

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Australian Securities and Investment Commission

Question No: 87

Topic: Add-on Insurance

Reference: Hansard page 27 (31 May 2017)

Senator: McAllister, Jenny

Question:

Senator McALLISTER: Are there other actions you would like to see them taking prior to any enforcement action or policy changes from ASIC?

Mr Saadat: Absolutely, and we have written to all of the insurers in the last couple of weeks to highlight our expectations in relation to the future conduct, including around commission payments and the design of the products themselves. One of the problem is that, the way they are designed the moment, consumers are often provided with very narrow cover and it is a product that, even where the consumer claims, the benefit that can be received is very, very small. So the design of the products is quite important, and then the distribution practices, including around making sure that the conduct of the person who is selling the product is consistent with the insurer's expectations.

Senator McALLISTER: Can you table a copy of that letter, Mr Saadat?

Mr Saadat: I think we probably could. I will take that on notice. I do not have it with me right now but, yes, we can come back to you.

Answer:

This matter is subject to an FOI request so ASIC is unable to provide a response at this time.