

Life Code Compliance Committee (Life CCC): Priority Monitoring Framework

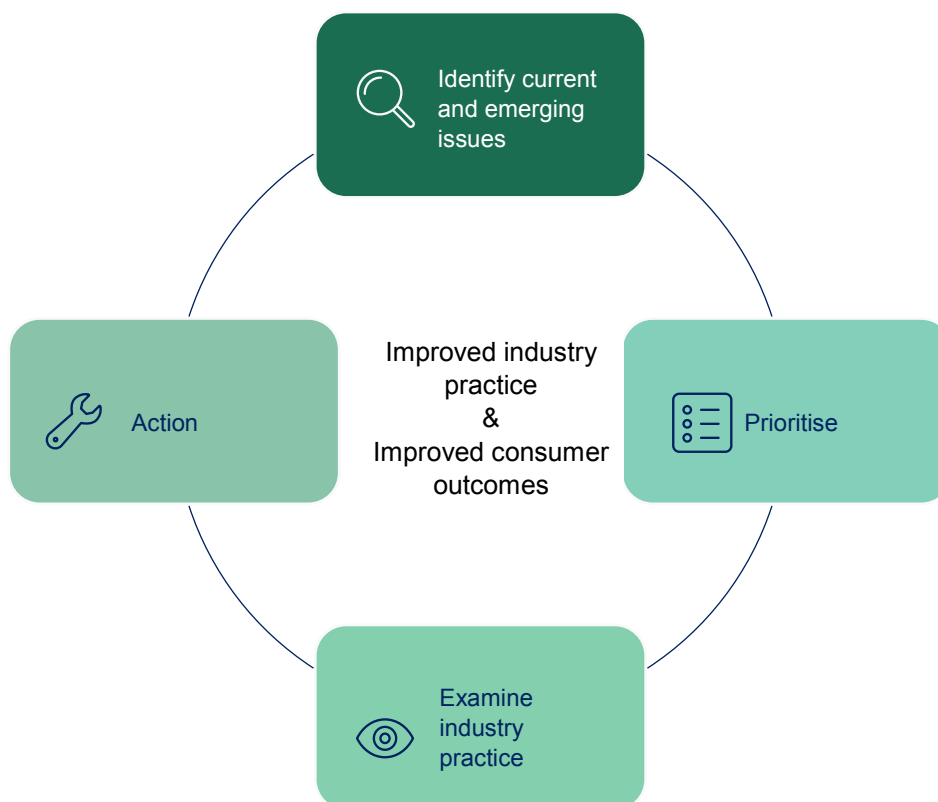
1 Overview

As the Life Code Compliance Committee (Life CCC), we play a critical role in helping subscribers to the Life Insurance Code of Practice (the Code) improve their services to consumers.

We do this by:

- assessing subscriber compliance with the Code
- highlighting emerging risks
- sanctioning subscribers for serious non-compliance
- guiding subscribers on improving compliance and outcomes for consumers.

The Priority Monitoring Framework (PMF) underpins the way we approach these activities.



2 Purpose

The PMF helps us manage our priorities and focus our work so we can help Code subscribers comply with their obligations to the Code.

Its four elements enable us to:

- monitor compliance with the Code

- encourage best-practice compliance among subscribers
- identifying priority focus areas.

It ensures we use our resources effectively and conduct crucial aspects of our work with rigour and consistency.

3 The elements of the PMF

Identify current and emerging issues

To effectively identify trends in non-compliance, we collect and analyse a wide range of information from a variety of sources:

- self-reported breaches from Code subscribers
- allegations of breaches from consumers or consumer representatives
- complaints data from subscribers and AFCA
- inquiries and investigations
- engagement with stakeholders
- public information from organisations in Australia and overseas.

Self-reported breaches from Code subscribers are a critical part of our compliance program and are crucial in helping us identify trends. The data on breaches, along with other information and intelligence sources, contributes to our Annual Work Program, which targets current or emerging risks.

Prioritise

We take a responsive, risk-based approach to prioritising our work.

We direct our resources to matters that are likely to provide the greatest overall benefit to consumers.

In determining our priorities, we consider a range of factors, including:

- the systemic or widespread nature of an issue
- the likelihood of detriment occurring or reoccurring
- the severity and scale of potential detriment to consumers, particularly vulnerable consumers
- whether the issue is of serious public concern or is relevant to the broader industry
- whether a subscriber, industry or other agency has acted to understand and address an issue
- the compliance history of a subscriber.

While we consider all complaints and breaches reported to us, we are not resourced to investigate every concern. We triage concerns based on risk and act on matters that present the greatest detriment to consumers.

Examine industry practice

We seek to understand non-compliance and the root causes of Code breaches in several ways, including:

- engagement with Code subscribers, consumer advocates and industry associations

- investigations of Code subscribers
- inquiries into risk areas.

For new, emerging or under-reported areas of risk, inquiries are an important part of our approach. They enable us to:

- identify and address non-compliance among multiple subscribers
- recommend improved practices
- report publicly on our findings.

Action

Providing education and guidance is central to the way we ensure subscribers understand their Code obligations and improve their practices.

We provide subscribers with a range of educational materials, including guidance notes, data and inquiry reports, benchmark, and best-practice reports. We also engage directly with subscribers to clarify matters and help when necessary.

When we identify serious or systemic breaches of the Code, we act proportionately to the problem that we seek to address.

When we can, we engage early and work collaboratively with a subscriber to address breaches and ensure it has the appropriate systems and processes to comply with the Code. If a subscriber has a minor problem complying with the Code and has effective systems and processes to address it, we are unlikely to take formal action.