The Compliance Compass

November 2026 | UAC members | By Paul Muir

SECTION 1 – REGULATORY UPDATES

1. Proposed GI Code moves into ASIC consultation

ICA submission | 22 October 2026; ASIC CS 70 | 11 November 2026

Brief Summary: The ICA submitted its proposed General Insurance Code of Practice to ASIC on 22 October. ASIC is now seeking feedback, closing at 5.00 pm AEDT on 23 December 2026. It is the first application for ASIC approval of this Code. The proposal includes contractual enforceability and revised claims, vulnerability and representative standards; approval and commencement remain ahead.

Impact for UAC Members: Agencies should begin assessing implementation costs and dependencies with insurer partners. The October proposal may change through ASIC's assessment; the current Code continues to operate.

- Map affected products, delegated services and systems. Identify practical issues for consultation, including scope, information exchange, customer support and contractual responsibility.
- Agree who will monitor changes and coordinate the agency's implementation with each insurer.

Source: https://www.asic.gov.au/regulatory-resources/find-a-document/consultations/cs-70-insurance-council-of-australia-s-proposed-general-insurance-code-of-practice

2. NIBA releases the 2027 Insurance Brokers Code

NIBA launch | 19 October 2026

Brief Summary: The new Brokers Code takes effect on 1 January 2027. Changes include 28 days' renewal notice, broader remuneration transparency, dedicated conflicts and client records sections, and enhanced support following catastrophes and for clients experiencing vulnerability. Obligations requiring new systems, processes or training must be met in full within 12 months of commencement.

Impact for UAC Members: This is a separate Code for subscribing brokers. Agencies should assess how their service standards and information flows enable broker partners to meet their commitments.

- Agree earlier renewal information delivery and escalation for late terms.
- Ensure remuneration information can be supplied accurately, and establish how customer support needs and catastrophe assistance requests move between broker, agency and insurer.

Source: https://niba.com.au/media-release/niba-launches-the-2027-insurance-brokers-code-of-practice

SECTION 1 – REGULATORY UPDATES continued

3. ASIC reinforces pricing and claims expectations

ASIC Commissioner Alan Kirkland | ICA conference | 6 November 2026

Brief Summary: ASIC's insurance speech reinforced concerns about home cash settlements, motor premium explanations and pricing promises. It also confirmed a review of licensed for-profit firms acting for home insurance claimants, covering acquisition practices, fees, cancellations, claims and complaints involvement, and commercial relationships.

Impact for UAC Members: Agencies should use the speech to review their own products and delegated activities. The claimant intermediaries under review act for consumers and are distinct from agencies or TPAs handling claims for insurers. ASIC will examine the distinction between legitimate services and harmful practices.

- Test whether advertised discounts and renewal explanations match actual pricing outcomes.
- Where applicable, review the evidence supporting cash offers and arrangements for dealing fairly with authorised customer representatives.

Source: https://www.asic.gov.au/about-asic/news-centre/speeches/putting-a-premium-on-trust-getting-the-basics-right-in-insurance

4. APRA links AI investment to governance and resilience

APRA Member Suzanne Smith | ICA conference | 6 November 2026

Brief Summary: APRA emphasised that technology investment must be matched by governance, skills, reliable operations and accountability. AI can amplify errors, obscure decision-making and create dependencies through providers beyond an insurer's direct control. Boards need visibility of uses, material risks and outcomes.

Impact for UAC Members: Insurers are likely to seek more evidence about agency technology, outsourced services and human oversight. The speech communicates supervisory expectations rather than creating a new prudential standard.

- Maintain an inventory of AI used in underwriting, pricing, claims and customer communications, including vendor features.
- Demonstrate who checks outputs, can intervene and can explain a decision to an insurer or customer.

Source: https://www.apra.gov.au/news-and-publications/apra-member-suzanne-smiths-remarks-2026-ica-conference-insurer-future

5. APRA warns about simultaneous operational shocks

APRA System Risk Outlook | 12 November 2026

Brief Summary: APRA's latest Outlook highlights geopolitical uncertainty, AI-amplified cyber threats and shared technology dependencies. It calls for practical readiness for crises combining financial and operational disruption, alongside stronger visibility of material service providers.

Impact for UAC Members: Agencies should anticipate insurer questions about shared vendors, recovery capability and continuity of delegated services. An insurer's prudential obligations may influence its contractual and assurance expectations of an agency.

- Exercise a scenario involving a major platform outage during catastrophe claims demand. Include data access, alternative communications and coordination with insurers.

