

**The Annual Report of the
Life Code Compliance Committee**

Monitoring Compliance with the Life Insurance Code of Practice 2022–23 Retrospective

September 2023

Acknowledgement of Country

We acknowledge the traditional owners of Country throughout Australia and their continuing connection to the land, culture and community. We pay our respects to Elders past, present and future. This land is, was, and always will be, traditional First Nations Country.

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Chair's message

2022-23 was an exciting and memorable year for the Life CCC. In addition to our ongoing work in monitoring industry compliance with the Life Insurance Code of Practice, we helped steer and guide Code subscribers' transition from the inaugural Code 1.0, which commenced in 2017, to a new Code 2.0, which took effect on 1 July 2023.

We also worked closely with the Financial Services Council (FSC), the owner of the Code, and the Council of Australian Life Insurers (CALI), the newly formed body representing life insurers, in planning for the transfer of ownership of the Code from FSC to CALI on 29 September 2023.

In addition to our focus on facilitating improvements in the industry that will benefit customers, including through data collection, investigations and inquiries, we have also focused on improving our own processes. This has included implementation of a [Priority Monitory Framework](#) to streamline and ensure consistency in our processes for the assessment and investigation of alleged

breaches of the Code. We have also reduced the time we take to investigate alleged breaches of the Code and improved the quality of our reports, and for the first time, we have provided individualised feedback to subscribers to enable them to benchmark their performance in relation to industry performance in identified areas.

The past 12 months saw an encouraging increase in subscribers identifying and reporting Significant Breaches¹, suggesting that our message from previous years urging transparency and accountability through ongoing monitoring and accurate and up-to-date reporting, has resonated in the industry.

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¹ Significant Breach means a breach that is reasonably determined by the subscriber to be significant by reference to:

- a) the number and frequency of similar previous breaches;
- b) the impact of the breach on the subscriber's ability to provide their services;
- c) the extent to which the breach indicates that the subscriber's arrangements to ensure compliance with Code obligations are inadequate; or
- d) the actual or potential financial loss caused by the breach.



Innovation remains at the core of our commitment to industry-wide compliance.

While our goal is to see fewer breaches, this must result from genuine commitment to compliance and real improvements in practices. Continual monitoring of compliance, identification and reporting of breaches, addressing lessons learned and rectification of systems, processes and resourcing issues are critical to achieving continuous improvement in practices and service delivery as well as better outcomes for customers.

Innovation remains at the core of our commitment to industry-wide compliance. In 2022-23, we introduced the first set of individualised subscriber benchmarking reports, a valuable addition to our reporting framework. These reports provided subscribers with vital insights into their performance and broader industry compliance. The overwhelmingly positive feedback we received from subscribers about these reports reinforces their role in helping to drive continuous improvement.

I would like to thank my fellow Committee members, Alexandra Kelly and Brad Clarke for their expertise, insight and professionalism throughout the year, and the Code Compliance Team at the Australian Financial Complaints Authority (AFCA) for their vital work and support throughout the year.

On behalf of the Committee, I would also like to thank the FSC for its custodianship of the Code and for establishing the strong foundations for the Life CCC's role and important work in providing independent monitoring of the life insurance industry's compliance with the Code to ensure customer protections. The Life CCC looks forward to working with CALI, as the new owner of the Code, in progressing innovation and continuous improvement in the life insurance industry and achieving positive outcomes for customers and industry.

We remain steadfast in our commitment to ensuring compliance with the Code and promoting the practices that will lead to better outcomes for customers. With exciting developments to come in the next 12 months, our work is as critical as ever.

Jan McClelland AM
Independent Chair
Life Code Compliance Committee

Our year

Monitoring and enforcement activities

199,720



customers were affected by a breach of the Code as reported by subscribers in August 2022 during the previous year's annual data collection process, a 53% reduction from the prior year.²

50



reported Code breaches, including **38 Significant Breaches**, were received from subscribers outside of the annual data collection process.

52



concerns were received from a person, personal representative, AFCA or other third party alleging 124 breaches of the Code.

63



investigations examining 236 possible breaches of the Code were completed.

35



Significant Breaches were confirmed.

Achievements



- ✓ We issued 25 Determinations and Case Studies.
- ✓ We published Guidance Note 8: Interpreting and applying section 8.15 of the Life Insurance Code of Practice on the obligation of subscribers to communicate claim decisions to customers in a timely way.
- ✓ We issued Guidance – Transition and Early Adoption of Code 2.0 to subscribers to assist them in implementing the new Code from 1 July 2023.
- ✓ We provided Individual Benchmarking Reports to all subscribers who issued life insurance policies.
- ✓ We published our FY2021-22 Annual Data and Compliance Report.
- ✓ We conducted a Section 3.1 Own Motion Inquiry (OMI) on Policy Design and Disclosure Obligations.

² The previous year refers to FY2021-22.

Our year

Key reports



Reports and guidance provide subscribers with a snapshot of industry trends, advice on Code changes, and best practice updates. These resources allow subscribers to benchmark their processes, stay up to date with industry developments, and enhance systems and processes to improve customer experience. Through these reports, we help subscribers better comply with the Code's obligations. This could involve making recommendations to the industry or sharing examples of best practice.

