



Guidance Note No. 3

Interpreting and applying Life Insurance Code of Practice sections 9.3 and 11.1

Providing information about the Code and complaints handling processes on your website and in relevant communications and marketing documents

Overview

Sections 9.3 and 11.1 of the Life Insurance Code of Practice (the Code) deal with subscribers'¹ obligations to publish certain information on their websites and in other relevant communications and marketing documents.

This Guidance Note explains how the Life Code Compliance Committee (the Committee) interprets the obligations in sections 9.3 and 11.1, as well as examples of good and poor practice, and what information and evidence we will ask subscribers to provide when we investigate potential breaches of these obligations.

¹ 'Subscriber' in this Guidance Note means the entity that is bound by the Code, as described by section 2.1 of the Code.

Code sections 9.3 and 11.1

SECTION 9.3 STATES:

- : **We will make information about your right to make a **Complaint** and our process for handling**
- : **Complaints available on our website and in our relevant communications.**

SECTION 11.1 STATES:

- : **We will make our customers aware of the **Code**, which will include providing information**
- : **about the **Code** on our websites and in our relevant marketing documents.**

NB – emboldened words in the Code sections listed above are specifically defined in the Code.



Code sections 9.3 and 11.1 apply to the websites and relevant communications/marketing documents of subscribers, including those issued by another party.

THE COMMITTEE INTERPRETS

- “our relevant communications” to include any document or communication that a subscriber uses to convey key information about a policy This would **include, but not be limited to** a product disclosure statement, policy document, annual insurance reminder adverse claim decision letters and service complaint letters; and
- “our relevant marketing documents” to include documents or communications that a subscriber uses to market or promote its products or services. This would **include, but not be limited to** a document or communications that this subscriber is required to provide under

a regulatory obligation – for example, a product disclosure statement, annual insurance reminder or ‘Welcome’ email/letter to a person.

When the section applies

Code sections 9.3 and 11.1 apply to the websites and relevant communications/marketing documents of subscribers, including those issued by another party. Subscribers that act solely in the role of a Reinsurer are not bound by these sections.

Interpreting the Obligations

The Committee considers that sections 9.3 and 11.1 set out **two** compliance elements for subscribers: a **websites** element, and an **information** element.

Element 1.

Websites

A plain English reading of Code sections 9.3 and 11.1 clearly places an obligation on a subscriber to have a website² containing information to inform people that a subscriber is bound by the Life Insurance Code of Practice and to help make a person aware of their right to lodge a complaint and of a subscriber's process for handling the complaint. Given the nature of the Australian life insurance industry and the fact that many Code subscribers are subsidiary or related companies of larger financial services groups, we interpret this requirement to allow a subscriber's website – composed of one or more web pages – to be part of another, related website, such as a corporate group website.

We are aware that not all subscribers consider their promise to publish information on their website requires them to have a website. This is not correct. By definition, without a website the subscriber would be in breach of the Code by not publishing the required information.

Where a subscriber's website is part of a corporate group website, the subscriber must have its own clearly branded (or co-branded) page(s) on the group's website – branded with the name which identifies the subscriber as the underwriter of life insurance in a product disclosure statement (PDS) – where the subscriber can specify the content so that it complies with the Code requirements.

We consider that website design that makes the required information difficult to find or access is non compliant, for example labelling of the complaints function as 'Feedback' rather than 'Complaint', or placing the link to complaints only on the Contact page.

A range of people may look for Code or complaint information on a subscriber's website. These people may not be computer or financially literate, may not understand English well, or may have a disability that makes reading or using a device difficult.



POOR PRACTICE EXAMPLES

- ✘ Using the FSC Code Logo as the link to the Code without making it clear that clicking the logo will access the Code.
- ✘ Having the link to the Code or Complaints at the bottom of a multiscreen page.



GOOD PRACTICE EXAMPLE

The subscriber has its own clearly branded page(s) on a parent company's website that clarifies which insurance policies are issued by the subscriber, informs people about the Code and provides a link to the Code.

² Section 13.14 (e) also requires a subscriber to have a website in the event the Committee issues a sanction on a subscriber that requires publication published on the subscriber's website.

Although not specifically required by the Code, we consider that in keeping with the objectives and the spirit of section 7 of the Code, good practice in relation to the design of a subscriber’s website includes the following:

- A person should be able to get from the home page of the subscriber’s website to the subscriber page(s) that complies with sections 9.3 and 11.1 with no more than three clicks, using links that are readily visible and easy to identify.
- The links should be accessible from the screen as first displayed without requiring the person to look for them by scrolling through other information.
- All links to information should be clearly identified as links.
- Information regarding the Code and Complaints is easy to find when words such as ‘code’, ‘complaint’, or ‘dispute’ is entered into the internal search function of the Subscriber’s website or into an external search engine.

Where a subscriber does not follow these principles, but can show that they undertook testing for comprehension and behaviour insights or useability, the Committee will take this into account in the event of a complaint.



A person should be able to get from the home page of the subscriber’s website to the subscriber page(s) that complies with sections 9.3 and 11.1 with no more than three clicks ...

Element 2. Information

Section 9.3 sets out an obligation for subscribers to publish information about a subscriber’s complaints process on their website and in other relevant communications.

A subscriber must inform people about their right to make a complaint, as well as how their complaint will be handled by the subscriber.

The Committee considers that the information about a person’s right to make a complaint and a subscriber’s complaints handling process should be:

- written in plain language; and
- written in a font size that is easy to read.



