

## Allianz Australia Insurance Limited

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**By email: [consultation@sira.nsw.gov.au](mailto:consultation@sira.nsw.gov.au)**

Dear Ms Fairman

### **SIRA consultation paper – Customer Service Conduct Principles**

Allianz appreciates the opportunity to provide a submission in response to SIRA's consultation paper titled 'Customer service conduct principles'.

Allianz is supportive of the intent of the proposed five principles and is interested in working with SIRA to assist in developing cohesive customer service frameworks and compliance measures.

### **Proposed Principles**

Allianz recognises the importance of simplifying for the customer their navigation of personal injury schemes in NSW. Our internal Customer Experience Principles of treating customers with respect, make it easy, act with integrity and be responsive align very closely with those proposed by SIRA.

Allianz believes there are three critical focus areas flowing from the proposed principles:

- The need to create a cohesive framework across the customer service principles, and existing legislation, guidelines, and regulations
- Minimising the potential complexity of compliance requirements
- Ensuring that the principles are objective and measurable

### **The need to create a cohesive framework of legislative and regulatory requirements**

There's an extensive framework of legislation, guidelines and regulations in place relating to customer service and conduct. In addition to relevant CTP and Workers Compensation legislation, the following SIRA guidelines and icare contractual requirements relate specifically to an insurers conduct when interacting with the customer:

#### CTP

- Motor Accident Guidelines Version 4

## Workers Compensation

- SIRA Standards of Practice
- SIRA Workers compensation guidelines
- icare Principles
- Authorised Provider (AP) Deed Schedule 1 Code of Conduct and Customer Engagement
- Authorised Provider (AP) Deed Schedule 4 Key Performance Indicators

Consideration needs to be given to the existing layers of legislation, guidelines and regulations relating to customer service and conduct that are already complied with by insurers. Some examples of these existing requirements are outlined below.

Proposed Principle	Existing guideline or regulation	
	CTP	Workers Compensation
1 Be efficient and easy to engage	MAGs section 4.6.5 - communicate with the claimant and keep them informed	Standards of Practice overarching claims management principles - Principle 3, Timeliness and Efficiency
	MAGs section 4.51 - Communicating in plain language	
2 Act fairly, with empathy and respect	MAGs section 4.49 - procedural fairness	Standards of Practice overarching claims management principles - Principle 1, Fairness and Empathy
		AP Deed Schedule 1, section 1 - Code of Conduct
		AP Deed Schedule 1, section 1.2 - handled consistently, promptly and fairly in a non-discriminatory way and that every injured worker and policy holder is treated fairly and with respect.
		AP Deed Schedule 1, section 1.7 - Empathy in Action
		AP Deed Schedule 1, section 2.2 - Customer Service Model
3 Resolve customer concerns quickly, respect customers' time and be proactive	MAG's section 4.6.1 - Proactively support the claimant to optimise their recover and return to work or other activities	AP Deed Schedule 1 section 1.2 - working collaboratively with stakeholders to identify their needs and how they can be met and providing a timely response to injured worker enquiries.
	MAGs section 4.6.2 - Make decisions justly and expeditiously	AP Deed Schedule 1 section 2.1 - customer engagement is intended to increase confidence and trust in customers' interactions and support the health and wellbeing of all participants in the Scheme.
	MAGs section 4.37 & 4.74 - provide specific timeframes in which to complete certain claims management activities	AP KPI - Activities completed within the committed time
		AP KPI - Activities completed under the time limit
		AP KPI - Legislative timeframes and compliance with SIRA Guidelines for Claiming Workers Compensation are considered the minimum standards

<p>4 Have systems in place to identify and address customer concerns</p>	<p>MAGs section 4.52 - An insurer is responsible for having procedures in place to fix an error of fact or law</p>	<p>AP Deed Schedule 1 section 2.2 - a Customer Service Model in place that allows for continuous improvement with data captured, trends identified and quality control frameworks and improvement initiatives in place. AP Deed Schedule 1 section 4 – Complaints Handling.</p>
<p>5 Be accountable for actions and honest in interactions with customers</p>	<p>MAGs section 4.6.3 - Act objectively with honesty and professionalism at all times</p>	<p>AP Deed Schedule 1 section 1.2 – personnel must be accountable, open and transparent</p>

### Minimising complexity of compliance

Allianz believes the subjectivity of the proposed principles in their current form combined with multiple layers of principles and guidelines across the schemes that SIRA regulates creates significant compliance complexity for insurers and therefore recommends that one set of principles be agreed and where relevant replace those already existing in the relevant guidelines.