Individual Subscriber Benchmarking Reports

We provided Individual Subscriber Benchmarking Reports to all subscribers who issue life insurance policies. The Benchmarking Report informed subscribers on what they were doing well, as well as what areas needed improvement, relative to other subscribers of a similar profile. This enabled subscribers to benchmark their performance against industry peers across key performance areas.



The Policy Design and Disclosure **Section 3.1 OMI** investigated the industry's compliance with section 3.1 of the Code and highlighted industry best practice client-focused systems and processes.



The **2021-22 Life CCC Annual Industry Data and Compliance Report**, published in March 2023, provided an overview of the life insurance industry and its compliance with the Code during the reporting period, highlighting positive trends as well as areas for improvement.

Our Activities

Our work in 2022-23 was driven by our core purposes:

- ✓ assessing compliance with the Code
- ✓ highlighting risks and good practices
- ✓ guiding subscribers on improving compliance and outcomes for customers.

Feature activity: **Individual Subscriber Benchmarking Reports**

Individual Subscriber Benchmarking Reports measured subscriber performance across several key criteria including breaches, claims, complaints and engagement with, and response to, our feedback. The reports also highlighted what subscribers were doing well, which allowed us to share industry best practice across subscribers.

After we released the reports, we met with subscribers and discussed the findings, provided additional insights and received subscriber feedback.

Feedback showed that subscribers used the reports to benchmark their performance against industry peers. Subscribers also used the reports to identify areas that may need improvement around breach identification and reporting.

Ultimately, this work leads to improvements in systems and processes across the industry and contributes to better outcomes for customers.



The benchmark report provided is nothing short of exceptional. It's a comprehensive report that not only enlightens us about our current standing but also charts a path to future success.

SUBSCRIBER QUOTE

We will continue to update and improve the Subscriber Benchmarking Reports, guaranteeing that they remain a touch point for industry best practice and a valuable resource for subscribers.

Annual Data and Compliance Programme (ADCP):

Each year we publish the ADCP Report on the life insurance industry and its compliance with the Code of Practice. This report provides transparency to both the sector and community on how subscribers to the Code have met their Code commitments to customers during the previous financial year. Publication of the data, and the accountability this brings for subscribers, is another way we incentivise industry improvement. It was pleasing to see a significant reduction in the number of customers impacted by breaches during 2021-22. This is a trend the Committee is keen to see continue.

The ADCP is also critical to the work we do in terms of making data-driven decisions. Our analysis of the data helps identify emerging issues and trends that may require our attention. This helps inform our resource allocations, compliance priorities and need for interventions.

Released on 15 March 2023, the [2021-22 ADCP Report](#) was based on quantitative data from 23 Code subscribers. The ADCP Report also contains important guidance and recommendations for subscribers to improve their processes and controls, particularly in relation to complaints, annual notices, monitoring compliance, breach reporting and claims management.

Inquiries: Own Motion Inquiry

We were concerned by a lack of allegations or reported breaches relating to the design and introduction of new life insurance policies as covered in section 3.1 of the Code. Acting on this concern, we initiated an OMI in accordance with our [Priority Monitoring Framework](#).



Subscriber responses to the OMI varied. While some had sophisticated, robust systems and processes, other subscribers had room for improvement.

The OMI focused on the compliance of 18 subscribers between 1 July 2017 and 30 June 2021. Subscriber responses to the OMI varied. While some had sophisticated, robust systems and processes, other subscribers had room for improvement.

Subscribers were generally compliant with the obligations found in section 3.1, though four breaches were identified. These breaches related to the requirement to consumer-test the plain language information provided to customers. Pleasingly, we found that several subscribers had already aligned their practices with Australian Securities and Investments Commission's (ASIC) Design and Distribution Obligations (DDO) which were introduced in October 2021.

The report also focused on good practice by subscribers. Highlighting good practice encourages learning and continual improvement across the industry, and serves to remind subscribers of the importance and benefits of having robust processes in place to identify and report breaches of the Code.

The end goal of this work is to ensure that customers purchasing life insurance products are presented with products that are fit for purpose and meet their needs. This aligns with the spirit and intent of the Code, which is to ensure better outcomes for customers.

Given ASIC's increased focus on DDO obligations and its powers to impose stop-sales on insurers, it is critical that subscribers treat these Code obligations seriously.



The end goal of this work is to ensure that customers purchasing life insurance products are presented with products that are fit for purpose and meet their needs.

Breach reporting

In August each year, life insurers that subscribe to the Code must report to us all Code breaches that occurred in the previous financial year (1 July to 30 June). Outside of the annual reporting cycle, subscribers are obliged to report Significant Breaches within 10 business days of it being identified by the subscriber.

In addition to this, anyone can report a possible breach of the Code to us at any time. This includes customers or members of the public referring concerns to us.

