



4 Byfield Street
Macquarie Park NSW 2113
PO Box 884
North Ryde BC NSW 1670
t (02) 9978 3333
f (02) 9978 3375
hia.com.au

19 August 2019

Customer service conduct principles consultation
State Insurance Regulatory Authority (SIRA)

By email: consultation@sira.nsw.gov.au

Customer service conduct principles consultation

This correspondence responds to SIRA's July 2019 Consultation Paper (the Paper) on proposed conditions to insurers' licences that are directed to establishing consistent customer service conduct principles across the insurance schemes that SIRA regulates.

The proposed customer service conduct principles are to be consistent across the different schemes and allow for a uniform means of measuring service standards.

Those schemes primarily of interest to HIA are those dealing with home building compensation and workers compensation in NSW.

The proposed customer service conduct principles are:

1. Be efficient and easy to engage,
2. Act fairly, with empathy and respect,
3. Resolve customer concerns quickly, respect customers' time and be proactive,
4. Have systems in place to identify and address customer concerns, and
5. Be accountable for actions and honest in interactions with customers.

The proposed customer service conduct principles are not controversial in themselves and that they are not demanding anything that most companies (in this case insurers) would not already be doing.

HIA understands that the intent of the proposed licence conditions is to strengthen the regulatory tools to hold insurers accountable. This is welcomed. However, how this will occur is unclear.

Utility of an attestation

HIA suggests that the consequences of not complying with the required attestation, or making a false attestation should be clearly spelt out. SIRA could take the opportunity to make this known when it releases the summary of submissions on 2 September 2019.

An annual attestation from management should be adequate once systems have been established and bedded down. SIRA might want to consider that the initial attestation should be made by the relevant boards. It is always open to SIRA to use its own judgment as to who should be making an attestation when SIRA requests one. SIRA would presumably make such requests when it discovers behaviour that gives rise to concerns that the standards are not being met.

Compliance with principles

HIA submits that the steps undertaken to achieve compliance with the principles should be provided to SIRA, at the very least this would include staff training and governance.

Attestations should include an analysis of the complaints that insurers receive and what actions insurers have undertaken to address the complaints and their causes.

Breach of principles

HIA is concerned that the self-reporting of received complaints does not go far enough.

SIRA should establish a mechanism that allows an insurer to be reported to SIRA over a breach of the customer service conduct principles. SIRA would then be able to investigate specific breaches of the principles.

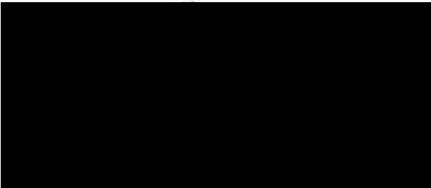
Providing such a reporting mechanism would also accord with the principle objective of SIRA in exercising its function to provide for the effective supervision of claims and disputes handling under s 23 of the *State Insurance and Care Governance Act 2015*.

Application of the principles

It is not clear from the Paper whether it is intended for icare to be captured by the scheme. HIA submits that icare should be required to make the proposed attestations.

It is doubtful that the customer service principles in themselves are sufficient and appropriate to protect customers and ensure confidence within the state's insurance schemes. HIA submits that SIRA should make a webpage available to view the attestations that the insurers have made. This transparency will allow interested parties to see whether what insurers are attesting to matches their own experiences and dealings with a particular insurer.

Yours faithfully
HOUSING INDUSTRY ASSOCIATION LIMITED



David Bare
Executive Director