

# Customer service conduct principles

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Proposed licence conditions for  
insurers operating in SIRA-regulated  
schemes

**State Insurance  
Regulatory  
Authority**

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# Purpose

The purpose of this paper is to consult with stakeholders on proposed insurer<sup>1</sup> licence conditions that establish consistent customer service conduct principles across the insurance schemes that SIRA regulates and the mechanism by which they will be monitored.

## Introduction

The State Insurance Regulatory Authority (SIRA) is the NSW government organisation responsible for regulating workers compensation insurance and related activities, motor accidents compulsory third party (CTP) insurance, and home building compensation in NSW.

In stewarding these schemes, it is our mission to ensure they are:

- equitable and fair
- efficiently delivered
- affordable for the community
- sustainable and viable for generations to come
- delivering scheme outcomes effectively
- providing positive experiences.

We regulate to ensure people who experience injury or loss are supported, and insurance is affordable, well managed and sustainable. SIRA's legislative power to regulate is provided through the NSW legislative framework for each scheme, with each legislative framework specifying our role as a conduct and prudential regulator.

SIRA regulates insurers in accordance with legislation, in line with community expectations and the best interests of customers. The community expects that their interactions with these schemes will be efficient, honest and fair.

SIRA acknowledges that insurers within these schemes already have licence conditions regarding their conduct and interactions with customers. We also know that many also undertake their own customer service and experience measurements to continuously improve their services.

We propose to incorporate clear requirements on insurers to ensure they deliver customer services that meet community expectations. These enhanced licence conditions will also strengthen regulatory tools to hold them accountable for their behaviour towards customers in the systems regulated by SIRA.

SIRA plans to implement a consistent set of customer service conduct principles across its schemes in NSW, require insurers to complete regular attestations on how these principles are being met and establish regular independent measurement of insurer performance and publication of insurer results.

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<sup>1</sup> In this document the term insurers means insurers in the CTP and WC scheme as well as the alternative indemnity providers who provide cover in the Home Building scheme.

The measurement framework will include customer views on the services received from insurers in SIRA-regulated schemes.

## Why is SIRA doing this?

The people of NSW must have confidence that customers will receive fair treatment from the workers compensation, CTP insurance and home building compensation schemes. Businesses require affordable and efficient policies that provide adequate protection while the beneficiaries of these policies need to be properly supported.

SIRA knows that the people of NSW value good customer service. We aim to ensure policy holders and people who experience injury and loss are provided with fair, timely, respectful, inclusive and appropriate services, and the opportunity to provide feedback on the service they receive.

Customer service conduct principles will ensure that:

- people who make claims within these schemes know the standard of service they should receive
- all participants (for example, employers and health providers) within SIRA-regulated schemes understand what customer service is expected from insurers.

Customer expectations have been transformed by digital technology, easy online channels and informed by interactions with other industries. SIRA is therefore highlighting customer service expectations through these conduct principles and licensing provisions to meet customer expectations and safeguard the experience of scheme participants.

## How you can get involved

SIRA has released this discussion paper to assist individuals and organisations to prepare submissions.

Consultation stages	Key dates
Issues paper released	8 July 2019
Consultation period	19 August 2019
Summary of submissions	2 September 2019

# Proposed licence conditions – customer service conduct principles

Insurers are expected to lead a corporate culture centred on the best interests of customers, who will be treated fairly and respectfully at all times.

It is proposed that insurers are required as a condition of their licences submit an attestation annually to SIRA (or as otherwise required) on their compliance with the principles.

The requirements represent the expected level of performance required to service customers within SIRA-regulated schemes.

Some insurers within the workers compensation, CTP insurance and home building compensation schemes already have licence conditions or compliance requirements within regulatory guidelines to adhere to some customer service standards, however the ones proposed in this discussion paper are intended to apply to all schemes and all customer interactions. As the mechanism of imposition and enforcement of the licence conditions varies by scheme and insurers. SIRA will consider the most effective approach for inclusion of the conduct principles in licence conditions in parallel with this consultation process.