We were encouraged by the increased level of reporting of breaches by subscribers over the last year. Outside of the annual reporting cycle, subscribers reported an additional 50 breaches of the Code, up from 22 in 2021-22. Out of the 50 breaches reported, 38 were reported as Significant Breaches of the Code.

This improvement in subscribers reporting breaches of the Code follows our clear and direct communication of our concern that subscribers may be underreporting Significant Breaches of the Code. We continue to urge subscribers to develop breach monitoring and reporting processes to better identify, remediate and report breaches of the Code.

In addition to the breaches reported by subscribers, we received 52 concerns, alleging 124 Code breaches, from non-subscribers, including customers or their representatives. Claims-related breaches made up the majority of all alleged breaches, a finding consistent with data from previous reporting periods.

With claims-related issues remaining key, subscribers must continue to invest in and improve their processes and procedures to assess claims more efficiently and effectively.

The identification, reporting and remediation of breaches and complaints provides subscribers with unique opportunities to improve processes and systems and is the bedrock of the self-regulatory Code.

Investigations

INVESTIGATION OF BREACH ALLEGATIONS

Investigating allegations of Code breaches remained a priority. Investigations are an integral part of our work monitoring industry compliance with the Code. Investigating Code breach allegations enables us to identify non-compliance with the Code, work with subscribers on remediations and improve processes and systems to ensure that breaches do not reoccur.



236

**possible breaches
investigated 2022-23**

We investigated 236 possible breaches (124 breach allegations made by non-subscribers in 2022-23 and 54 breach allegations by non-subscribers from the previous year, as well as 50 subscriber reported breaches in 2022-23 and 8 subscriber reported breaches in the previous year).

Our work confirmed 79 breaches of the Code. Of these 35 were Significant Breaches. Of the 79 breaches, 78 resulted in some form of corrective action by the subscriber. Corrective action ranged from implementing an improved process, conducting remedial training for staff members, to financial compensation for the customer. One breach was an isolated incident, and we were satisfied that the subscriber's processes and systems were aligned to Code obligations.

We worked closely with subscribers to implement appropriate and effective remedial measures. In addition to resolving

the immediate issue for the customer, our remediation work also addressed the root cause of the issue. This approach helps prevent the same issue impacting other customers.

Of the 35 confirmed Significant Breaches, 16 related to the requirement to provide an annual notice in writing prior to the anniversary of the policy. This has continued to be an issue for subscribers, as we identified in our report on an OMI into subscribers' compliance with section 6.3 of the Code, published in January 2022. After initiating the OMI into subscriber compliance with section 6.3 in 2021, we received multiple Significant Breach reports of section 6.3 and section 4.7.³ It is significant and disappointing that subscribers identified these breaches only after we initiated our inquiry.

Ensuring that customers receive their annual notices prior to the anniversary of their life insurance policy is critical to ensuring that customers are armed with all the information that they need to evaluate the suitability of their life insurance policy. We have therefore initiated a follow-up OMI on subscribers' compliance with their obligations, with a report due to be published in the first half of 2023-24.

Lodging an allegation can cause the customer significant levels of stress. Pleasingly, we completed most investigations within the advised period of six months. Resolving these issues efficiently ensures more timely remediation for customers impacted (if applicable) and delivers improved compliance, reducing the risk of poor outcomes for other customers.

³ Section 4.7 outlines the annual notice obligations for Consumer Credit Insurance Policies.

Customer outcome improvements are dependent on subscribers having robust processes to identify and remediate poor processes in a reasonable timeframe. We strongly urge all subscribers to periodically monitor and review their systems and processes to ensure they consistently and reliably achieve Code compliance. It is not good enough to review these processes only after an inquiry is launched.



Targeted inquiries are a key instrument in our compliance toolkit that empower us to contribute to better outcomes for customers.

Targeted inquiries

We commenced three targeted inquiries into subscribers' compliance with the Code based on variances in data received in the 2021-22 ADCP. We leverage insights and data from our monitoring work to help us identify and remedy emerging issues before they impact negatively on customer outcomes and experience. We used the targeted inquiries to work with subscribers to improve their processes and procedures in relation to Code compliance and identifying and reporting breaches of the Code. Targeted inquiries are a key instrument in our compliance toolkit that empower us to contribute to better outcomes for customers.

Determinations

We may publish de-identified information on the outcomes of its investigations where this transparency is considered beneficial to Code subscribers or the broader community. This information is published as a Determination.

We published 24 Determinations and one Case Study on our website covering a range of Code sections. The Determinations provided important guidance to the industry on Code compliance and best practice and included key learnings for every Determination.

The publication of our Determinations formed part of our commitment to provide subscribers with additional clarity on the Code, by using real examples of how breaches can occur, how we assess them and what processes and systems can assist in their prevention. The identification of key learnings serves to improve industry knowledge and positively impact performance improvements and customer experience.

Feedback from subscribers on how they have refined and improved their processes and systems based on these key learnings has reinforced the value and industry benefits of sharing the results and learnings from a Code breach investigation.