Source: https://www.apra.gov.au/news-and-publications/apras-system-risk-outlook-november-2026

SECTION 1 – REGULATORY UPDATES continued

6. CGC annual report highlights remediation and oversight

Code Governance Committee | Annual Report 2025–26 | reviewed this month

Brief Summary: The CGC reports 25 remediation and rectification plan reviews across 12 insurers. In matters followed up, insurers reported $10.14 million paid to 97,532 customers. Work also prompted improvements in renewal information and motor application processes. Priorities include the new Code transition, temporary accommodation and motor repair oversight.

Impact for UAC Members: Insurer monitoring can reach the systems, scripts and suppliers used by agencies. Correcting an individual file may leave a wider portfolio issue unresolved.

- Review whether the same defect appears across other customers, products or distribution channels.
- Provide insurer partners with evidence of rectification, customer remediation and checks that the change works.

Source: https://insurancecode.org.au/news/annual-reports/

7. Complaints must reveal service failures and systemic issues

ASIC REP 844 | 2 November 2026

Brief Summary: ASIC's review of superannuation trustees found weaknesses in using complaints to identify and address systemic issues. ASIC challenged approaches that attributed complaints too readily to customer expectations or error, rather than examining underlying service problems.

Impact for UAC Members: This is a superannuation review, not a general insurance finding or new insurance rule. Its lessons are relevant to agencies reviewing complaints oversight, particularly where an insurer or external provider manages part of the process.

- Test whether complaints analysis identifies recurring causes and affected populations, rather than reporting volumes and closure times alone.
- Assign investigation and remediation owners, and obtain outcomes from outsourced complaints handlers.

Source: https://www.asic.gov.au/regulatory-resources/find-a-document/reports/rep-844-lessons-to-be-learned-how-trustees-use-insights-from-superannuation-complaints

8. OAIC reports an increase in large data breaches

OAIC notifiable data breach statistics | 26 October 2026

Brief Summary: The OAIC received 667 breach notifications for January–June 2026, compared with 662 in the previous half-year. Breaches affecting more than one million people increased from four to eleven. Malicious or criminal attacks remained the leading cause. The OAIC emphasised collecting and retaining only necessary personal information.

Impact for UAC Members: Agencies hold personal information across proposal forms, broker portals, claims files and supplier systems. Insurer arrangements should address detection, containment and coordinated assessment of a breach.

- Review retention periods, access permissions and information held by vendors. Remove information no longer required where lawful.
- Check that incident arrangements support prompt information sharing while each entity assesses its own notification obligations.

Source: https://www.oaic.gov.au/news/media-centre/large-scale-data-breaches-on-the-rise,-latest-oaic-statistics-reveal

SECTION 2 – MONTHLY ARTICLE

The proposed GI Code and what underwriting agencies should prepare for

By Paul Muir | Managing Director, Compliance Advocacy Solutions

The proposed General Insurance Code of Practice would change the commitments underwriting agencies deliver for subscribing insurers. Preparation starts with identifying the products, customers and delegated functions affected, then agreeing how those commitments will work across the agency–insurer relationship.

The ICA submitted the proposal on 22 October 2026, following the independent review, Parliamentary Flood Inquiry and public consultation. ASIC opened consultation on 11 November under CS 70, with submissions due by 5.00 pm AEDT on 23 December. ASIC will assess the proposal under section 1101A of the Corporations Act and RG 183, including enforceability, monitoring arrangements and standards that exceed or clarify the law. Further changes may precede formal approval. ASIC approval would not make ASIC the Code's compliance monitor or enforcer.

The current Code remains in force. The proposal leaves commencement dates blank. Although the ICA anticipates a transition before application to new and renewed policies, draft paragraph 2 refers broadly to actions on policies, claims and complaints from commencement. Agencies should confirm the final transition rules rather than assume existing business is excluded.

1. Establish which retail and wholesale business is covered

"Wholesale Insurance" has a specific, restricted meaning in this proposal. A commercial product or a statutory wholesale client classification does not automatically bring business within it. Paragraphs 4–6 must be read with the Code's definitions.

Category	Products and customers	Treatment
Retail Insurance	Specified motor, home building, contents, sickness and accident, consumer credit, travel, and personal/domestic property products, including pet insurance, provided to an individual or for small-business use. Residential strata qualifies where at least 50% of floor space is wholly or principally residential.	The Code applies, subject to the limits of each provision.
Defined Wholesale Insurance	Listed small-business covers: computer/electronic breakdown; fire/accidental damage; general property; glass; land transit; machinery breakdown; money; theft; business interruption; and motor vehicles with carrying capacity over two tonnes. Relevant non-residential strata cover is included.	Sections 5–8 and 10 apply. Section 9 applies only to Employees and Distributors. Retail buying, cancellation and ordinary claims standards in Sections 2–4 do not apply merely because wholesale cover is within scope.

