

Overview

The 2020 General Insurance Code of Practice (the Code) has been issued by the Insurance Council of Australia with a requirement that it be fully implemented by 1 July 2021, with the exception of Part 9 and Part 10, which require implementation by 1 July 2020.

Part 9 of the Code, Supporting Customers Experience Vulnerability, is a wholly new part implemented to address prevailing community expectations around the way a financial institution sells and manages its products to customers who are unable to properly represent their own interests, or are at an increased risk of harm by the actions of a financial institution.

Part 10 of the Code, Financial Hardship, has also seen changes to strengthen its response for customers and third parties and provide more guidance to insurers around their obligations.

Hollard Commercial requires all of its Distributors, Service Suppliers and other fulfilment providers to comply with the Code in all respects as it applies to them.

This Service Supplier Information Pack is to be provided to every Service Supplier that provide services on our behalf.

Part 9 – Vulnerable customers

Every touchpoint with a customer presents a Service Supplier an opportunity to proactively identify a customer experiencing vulnerability. Part 9 provides a non-exhaustive list of factors which may cause a customer to experience vulnerability.

Hollard Commercial has an internal process to manage claims involving a customer experiencing vulnerability. If a customer discloses to a Service Supplier, or a Service Supplier suspects a customer is experiencing vulnerability, the Service Supplier must immediately make contact with the instructing claims officer to inform them of the disclosure or their suspicion. A Service Supplier must not wait to provide a report before raising a concern.

If a Service Supplier is unable to make immediate contact with the instructing claims officer, the Service Supplier must instead send an email immediately to hcicareofficer@hollardcommercial.com.au advising of the circumstances. This inbox is monitored by Hollard Commercial's Customer Care Officers who will be in contact with you to provide further direction as required.

If a Service Supplier has concerns that the ongoing fulfilment of their instructions places a customer at risk, they must cease taking further action until receiving contact from a claims officer or Customer Care Officer.

While Part 9 of the Code applies to retail products only, any disclosed or suspected instances of any customer experiencing vulnerability should follow the above process and Hollard Commercial will make a determination about what the next steps should be.

Domestic and Family Violence

Domestic and family violence (DFV) is defined as “violent or threatening behaviour by a person that coerces or controls a member of the person’s family... or causes the family member to be fearful”. DFV is a factor which may cause a customer to experience vulnerability.

DFV has received extra attention from the Insurance Council of Australia which has provided a Code Guidance Document to assist insurers to understand and manage their obligations under the Code.

As the Code Subscriber, The Hollard Insurance Company (Hollard) is required to have a family violence policy prominently displayed on their website. As a Hollard Distributor, Hollard Commercial supports and abides by the Hollard Family Violence Policy (Appendix 1) which can also be found on our website. A Service Supplier must familiarise them self with this Policy.

Whenever family violence is identified or suspected, our and our Service Suppliers' paramount priority must be for the safety of the person affected by family violence and the protection of their family.

Service Supplier Information Pack cont'd

Privacy

Information collected about a customer experiencing vulnerability may be Sensitive Information as defined by the *Privacy Act 1988*. The collection, storage, use and disclosure of such information must comply with the *Act* and Australian Privacy Principles. Extra care must be taken to safeguard information particularly in regards to addresses and contact details in the circumstances of a DFV situation.

Part 10 – Financial Hardship

A customer has a right to ask us to fast track their claim. Any request for assistance under the Financial Hardship provisions of the Code must be disclosed to the instructing claims officer at the first available opportunity.

It's important a Service Supplier is aware that financial distress can cause a customer to experience vulnerability. If a Service Supplier suspects this to be the case, the Service Supplier must follow the process provided above for Part 9.

Reporting, Review and Attestation

A breach of any Part of the Code (including Parts 9 and 10) is reportable to the Code Governance Committee (the CGC). A Distributor and a Service Supplier must advise Hollard Commercial of a Code breach within 2 business days of identifying the breach.

The CGC may impose sanctions on us for a Code breach which could include an order to compensate an affected individual, publication of the breach, a fine of up to \$100,000 as well as referring serious misconduct to ASIC.

Training Attestation and Requirements

The reason you have received this information pack is because the Code holds Hollard Commercial responsible for ensuring that you have been appropriately trained.

The Code defines a Service Supplier to mean an "Investigator, Loss Assessor or Loss Adjuster, Collection Agent..."

The Code Guidance Document provides that:

25. Insurers need to make sure that their service suppliers who deal directly with customers — such as loss assessors, investigators and claims management services — are trained to the same level as employees. That training needs to happen before the service supplier comes into contact with a customer who has been identified as being affected by family violence.

Accordingly, any Code defined Service Supplier that provides services to or on behalf of Hollard Commercial must undertake appropriate training to enable the Service Supplier to, as a minimum, have the skills to help them identify customers experiencing DFV.

Hollard Commercial employees and Distributors have undertaken General Insurance Code of Practice training provided by the Australian and New Zealand Institute of Insurance and Finance (ANZIIF). ANZIIF offers similar training modules specifically designed for Service Suppliers at relatively minimal cost and time.

All training records must be kept for 7 years.

A Service Supplier firm must complete the Attestation (Appendix 2) confirming that all employees that deal with a customer have completed the ANZIIF or equivalent training by 1 July 2020.

As part of Hollard Commercial's wider audit program, evidence of a Service Suppliers training must be made available upon request.

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commercial insurance