24

**Determinations
and one Case
Study published
during 2022-23**

Guidance

Through our compliance and investigation work we identify common areas of misunderstandings and themes of non-compliance. We provide education and guidance to help subscribers understand risks and meet their Code obligations.

During 2022-23, we developed a range of guidance materials to support subscribers and help them avoid common misunderstandings or systems, process or governance failures.

GUIDANCE – TRANSITION AND EARLY ADOPTION OF CODE 2.0

The Code underwent significant changes in 2022-23, resulting in new obligations for subscribers. We worked to support a successful and smooth transition for subscribers to the new Code 2.0 by providing advice and assistance on interpretation of the Code changes and new obligations, as well as on general transition matters. Our guidance included answers to subscribers' questions and a six-step plan to assist subscribers in transitioning to the new Code.

Subscribers responded positively to the guidance note and commented that our work assisted them greatly with their transition efforts. We will continue to update this guidance with any new queries received.

GUIDANCE NOTE 8: SECTION 8.15

Claims handling is a consistent pain point for customers, specifically claims handling timeframes. The Code promises customers that subscribers will make decisions on their claims fairly, quickly, and efficiently.

The Code requires subscribers to inform the customer of the decision on the claim within 10 business days, once the subscriber has all the information it reasonably needs and has completed all reasonable enquiries. However, the Code does not define what constitutes a reasonable enquiry. Guidance Note 8 provided subscribers with our interpretation of a reasonable enquiry, along with illustrative examples. We published this guidance to give clarity to subscribers and customers around these obligations and requirements under this section of the Code.

This guidance set a consistent standard for the industry. It emphasised the importance of subscribers providing customers with a claims handling experience that is consistent and fair, regardless of their insurer.

Engagement

Engagement with industry & stakeholders

SUBSCRIBERS

- We engaged with subscribers to discuss data quality and compliance reporting, investigation matters and interpretation of specific Code sections that were the subject of breaches and Significant Breaches.
- Regular engagement with subscribers contributed to a better understanding by subscribers of the Code and their compliance obligations as well as a better understanding by us of the challenges faced by subscribers.



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FSC

- We engaged regularly with FSC Executives and members of the FSC's Life Board Committee.
- This regular engagement provided us with a deeper understanding of the challenges, opportunities and emerging risks within the sector and how they might impact compliance with the Code.
- This engagement is also an excellent opportunity for us to provide updates on our work plan and any issues we are identifying, including key monitoring activities and investigations, reports and guidance.
- The FSC has played a critical role in supporting the work of the Committee and the success of the self-regulatory model.



We spoke with many financial counsellors about life insurance and gained unique insights into the challenges faced by people holding life insurance policies.

CALI

- We developed a strong working relationship with the newly established CALI team, including the CALI Chairs, Board and Executives. The focus of our engagement was primarily on supporting a smooth transition of ownership of the Code from the FSC to CALI. The Code of practice is a self-regulatory model. Industry ownership of the Code is critical to ensure it remains contemporary and has genuine commitment from industry.

REGULATORS AND POLICY

- Working closely with regulators and other consumer protection organisations ensures we avoid duplication, share insights and learnings and improve outcomes for customers. Throughout the year we engaged regularly with ASIC, the Australian Prudential Regulation Authority (APRA) and AFCA. This engagement is an important way for us to monitor life insurance trends, emerging areas of risks and work priorities, data collection and industry training needs.

CONSUMER GROUPS

- Our primary role is to protect the interests of customers in ensuring delivery of the promises set out in the Code. Engaging with consumer advocates and consumer groups ensures that we have access to the perspectives, concerns and insights of those representing the interests of customers, often the most vulnerable customers. We value the insights and expertise consumer advocates bring to our work. Working at the frontline, they are often the first to identify new and emerging areas of risk. They also play an important role in holding us accountable for our actions.
- We attended the Financial Counsellors Australia Conference (FCA Conference) in Canberra in May 2023.
- We spoke with many financial counsellors about life insurance and gained unique insights into the challenges faced by people holding life insurance policies. We fed these insights back into our monitoring and compliance work, contributing to better outcomes for customers. During these conversations we also raised awareness of the Code and our work.
- The General Manager of Codes is a member of AFCA's Consumer Advisory Panel and represents the interests of the Life CCC and other Code Compliance Committees. The Panel consists of 10 leading consumer representatives and provides critical insights and analysis on strategic and policy issues, as well as highlighting emerging issues facing customers.

Looking Ahead

We look forward to publishing the follow-up section 6.3 OMI (Annual Notices) Report in the first half of the 2023-24 reporting period. This report will be an important resource, as many in the industry struggle to consistently meet the obligations created by section 6.3 of the Code. While some progress has been made, there is further work to be done to ensure customers are receiving annual notices on time and with all the required information they need to make informed decisions.

Another key piece of work will be examining the Code's anti-discriminatory obligations around underwriting. When offering insurance to customers, the new Code 2.0 contains important obligations to protect customers from discriminatory practices based on mental health status or whether the customer has undertaken genetic testing. Our planned OMI in this area will provide an opportunity to see how subscribers are meeting these new and improved obligations and share learnings to improve practice across the industry.