SECTION 2 – MONTHLY ARTICLE continued

The wholesale definition expressly excludes contractors all risks; fidelity guarantee; legal liability, including public and products liability; professional indemnity, including management liability, directors' and officers' and tax audit insurance; and industrial special risks, including business interruption under it. Check business packs by cover section: an included property section does not bring an excluded liability section into scope.

There are also general exclusions: workers compensation, motor vehicle injury/CTP, medical indemnity, marine, reinsurance, life cover issued by a life insurer, health cover issued by a private health insurer, and domestic builders insurance or warranty/indemnity. A policy with multiple insurers is excluded if any participating insurer is not a subscriber.

For complaints, the small-business test is fewer than 100 employees at the relevant act or omission, excluding a body corporate in a related corporate group employing 100 or more. Otherwise, it is fewer than 100 for a manufacturing business and fewer than 20 for other businesses. Systems therefore need section-specific eligibility, rather than one retail/wholesale flag. These Code tests do not replace statutory classification or determine AFCA jurisdiction.

2. Understand contractual enforceability and its limits

Paragraphs 21–24 propose incorporating applicable obligations in Sections 1–9 into the insurer's policy. Section 10 and the Industry Principles sit outside that contractual promise. Paragraph 23 qualifies enforceability, including the priority of inconsistent policy terms and specified liability exceptions. Paragraph 26 limits contractual enforcement by third parties who are not parties to the policy.

UAC's consultation submission supported stronger consumer confidence but raised concerns about uncertainty, technical breaches, litigation exposure and implementation costs. Those issues remain relevant to ASIC's assessment. Agencies should identify the evidence needed to demonstrate delivery of each applicable commitment, and obtain advice on binder indemnities and contractual allocation of liability. A Code breach and a statutory reportable situation require separate assessments.

3. Clarify the agency's role and insurer oversight

An agency arranging or issuing cover under a binder may fall within the proposed Distributor definition even where it holds its own AFSL. Claims activities require separate consideration against the relevant definitions. The insurer's responsibility for representatives' Code compliance does not displace the agency's own licensing obligations.

Review delegated agreements for role disclosure, competence, training, monitoring, access to records and breach escalation. Paragraph 193 requires relevant standards in contracts entered after a date still to be specified. For defined wholesale business, Section 9's express restriction to Employees and Distributors matters: do not automatically apply every retail supplier requirement. Agree any broader contractual standards expressly.

SECTION 2 – MONTHLY ARTICLE continued

4. Review buying, renewals, premiums and cancellations

For retail business, review agency portals, policy documents and broker communications against Sections 2–3. Proposed changes include annual renewal notice at least 14 Calendar Days before expiry, an additional electronic reminder where possible, information about automatic renewal, and explanations of applicable no-claims and multi-policy discounts. Certain home and eligible motor premium comparisons would no longer be restricted to direct purchases.

Cancellation workflows also need written reasons, applicable refund triggers and instalment notices checked. A Code process does not itself authorise a cancellation: the relevant statutory and contractual requirements still apply. For broker-distributed business, agree who supplies each item and when. The proposed GI Code's 14-day notice and the new Brokers Code's 28-day notice create a practical reason to agree earlier delivery of renewal terms.

5. Build claims timeframes and escalation into workflows

Section 4 applies to retail business. Its proposed automatic acceptance mechanism is narrower than "all claims after 12 months". It concerns defined Property Claims: home building and contents excluding strata, and eligible motor property claims excluding fleets and policies held by businesses or other organisations. Coverage remains subject to policy limits and defined Delay Factors.

Agencies with claims authority should identify eligible claims, track the relevant dates and document any Delay Factors against the actual test. Paragraphs 79–80 require senior review at least three months before the automatic acceptance date, completed within 20 Business Days, with specified customer information if undecided. Other retail claims have a separate senior-review requirement after 12 months under paragraphs 82–83.

Automatic acceptance concerns coverage, not completed repairs or an agreed final settlement amount. Agree insurer escalation well before a deadline is reached. Claims outside the mechanism still require active management, appropriate communication and compliance with applicable financial services obligations.

6. Strengthen expert evidence and settlement controls

For applicable retail claims, review expert appointment instructions, competence and report quality against paragraphs 70–75 and the proposed Use of Expert Reports Industry Standard. Adverse claim decisions would require automatic provision of external expert reports relied on. Customer-provided reports must also be considered.

Home building cash settlement provisions require attention to suitability processes, explanations, available scopes of work and review rights. Where repair or rebuild is not also offered, paragraph 94(a) uses the reasonably calculated cost to the customer. Change-of-choice and amount-review rights are conditional; they are not blanket promises of an increased payment.

The home building cash settlement provisions expressly exclude strata, despite qualifying residential strata otherwise being retail. Review temporary accommodation communication and repair oversight separately. Match each safeguard to its product scope, and check any statutory Cash Settlement Fact Sheet requirement independently.

