

December 20, 2012

## Unfair contract terms announcement is positive for consumers and industry

Insurance Council of Australia CEO Rob Whelan says:

“The Insurance Council of Australia notes an announcement from the Assistant Treasurer’s office on legislation to extend unfair contract terms laws to general insurance contracts. The ICA and its members have worked intensively with the Assistant Treasurer, Commonwealth Treasury and consumer organisations to develop principles which could form the basis for a resolution of this issue.

“The ICA believes consumers already enjoy strong protections under the Insurance Contracts Act, Corporations Act, and the General Insurance Code of Practice. The insurance industry has been concerned about how a review for unfairness could be applied to insurance contracts without undermining the commercial basis on which insurance is provided.

“Under the Government’s proposal, existing unfair contract terms provisions in the ASIC Act will be adapted to provide a remedy within the Insurance Contracts Act which is better suited to general insurance. This represents a better outcome for both consumers and insurers.

“The ICA is keen to continue working closely with the Government and participate in the drafting of the legislation to make sure it works to accommodate the legitimate interests of all stakeholders.”