We will continue our core work of monitoring the industry's compliance with Code 2.0 obligations to ensure that customers are treated fairly by their life insurers. This work will consist of transition Guidance Notes, one-on-one meetings, and wider industry engagement to answer questions, share best practice and proactively provide advice and information to subscribers.

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While some progress has been made, there is further work to be done to ensure customers are receiving annual notices on time and with all the required information they need to make informed decisions.

We will complete the redesign of the data collection workbook and user guide for the 2023-24 Annual Data and Compliance Programme to reflect changes in the new Code, streamline the data collection and reporting process for subscribers and facilitate analysis and publishing of the data.

The Committee

2022-23 was the sixth year of operation for the Life Insurance Code of Practice (the Code). The Code is administered, monitored, and enforced by the independent Life Code Compliance Committee (the Committee).

- The primary objective of the Committee is to monitor compliance with the Life Insurance Code of Practice to help insurers deliver high quality service standards to customers.
- The Committee includes three members:
 - › an independent Chair, Ms Jan McClelland AM, co-appointed by the FSC and AFCA
 - › an industry representative, Mr Brad Clarke, appointed by the FSC
 - › a consumer representative, Ms Alexandra Kelly, appointed by the consumer directors of the AFCA Board.
- The Committee carefully considers all breach reports and allegations it receives. The Committee cannot investigate every single matter it receives and prioritises those that are serious and systemic in nature and pose the greatest risks to customers.
- The Committee has the discretion to determine whether it will investigate a Code breach allegation based on the evidence and data available. This includes emerging areas of risks that are identified through its intelligence and horizon scanning which indicates the issues are serious and systemic.
- The Committee's approach to monitoring Code compliance is to:
 - › examine life insurers' practices
 - › identify current and emerging industry-wide problems
 - › recommend improvements to industry practices
 - › sanction life insurers for serious compliance failures
 - › publish our work, consult and keep stakeholders and the public informed.
- The Code is the life insurance industry's voluntary commitment to higher standards of customer service. The Code outlines the obligations that subscribers have during the life insurance process, including when customers buy a policy, make a claim, or make a complaint. The Code covers all life insurers who currently offer life insurance for sale within the Australian market.

Committee members

**MS JAN MCCLELLAND
AM, BA HONS, BLEGS,
FAICD, FACEL, FIML
COMMITTEE CHAIR**



Jan McClelland AM is an experienced Chief Executive, Chair and Company Director in government, private and not-for-profit organisations across a wide range of industry sectors.

Jan is currently Deputy Chancellor of the University of New England (UNE), Chair of the Gateway Network Governance Body (GNGB), a Director of Stewart House and Chair of audit and risk committees in government and non-government organisations. She is also Managing Director of a management consultancy practice providing advisory services in strategy and planning, organisation reviews, complaints handling, and industry codes of practice.

Jan is a former Director General of the NSW Department of Education and Training and Managing Director of the NSW TAFE Commission. She has previously served as chair/member of boards and governance bodies in transport, waste, agriculture, medical technologies, legal and professional services, and insurance. Her roles have included Chair of the Medical Technology Association of Australia (MTAA) Code Compliance Committee, Chair of the Professional Practice Review Committee of the NSW Consumer Tenancy and Trader Tribunal (now NSW Civil and Administrative Tribunal), and member of the NSW Motor Accidents Authority Council and NSW Administrative Decisions Tribunal.

Jan holds a Bachelor of Arts (Honours) Degree and a Bachelor of Legal Studies. She is a Fellow of the Institute of Company Directors, a Fellow of the Australian Institute of Leaders and Managers and a Fellow of the Australian Council of Educational Leaders.

Jan was awarded a Member of the Order of Australia (AM) in 2015 for significant service to a range of education, business, social welfare and community organisations and to public administration.

**MS ALEXANDRA
KELLY, LL.M.,
BPSYCH, GAICD
CONSUMER
REPRESENTATIVE**



Alexandra is the Director of casework at the Financial Rights Legal Centre, which operates a legal advice line for credit and debt, part of the National Debt Helpline in NSW, the Mob Strong Debt Helpline a dedicated national service for Aboriginal and Torres Strait Islanders, and the National Insurance Law Service.

As a solicitor at Financial Rights Legal Centre for the last 16 years she has had the privilege of speaking to consumers about their lived experiences of financial services products, including life insurance; advocating on individual and systemic issues; and lobbying and advocating from an evidence-based position.

Alexandra is a non-executive director of CHOICE and a member of the Australian Consumer Law Subcommittee of the Law Council. She is committed to social justice, consumer advocacy and consumer education as to their financial rights.

Alexandra has a Bachelor of Laws (Hons) and Bachelor of Psychology from the Australian National University and Master of Laws from the Sydney University and a graduate member of the Australian Institute of Company Directors.

**BRAD CLARKE,
B.ENG, MBA, GAICD
INDUSTRY
REPRESENTATIVE**



Brad has over 25 years' experience as an Executive within financial services. During this time, he has been a General Manager for strategy, Chief Operating Officer, and interim CEO. Based in Sydney he has also worked in the UK and Asia.