SECTION 2 – MONTHLY ARTICLE continued

7. Make Extra Care work across the customer journey

Section 7 applies to individuals accessing services in relation to retail or defined wholesale cover. The proposed circumstance-based approach recognises that support needs can change. A director or sole trader dealing with a business claim may need assistance even though the insured risk is commercial.

Agency staff need to recognise support needs, agree practical adjustments, record agreed Extra Care and ensure the next person can deliver it. Relevant controls include safe contact preferences, interpreter arrangements, consent to retain vulnerability information for future dealings and protections for family violence, including financial abuse.

Consider a sole trader whose workshop is damaged and who discloses family violence. A vulnerability flag alone does little. The agency needs a safe communication method, access to insurer support and controls preventing unsafe disclosure through joint contacts or documents. Design these processes with privacy obligations and access restrictions in mind. The Industry Guide supports implementation; it is not itself a contractual promise.

8. Apply investigation and hardship safeguards to eligible wholesale business

Sections 5 and 8 extend to defined Wholesale Insurance, with their own conditions. Agencies should distinguish routine claims assessment from a formal Investigation, and review investigator appointments, information requests, interviews, support people and surveillance controls. A wholesale designation does not remove applicable safeguards.

Financial Hardship provisions concern specified individuals and obligations such as excesses or recovery debts; they do not promise relief to every company. Section 8 expressly excludes help paying premiums, which is dealt with separately through premium support information in paragraph 42 for applicable retail business. Recovery workflows should also address paragraph 186's protection for uninsured residential tenants against recovery for accidental or unintentional damage.

Check actual functions before allocating tasks to agency staff, TPAs, investigators or collection agents. Record what each party must do, what requires insurer approval and how requests for assistance are escalated.

9. Preserve complaint ownership and information exchange

Section 6 connects complaints handling expressly to RG 271's enforceable provisions. Delegated complaint handlers would notify the insurer within two Business Days under paragraph 143, follow the section's requirements and monitor their handling. This complaint notification period is distinct from paragraph 198's requirement to notify identified Code breaches promptly.

An insurer taking over a complaint should not leave the agency without an outcome or the information needed to assess its earlier conduct. Agree receipt dates, allocation of allegations, response authority, records, investigation findings and remediation responsibilities. For defined wholesale cover, use the complaints-specific small-business test. Do not assume every Code complaint is within AFCA's jurisdiction, or that referral to the insurer resolves the agency's own obligations.

SECTION 2 – MONTHLY ARTICLE continued

10. Start an implementation programme with each insurer

I recommend beginning with a product-by-product and role-by-role applicability map, followed by a gap assessment against the October proposal. For each applicable obligation, identify the control, accountable owner, system dependency, insurer decision and evidence of completion. Keep proposed requirements distinguishable from current obligations.

Prioritise shared dependencies: policy wording, binder amendments, broker renewal information, claim review timers, support-needs records and complaint and breach exchange. An agency using several insurer platforms will need a coordinated plan; separate insurer projects can otherwise leave inconsistent processes for the same agency team.

Use practical scenarios to test readiness: a business pack with property and liability sections, residential strata, an eligible delayed motor claim, and a wholesale customer requiring Extra Care. Check what the system identifies, what the staff member does and what the insurer receives. Monitor actual outcomes after implementation.

Keep Code reporting separate from ASIC reportable situations. The proposal changes significant Code breach reporting to the CGC to 30 Calendar Days and retains compliance monitoring and management reporting requirements. Confirm final wording, commencement and transition settings before implementation is signed off. There is no confirmed universal 12-month transition for this proposed GI Code.

For UAC members, the immediate opportunity is to shape an implementable Code and prepare the agency –insurer arrangements needed to deliver it. Compliance Advocacy Solutions can assist with applicability assessments, gap reviews, delegated arrangements, procedures and training.

References and further reading

Proposed GI Code dated 22 October 2026 — paragraphs and definitions cited above

ASIC CS 70 — consultation, process and deadline

ICA — Code documents, Industry Guide, Expert Reports Standard and submissions

UAC non-confidential submission to the ICA consultation

Paul Muir — Understanding the new General Insurance Code of Practice

Disclaimer: Reproduction of statements made in this article by media outlets, whether in full or in part, is strictly prohibited without the written express consent of the author. The views, opinions, and positions expressed within this article are those solely of the author and Compliance Advocacy Solutions Pty Ltd and not the views of other individuals, companies or organisations they may be affiliated with. The author and Compliance Advocacy Solutions Pty Ltd make no representations as to accuracy, completeness, currency, suitability, or validity of any information in this article and will not be liable for any errors or omissions or any loss or damage arising from its use or reliance. This article is intended for educational and informational purposes only and should not be relied upon as professional legal advice.