Insurers will be expected to manage their non-financial risks and comply with the proposed licence conditions by ensuring their institutional culture meets the conduct principles as a minimum.

## Customer service conduct principles

### Principle 1: Be efficient and easy to engage

The insurer must keep customer interactions simple to make the experience easier, so that the focus is on recovery and resolution. This means:

- customers should only have to provide or ask for information once
- information is clear and understandable enabling a streamlined experience
- complexity is reduced by communicating in simple language
- information is timely and accessible
- customers will experience visible support and information throughout the customer journey.

### Principle 2: Act fairly, with empathy and respect

The insurer must be respectful of people's circumstances and needs, and support them accordingly. This means:

- customers are treated fairly, receiving the same quality services, every time
- customers are shown compassion and understanding of their individual situation
- customers are treated with dignity, empathy and respect.

### Principle 3: Resolve customer concerns quickly, respect customers' time and be proactive

The insurer must be proactive in supporting recovery and resolution. This means:

- customers are supported early, leading to better recovery outcomes and resolution
- customers' time is valued
- customers will be contacted when they need to know something.

### Principle 4: Have systems in place to identify and address customer concerns

The insurer must have systems in place to address individual customer concerns and systemic concerns. This means:

- customer views will be sought on service design and improvement
- continuous improvement systems are in place.

### Principle 5: Be accountable for actions and honest in interactions with customers

Customers will receive an apology when things don't go to plan. This means:

- customers will receive an acknowledgment when harms are caused when customer expectations are not met or when legislative breaches occur
- apologies will be made for poor service or behaviour.

## **Attestation**

The insurer must attest to the standards of conduct annually or when SIRA requests attestations.

## **Breach notification**

The insurer must notify SIRA of any breach of the standards of customer service.

# Consultation questions

SIRA is specifically interested in your feedback to the consultation questions below, but please do not restrict your feedback to those questions.

1. Are the customer service conduct principles sufficient and appropriate to protect customers and ensure confidence within the state's insurance schemes?
2. Are there other principles of customer service conduct that should be considered?
3. How regularly should insurers attest to compliance with the customer service conduct principles? Is an annual attestation sufficient?
4. What kind of matters should be included in the attestations made to SIRA?
  - a. Action they have taken to ensure compliance with the principles (for example governance and staff training)
  - b. Self-assessment of compliance with each of the principles (for example, an analysis of complaints)
5. Should the attestations sought from insurers be at Board and/or management level?

## How to make a submission

We invite you to tell us your views by using our online form at [www.sira.nsw.gov.au/consultations](http://www.sira.nsw.gov.au/consultations)

If you can't use our online form, you can email your submission with the subject 'Customer service conduct principles consultation' to [consultation@sira.nsw.gov.au](mailto:consultation@sira.nsw.gov.au)

We will publish your submission if not told otherwise.

If you can't provide your submission electronically, you can send your submission by mail to:

Customer service conduct principles consultation  
SIRA  
Level 6, McKell Building  
2-24 Rawson Place  
Sydney NSW 2001

## Next steps

SIRA will review all submissions and prepare a summary of the feedback received.

The feedback summary will be published on the SIRA website.

Information provided through this consultation process will be used to finalise the standards of conduct.

Any questions or enquiries regarding this issues paper, please call 13 10 50 or email [consultation@sira.nsw.gov.au](mailto:consultation@sira.nsw.gov.au).

#### Disclaimer

This publication may contain information that relates to the regulation of workers compensation insurance, motor accident third party (CTP) insurance and home building compensation in NSW. It may include details of some of your obligations under the various schemes that the State Insurance Regulatory Authority (SIRA) administers.

However, to ensure you comply with your legal obligations you must refer to the appropriate legislation as currently in force. Up to date legislation can be found at the NSW Legislation website [legislation.nsw.gov.au](http://legislation.nsw.gov.au)

This publication does not represent a comprehensive statement of the law as it applies to particular problems or to individuals, or as a substitute for legal advice. You should seek independent legal advice if you need assistance on the application of the law to your situation.

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