Brad has worked as an executive in Life Insurance, for a Regional Bank, within General Insurance and for a Fund Manager. He has worked across the industry through aligned commercial initiatives as well as with the industry, government and sector around wellbeing (situational distress and suicide prevention). He has authored industry publications on the evolution of Direct Insurance, Health and Wellbeing programs and Group Insurance.

Brad holds an honours degree in Medical Electronics, Financial Planning qualifications, an MBA and is a Graduate of the Australian Institute of Company Directors.

The Secretariat

The Code Compliance Monitoring team (Code team) at AFCA acts as Administrator for the Committee under an outsourcing agreement with the FSC.

The Code team supports the Committee by

- providing administrative support
- engaging with subscribers and stakeholders
- investigating alleged Code breaches
- undertaking Code monitoring work
- collecting and analysing aggregated industry data
- preparing reports for the Committee
- promoting compliance with the Code
- undertaking other work as directed by the Committee.

Code compliance and monitoring staff

PRUE MONUMENT GENERAL MANAGER



Prue leads the strategic direction and operational management of the Code Team, ensuring delivery of compliance and monitoring functions for five Codes of Practice in banking and insurance industries.

Prue previously worked at the Tertiary Education Quality and Standards Agency (TEQSA) as Executive Director Quality Assurance & Regulatory Operations. Prior to this, Prue was the Director of Compliance at the Australian Charities and Not-for-profit Commission where she was responsible for all compliance, investigations, and intelligence work.

She has previously held senior roles in the Department of Immigration and Border Protection including as National Manager of the Allegations Assessment Team and postings in Beirut and Shanghai. Prue has an Executive Masters in Public Administration and rich experience in regulation and self-regulation.

RENÉ VAN DE RIJDT
DEPUTY GENERAL MANAGER



René van de Rijdt has worked in the Code team since 2017, initially as the Code Compliance Investigations Manager, and at AFCA and its predecessor schemes since 2011.

René has a background in law and external dispute resolution and holds a Bachelor of Law from Monash University and a Bachelor of Planning and Design from the University of Melbourne.

ANKIT DANG
SENIOR LEADER



Ankit Dang is a Senior Leader at AFCA. His role is dedicated to the oversight of all aspects of the operation that supports the Life Code Compliance Committee including delivering on the workplan, managing the Life Code Compliance Committee's budget, helping and guiding the Life Code Compliance Committee in monitoring activities within the life insurance industry and maintaining a positive relationship with all stakeholders. Ankit is passionate about driving positive change within the Life Insurance Industry.

Ankit holds a Master's degree in Professional Accounting and a Bachelor of Commerce in Banking and Finance (Honours).

JILLIAN YEO
SENIOR CODE COMPLIANCE ANALYST (PEOPLE LEADER)



Jillian Yeo leads various compliance and monitoring projects, contributing significantly to key decision-making processes. She supports and collaborates with management to develop and execute strategic plans according to the Life Code Compliance Committee's vision and purpose.

As a People Leader, Jillian provides guidance and shares her knowledge with the team to foster their professional growth and ensure high-quality work.

Jillian has worked at AFCA and its predecessor schemes since 2018. She has a background in law and holds a Bachelor of Law and a Graduate Diploma in Legal Practice.

Finances

	FY2021-22	FY2022-23
Staff Costs		
Gross salaries (including Committee remuneration), leave provisions, Super, training, recruitment and travel	\$1,105,179	\$1,335,551
Operating Expenses		
Occupancy costs	\$80,668	\$110,397
Technology	\$52,009	\$62,800
Professional assistance	\$65,197	\$34,193
Communications and stakeholder relations	\$9,897	\$14,004
Office costs	\$6,745	\$8,874
Total Salaries and Expenses	\$1,319,695	\$1,565,819
Total Funding	\$1,353,823	\$1,583,862
Annual Surplus/(Deficit)*	\$34,128*	\$18,043*

* The Committee's total accumulated reserves as of 30 June 2023, amounts to **\$186,453**. The Committee is steadily increasing its surplus towards the goal of maintaining a minimum of two months' worth of operating reserves.

Appendix A.

List of subscribers

As of 30 June 2023, the Code had 22 subscribers.

Name	Date of adoption
1. AIA Australia Limited	30 June 2017
2. Allianz Australia Life Insurance Limited	30 June 2017
3. ClearView Life Assurance Limited	30 June 2017
4. EMLife Pty Ltd*	14 March 2018
5. General Reinsurance Life Australia Ltd	30 June 2017
6. Hallmark Life Insurance Company Ltd (part of the Latitude Financial Services Group)	30 June 2017
7. Hannover Life Re of Australasia Ltd	30 June 2017
8. HCF Life Insurance Company Pty Ltd	1 July 2018
9. Integrity Life Australia Limited	1 July 2018
10. MetLife Insurance Limited	30 June 2017
11. MLC Limited	30 June 2017
12. Munich Reinsurance Company of Australasia Limited	30 June 2017
13. NobleOak Life Limited	30 June 2017
14. Pacific Life Re (Australia) Pty Ltd	19 February 2020
15. QInsure Limited	15 September 2017
16. RGA Reinsurance Company of Australia Limited	30 June 2017
17. Resolution Life Australasia Limited	30 June 2017
18. SCOR Global Life Australia Pty Ltd	30 June 2017
19. Swiss Re Life & Health Australia Limited	30 June 2017
20. TAL Life Limited	30 June 2017
21. TAL Life Insurances Services Limited	30 June 2017
22. Zurich Australia Limited	30 June 2017

* EMLife is not a life insurer and adopted the Code, under section 2.1(b).

