

Case study 2:

Acknowledging breaches as part of remediation

The following is a case study based on a matter considered by the Life Code Compliance Committee (Life CCC). The matter was self-reported to the Life CCC and was assessed under its Acknowledgement pathway. No formal Determination was issued. In order to share the learnings with all subscribers, the Life CCC has converted the matter into a case study on a de-identified basis.

The Code requirement

Various sections of the Code require subscribers to provide specific information to consumers in different circumstances.

The matter

A number of subscribers were initially in breach of these requirements because documents, such as template letters and key fact sheets, did not include the necessary information. Subscribers remediated the breaches by updating the relevant documentation and providing the correct information. In doing so, however, when sending this updated documentation to customers, subscribers did not refer to the Code obligations or mention that they had been breached.

The Committee's expectation

If a consumer does not receive information required by the Code, the Committee expects the insurer to promptly send the information once the breach is identified, and explain why. In doing so, the subscriber should inform consumers that the provision of the information is as a result of the subscriber not having met its obligations under the Code.

The Life Code Compliance Committee

The Life CCC is the independent body responsible for the administration and enforcement of the Life Insurance Code of Practice (the Code). It acts in accordance with the Life CCC Charter, which sets out the powers, duties, functions and responsibilities of the Committee, subject to any provisions in the Code.