultation Q1 2026. ASIC Commissioner Alan Kirkland at the Insurance Council of Australia Annual Conference on 10 October 2025 stated, *the development of a new General Insurance Code of Practice that will be enforceable by contract is an important step towards rebuilding trust. However, unless the provisions themselves improve overall levels of consumer protection, it will be a step backwards*.

10. **Insurance Brokers Code of Practice - remuneration.** The Independent reviewer of the Brokers Code released their report in December 2025. In response to the Reviewer's report NIBA released its blueprint. The blueprint supports extended remuneration disclosure to retail and small business clients, consolidated conflicts of interest provisions, enhanced vulnerability provisions, a longer renewal contact period and explicit record-keeping obligations, alongside a move to a five-year independent review cycle
11. **2026 ASIC enforcement priorities.** In 2026, ASIC's enforcement priorities (relevant to general insurance) are: (1) misleading pricing practices impacting cost of living for Australians, (2) financial reporting misconduct including failure to lodge financial reports and (3) Claims and complaint handling failures by insurers

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