NON-COMPLIANCE EXAMPLES

- ✘ Only having a link to an email to make a complaint, rather than also providing information on the right to complain.
- ✘ Putting complaints information in a contact page without clear reference on the landing page that complaints information can be found on the contact page.
- ✘ Using the FSC Code Logo as the website link to the Code without making it clear that clicking the logo will access the Code.



GOOD PRACTICE EXAMPLES

- ✓ The landing page of the subscriber's website has a link to a 'Complaints' page.
- ✓ The 'Complaints' page of the subscriber's website, or relevant communication document includes a step-by-step guide to its complaints handling and dispute resolution processes, with expected timeframes and appropriate contact details.

A subscriber's website and other relevant communications must include a clear description of the complaints process, which should include:

- how the person can make a complaint (such as by phone, email or online form and provide instructions on how the customer contacts the subscriber);
- the timeframe in which the subscriber will respond to and resolve the complaint;
- how the subscriber will keep the person informed about the status and resolution of their complaint; and
- the options available to the person if the complaint is not addressed to their satisfaction by the subscriber, including contacting the Australian Financial Complaints Authority (AFCA.)

Section 11.1 obliges a subscriber to make persons aware of the Code by including information about the Code on its website and in relevant marketing documents.

The Committee considers that the information the subscriber publishes about the Code should be:

- written in plain language; and
- written in a font size that is easy to read.

A subscriber must provide sufficient information about the Code to enable people to understand the role of the Code and how it relates to them. The Committee considers that a subscriber will be compliant with section 11.1 when the following information, at minimum, is provided:

- the objectives of the Code and what it covers;
- a high level description of how the Code benefits customers and the rights it conveys upon them;
- a subscriber's responsibilities under the Code, including the Key Code Promises; and
- a link to the Code

The Committee recommends that each subscriber includes the following additional information on its website in order to demonstrate 'good practice' across the industry:

- an aspirational statement as to why the subscriber has adopted the Code;
- the Code logo authorised by the FSC;
- information about how to report an alleged breach of the Code;
- a hyperlink to the Code page on the FSC website; and
- details of and a link to the Life CCC website.



NON-COMPLIANCE EXAMPLES

- ✘ A subscriber’s website provides a link to the Code on the FSC website but no additional information about the Code or the subscriber’s obligations under the Code.
- ✘ Relying on a website link to the Code as “providing information about the Code”, rather than **actually providing information about the Code** – for example, a short overview of the Code and its key objectives or promises together with a link to the full Code document.



GOOD PRACTICE EXAMPLES

- ✓ A subscriber’s website/relevant marketing document has a page/section dedicated to informing people about the Code, including what it covers, how it benefits customers, what the subscriber commits to do under the Code, a list of the Key Code Promises and a link/reference to the Code page on the FSC website.
- ✓ The subscriber’s website includes a plain-language explanation of what people need to do to report an alleged breach of the Code.

The Committee further recommends that a subscriber requires third-party entities that re-badge its products to include a statement on the third-party entity’s website and relevant marketing documents that the product is issued by the subscriber and that the subscriber has adopted the Life Insurance Code of Practice.

Equally, the Committee also recommends that a subscriber have a statement on its website and relevant marketing documents listing third parties and the products they issue on behalf of the subscriber.

While subscribers which act solely in the role of a ‘Reinsurer’ are not bound by section 11.1 of the Code, the Committee encourages them to display information about the Code on their websites and in their relevant marketing documents and to follow the examples of ‘good practice’ listed above.

Demonstrating and monitoring compliance

A subscriber's process to ensure compliance with the Code is expected to include documented verification of compliance with sections 9.3 and 11.1 of the Code. This process should ensure that any changes to the subscriber's website (including an applicable group website) and relevant communications and marketing documents are documented and tracked.

The Committee monitors existing subscribers' compliance with sections 9.3 and 11.1 of the Code by conducting ad hoc website audits and documentation reviews.

The Committee expects all subscribers to be able to demonstrate compliance with sections 9.3 and 11.1 of the Code and the verification that they comply after making amendments to their website. A subscriber should notify the Committee once the subscriber becomes aware of its non-compliance with either of these sections.

When the Committee receives an allegation that a subscriber has breached sections 9.3 or 11.1, we will generally ask the subscriber to provide the following information and evidence:

INFORMATION OR EVIDENCE	WHAT WE WILL CONSIDER
Documentation explaining a subscriber's processes to populate and maintain its website and relevant information and marketing documents with the required information	<ul style="list-style-type: none">• how Code considerations are incorporated in website/relevant documentation development and ongoing amendments• the nature and extent of testing and review/sign-off of new or amended website/documentation content to achieve compliance with s9.3 and s11.1
Explanation for non-compliance with the section/s	<ul style="list-style-type: none">• whether the subscriber has undertaken recent consumer testing, or analysis that demonstrates the communication is effective for people.
Documentation demonstrating that the subscriber is now, or is taking steps to become, compliant with section 9.3 and/or section 11.1	<ul style="list-style-type: none">• adequate plan and timeframe to comply

In some cases, the Committee may ask for additional information and/or evidence.

Related Code sections

Where there is a potential breach of sections 9.3 or 11.1 the Committee may also investigate whether there has been a breach of related sections of the Code, including sections 2.15, 3.7, 7.1 and 7.4.

About the Committee

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

Guidance Notes

Guidance Notes are subject to change by the Committee and this document reflects the Committee's views as at the date of publication. The Committee considers all matters on the basis of their individual circumstances and this document does not anticipate all possible issues that might come before the Committee.