

Thursday July 2, 2015

ICA launches Effective Disclosure Taskforce

The Insurance Council of Australia (ICA) today announced the establishment of a taskforce that will explore potential improvements to general insurance disclosure documents to help consumers make better informed decisions about their insurance.

ICA CEO Rob Whelan said insurers were required by law to provide highly detailed disclosure documents to consumers purchasing general insurance products, in particular Product Disclosure Statements.

"The insurance industry, governments and consumer groups all perceive the current disclosure regimen as being lengthy, often complex and not always helpful in ensuring consumers understand the product they are buying," he said.

"The Effective Disclosure Taskforce will consider the role of disclosure documents in the context of the broader consumer experience, such as guidance, sum insured calculators and advice provided by insurers when consumers are purchasing products. Effective disclosure should assist consumers choose products that are appropriate to their needs.

"The taskforce will advise the ICA Board on initiatives to increase the effectiveness of insurance disclosure documents."

The Effective Disclosure Taskforce will be chaired by leading insurance lawyer Michael Gill. The taskforce will present its findings and recommendations to the ICA Board in November 2015.

Mr Gill has more than 40 years' experience in insurance law. He is a past President of the International Insurance Law Association, the Law Society of NSW and the Law Council of Australia, was the Foundation President of the Australian Insurance Law Association, and the independent chair of the General Insurance Code Compliance Committee for 20 years.

The other taskforce members have expertise across general insurance, consumer advocacy, academia and behavioural sciences:

- Mr Ravi Dutta (Advisor, The Behavioural Insights Team)
- Ms Tracy Green (Executive General Manager, Insurance Australia Group)
- Mr Chris Harnett (General Manager, Underwriting Agencies, QBE)
- Mr Ben Honan (Public Policy and Corporate Affairs Advisor, Suncorp)
- Mr David Leermakers (Senior Policy Officer, Consumer Action Law Centre)
- Professor Gail Pearson (Professor, Business School, University of Sydney)

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The importance of effective disclosure was highlighted in the ICA's submission to the recent Financial System Inquiry (FSI). As part of discussions with the FSI, the ICA indicated its willingness to lead an industry project on effective disclosure. The establishment of the taskforce represents the first step in delivering on this commitment.

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