

Recommendations

Recommendation 1

2.68 The committee recommends that the government release its response to the final report of the Northern Australia Insurance Premiums Taskforce.

Recommendation 2

2.71 The committee recommends that the government conduct a review into competition in the strata insurance market in North Queensland to establish a fact base and explore avenues to improve insurer participation in this region.

Recommendation 3

3.76 The committee recommends that the government strengthen the transparency of general insurance pricing by amending the product disclosure regime in the *Corporations Act 2001* to require insurers to:

- disclose the previous year's premium on insurance renewal notices; and
- explain premium increases when a request is received from a policyholder.

Recommendation 4

3.77 The committee recommends that the government initiate a review of component pricing to establish a framework for amending the *Corporations Act 2001* to provide component pricing of premiums to policyholders upon them taking out or renewing an insurance policy, as well as an assessment of the benefits and risks to making such a change.

Recommendation 5

3.78 The committee recommends that the government initiate an independent review of the current standard cover regime with particular regard to the efficacy of current disclosure requirements.

Recommendation 6

3.79 The committee recommends that the government work closely with industry and consumer groups to develop and implement standardised definitions of key terms for general insurance.

Recommendation 7

3.80 The committee recommends that the government undertake a review of the utility of Key Facts Sheets as a means of product disclosure, with particular regard to the:

- effectiveness of Key Facts Sheets in improving consumer understanding of home building and contents policies; and
- merit of extending the use of Key Facts Sheets to other forms of general insurance.

Recommendation 8

4.96 The committee recommends that the government complete a detailed proposal for a comparison tool for home and car insurance, consistent with the proposal made in the FSI Interim Report and similar to the structure of the Irish model. The proposal should include a detailed evaluation of the international evidence base of the costs and benefits of comparison services on consumer outcomes, as well as the likely benefits in the Australian context.

Recommendation 9

4.98 The committee recommends that the Australian Securities and Investments Commission undertake a comprehensive review of the efficacy of the North Queensland home insurance website.

Recommendation 10

4.100 The committee recommends that the government consider introducing legislation to mandate compliance with the ACCC's good practice guidance for comparison website operators and suppliers.

Recommendation 11

5.14 The committee recommends that the government introduce the legislative changes required to remove the exemption for general insurers to unfair contract terms laws.

Recommendation 12

5.33 The committee recommends that the government strongly consider introducing legislation to require all insurance intermediaries disclose component pricing, including commissions payable to strata managers, on strata insurance quotations.

Recommendation 13

5.34 The committee recommends that state and territory governments strengthen disclosure requirements in relation to the payment of commissions to strata managers.

Recommendation 14

5.48 The committee recommends that the Australian Government reconsider its response to the Productivity Commission's inquiry on National Disaster Funding Arrangements.

Recommendation 15

5.49 The committee recommends that, as a matter of urgency, the Australian Government work with states and territories through the Council of Australian Governments to reform national disaster funding arrangements.