### Principles should be objective and measurable

As SIRA are proposing that insurers attest annually to their compliance with these principles as a condition of their licence, it is recommended that the proposed principles are amended to be objective and measurable. Specifically:

#### Principle 1 –

- Customers should only have to provide or ask for information once – consideration needs to be given to the reasonableness of this statement in relation to the claims management process. For example, customers are often asked to recall the incident that led to their injury more than once by a number of stakeholders involved in the claims process, particularly with complex claims where there may be a different focus from a more straightforward claim.
- Information is timely and accessible – whose perspective is this from? If an insurer is compliant with legislative timeframes or those provided in the SIRA guidelines, is this deemed to be compliant with respect to this aspect of Principle 1? It would also be beneficial to define what is meant by “accessible”, is this contact with the case manager, electronic access to relevant information or some other definition?
- What does SIRA mean by ‘visible support’? We would assume that this would mean clear evidence on file that insurer staff have been in regular contact with the claimant and that that contact has provided the worker with support and information to assist them in returning to health/work.

#### Principle 2 –

- Customers are treated fairly, receiving the same quality services, every time – who is deemed to be the customer and how does SIRA propose this is measured by insurers? From a Workers Compensation perspective, are employers and brokers considered to be customers for purposes of these Principles? Claims decisions are often viewed very differently depending on the customer. For example, employers and workers may have differing views on whether a decision is fair or not. In such a case, we would consider

that independent factual evidence (medical and/or legal) and evidence on the claim that the basis of the decision was discussed with the customer in a timely and meaningful way, giving the customer the opportunity to provide input, would satisfy this Principle.

Principle 3 –

- Customers are supported early and customers will be contacted when they need to know something – the legislation and SIRA guidelines provide timeframes for an insurer to complete particular case management activities including when a customer should be contacted. As above, if an insurer is compliant with legislative timeframes or those provided in the SIRA guidelines, as well as contacting a customer when information is received that impacts on liability, treatment or return to work is this deemed to be compliant with respect to these aspects of Principle 3?
- Customers time is valued – Does SIRA have guidance on how this can be measured?

Principle 4 – Allianz has no specific feedback in relation to principle 4.

Principle 5 –

- Customers will receive an apology when things don't go to plan – statements such as 'when harms are caused' and 'when customer expectations are not met' are subjective, unmeasurable and set unrealistic expectations for customers regarding receipt of an apology. For example, a customer's expectations may not align with a decision made in accordance with the legislation which would not warrant an apology if made and communicated appropriately.

#### **Other comments:**

1. Insurers need to understand the practical implication of an additional layer of customer service conduct principles.
2. On page 6 under the headings of 'Attestation' and 'Breach notification', SIRA refers to the 'standards of conduct' and the 'standards of customer service' as opposed to the 'customer service conduct principles'. Is SIRA referring to other standards such as those articulated in the Motor Accident Guidelines or Standards of Practice?

#### **Response to specific consultation questions:**

*Q1 - Are the customer service conduct principles sufficient and appropriate to protect customers and ensure confidence within the state's insurance schemes?*

Currently both the NSW CTP and Workers Compensation schemes have existing guidelines and regulations that are designed for and are achieving the purpose/objective of these proposed Principles.

The principles as described are subjective and the consultation paper does not provide any detail as to how an insurer's performance against the principles would be measured. Further detail is required for insurers to have a comprehensive understanding of the proposed

measurement of compliance with the principles and how an insurer evidences compliance before any attestation could be provided.

*Q2 – Are there other principles of customer service conduct that should be considered?*

No.

*Q3 – How regularly should insurers attest to compliance with the customer service conduct principles? Is an annual attestation sufficient?*

Allianz CTP, along with all CTP insurers in the NSW scheme already attest to the obligations outlined in our annual business plan three times per year.

From a Workers Compensation perspective, icare engage third party auditors to complete Conduct Risk Audits as part of the Authorised Provider contract. These audits review the application of the claims service model together with claims management practices (including quality of communication and customer outcomes) to identify any evidence of conduct risk to the customer.

Given the above attestations are already in place, an annual attestation to the customer service conduct principles would be sufficient.

*Q4 – 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)*

Allianz support the attestation being in the form of a self-assessment of compliance with the principles, with SIRA having the ability to conduct random reviews of self-assessments to ensure their accuracy.

*Q5 – Should the attestations sought from insurers be at Board and/or management level?*

Allianz propose that any attestation in relation to these Principles is sought from management level.