Appendix B.

Charter compliance and Committee meetings

The Committee complied with its Charter obligations for the 2022-23 period and met five times during the year.

Date	Attendance		
	JAN MCCLELLAND AM	ALEXANDRA KELLY	BRAD CLARKE
20 September 2022	✓	✓	✓
22 November 2022	✓	✓	✓
17 February 2023 – Strategy	✓	✓	✓
11 April 2023	✓	✓	✓
6 June 2023	✓	✓	✓

Appendix C.

Tables

TABLE 1a.

Significant Breaches and alleged breaches by Code chapter

	2019-2020			2020-2021			2021-2022			2022-2023		
Code chapter	Significant	Alleged	Total	Significant	Alleged	Total	Significant	Alleged	Total	Significant	Alleged	Total
Claims	23	77	100	15	98	113	9	133	142	16	79	95
Complaints and disputes	2	16	18	3	24	27	-	10	10	-	18	18
Policy changes and cancellation	7	9	16	12	5	17	10	2	12	12	2	14
Sales and advertising	-	4	4	1	3	4	-	18	18	2	1	3
Code objectives	-	13	13	-	4	4	1	18	19	4	5	9
Policy design and disclosure	-	2	2	1	1	2	-	-	-	-	1	1
Access to information	1	5	6	-	4	4	-	2	2	-	8	8
Buying insurance	3	1	4	-	4	4	2	1	3	4	3	7
Monitoring, enforcement and sanctions	8	-	8	1	3	4	-	1	1	-	-	-
Additional consumer support	-	-	-	-	2	2	-	1	1	-	3	3
Third party underwriting and claims	-	-	-	-	-	-	-	5	5	-	2	2
Information and education	-	-	-	-	1	1	-	-	-	-	-	-
Key Code promises	-	-	-	-	-	-	-	-	-	-	2	2
Total	44	127	171	33	149	182	22	191	213	38*	124	162

* Subscribers reported a total of 50 breaches, of which, 38 were reported as Significant Breaches. The remaining 12 breaches were reported as non-significant breaches (11 related to claims and one related to policy changes and cancellation).

TABLE 1b.

Summary status of Matters overseen by the Committee

	Received	Closed in 2017/2018	Closed in 2018/2019	Closed in 2019/2020	Closed in 2020/2021	Closed in 2021/2022	Closed in 2022/2023	Open at 1 July 2023
2017-2018 Matters								
Investigations	56	16	11	19	10	-	-	-
Significant Breaches	23	3	5	15	-	-	-	-
Total 2017-2018 Matters	79	19	16	34	10	-	-	-
2018-2019 Matters								
Investigations	79	-	17	27	32	3	-	-
Significant Breaches	23	-	7	7	8	1	-	-
Total 2018-2019 Matters	102		24	34	40	4	-	-
2019-2020 Matters								
Investigations	74	-	-	27	31	16	-	-
Significant Breaches	21	-	-	6	7	7	1	-
Total 2019-2020 Matters	95	-	-	33	38	23	1	-
2020-2021 Matters								
Investigations	64	-	-	-	44	14	6	-
Significant Breaches	20	-	-	-	12	8	-	-
Total 2020-2021 Matters	84	-	-	-	56	22	6	-
2021-2022								
Investigations	55	-	-	-	-	45	9	1
Non-significant self-reported breaches	1	-	-	-	-	-	1	-
Significant Breaches	15	-	-	-	-	3	12	-
Total 2021-2022 Matters	71	-	-	-	-	48	22	1
2022-2023								
Investigations	52	-	-	-	-	-	42	10
Non-significant self-reported breaches	3	-	-	-	-	-	2	1
Significant Breaches	22	-	-	-	-	-	19	3
Total 2022-23 Matters	77	-	-	-	-	-	63	14
All Years								
Investigations	380	16	28	73	117	78	57	11
Significant Breaches & non-significant self-reported breaches	128	3	12	28	27	19	35	4
Total Matters All Years	508	19	40	101	144	97	92	15

TABLE 2.

Significant Breaches reported*, reviewed† and confirmed‡ by Code chapter

Code chapter	2020-21			2021-22			2022-23		
	Significant	Reviewed	Confirmed	Significant	Reviewed	Confirmed	Significant	Reviewed	Confirmed
Policy changes and cancellation	12	16	12	10	10	10	12	19	17
Sales and advertising	1	1	1	-	-	-	2	2	2
Claims	15	17	12	9	19	18	16	21	10
Policy design and disclosure	1	-	-	-	1	1	-	2	1
Buying insurance	-	5	4	2	3	3	4	5	5
Third party underwriting and claims	-	-	-	-	-	-	-	-	-
Code objectives	-	-	-	1	1	-	4	4	-
Access to information	-	-	-	-	-	-	-	-	-
Monitoring, enforcement and sanctions	1	5	5	-	3	3	-	1	-
Information and education	-	-	-	-	-	-	-	-	-
Key Code Promises	-	-	-	-	-	-	-	-	-
Complaints and disputes	3	4	4	-	-	-	-	-	-
Total	33	48	38	22	37	35	38	54	35

* A Significant Breach reported by a subscriber to the Committee.

† Significant Breach reviewed by the Committee.

‡ Significant Breach confirmed as such by the Committee.

TABLE 3.

Code breaches reported*, assessed† and determined‡ by Code chapter

Code chapter	2020-21			2021-22			2022-23		
	Reported	Assessed	Determined	Reported	Assessed	Determined	Reported	Assessed	Determined
Claims	98	184	76	133	145	43	79	137	35
Complaints and disputes	24	50	22	10	15	5	18	21	7
Policy changes and cancellation	5	6	-	2	3	-	2	2	-
Sales and advertising	3	5	-	18	17	-	1	1	-
Code objectives	4	9	1	18	22	1	5	7	1
Policy design and disclosure	1	8	-	-	-	-	1	-	-
Access to information	4	13	2	2	3	-	8	3	1
Buying insurance	4	7	1	1	1	-	3	2	-
Monitoring, enforcement and sanctions	3	3	-	1	2	2	-	-	-
Additional consumer support	2	5	-	1	1	-	3	1	-
Third party underwriting and claims	-	2	1	5	6	-	2	2	-
Information and education	1	2	1	-	-	-	-	1	-
Key Code promises	-	-	-	-	1	-	2	1	-
Total	149	294	104	191	216	51	124	178	44

* Alleged Code breaches reported to the Committee by a person, personal representative, AFCA or other third party.

† Code breach allegations assessed by the Committee. This can include allegations received in previous years.

‡ Allegations determined by the Committee as Code breaches.

TABLE 4.

Alleged Code breaches by Code chapter

	Alleged breaches 2020-2021 and % of Total		Alleged breaches 2021-2022 and % of Total		Alleged breaches 2022-2023 and % of Total	
	No.	%	No.	%	No.	%
Claims	98	66%	133	70%	79	64%
Complaints and disputes	24	16%	10	5%	18	15%
Policy changes and cancellation	5	3%	2	1%	2	2%
Sales and advertising	3	2%	18	9%	1	>1%
Code objectives	4	3%	18	9%	5	4%
Policy design and disclosure	1	1%	-	-	1	>1%
Access to information	4	3%	2	1%	8	6%
Buying insurance	4	3%	1	1%	3	2%
Monitoring, enforcement and sanctions	3	2%	1	1%	-	-
Additional consumer support	2	1%	1	1%	3	2%
Third party underwriting and claims	-	-	5	3%	2	2%
Information and education	1	1%	-	-	-	-
Key Code promises	-	-	-	-	2	2%
Total	149	100%	191	100%	124	100%

Appendix D.

About the Life Insurance Code of Practice

Developed by the life insurance industry through the Financial Services Council (FSC), the Code was introduced on 1 October 2016 for a transitional period of nine months, coming into formal effect on 1 July 2017. The Code commits subscribers to continuous improvement and a high standard of customer service.

The Code includes 10 Key Code Promises for subscribers to adhere to:

1. We will be honest, fair, respectful, transparent, timely, and where possible we will use plain language in our communications with you.
2. We will monitor sales by our staff and our authorised representatives to ensure sales are appropriate.
3. If we discover that an inappropriate sale has occurred, we will discuss a remedy with you, such as a refund or a replacement policy.
4. We will provide additional support if you have difficulty with the process of buying insurance or making a claim.
5. When you make a claim, we will explain the claim process to you and keep you informed about our progress in making a decision on your claim.
6. We will make a decision on your claim within the timeframes defined in the Code, and if we cannot meet these timeframes you can access our complaints process.
7. If we deny your claim, we will explain the reasons in writing and let you know the next steps if you disagree with our decision.
8. We will restrict the use of investigators and surveillance, to ensure your legitimate right to privacy.
9. The independent Code Compliance Committee will monitor our compliance with the Code.
10. If we do not correct Code breaches, sanctions can be imposed on us.

These general principles underpin the Code's specific obligations, which cover the many aspects of a customer's relationship with a subscriber, namely:

- policy design and disclosure
- sales and advertising
- buying insurance
- policy changes and cancellation
- customers requiring additional support
- claims
- complaints and disputes
- third party underwriting and claims
- information and education
- access to information.



The Annual Report of the Life Code Compliance Committee 2022-23

To make a Code breach referral visit our website LifeCCC.org.au
or email info@codecompliance.org.au