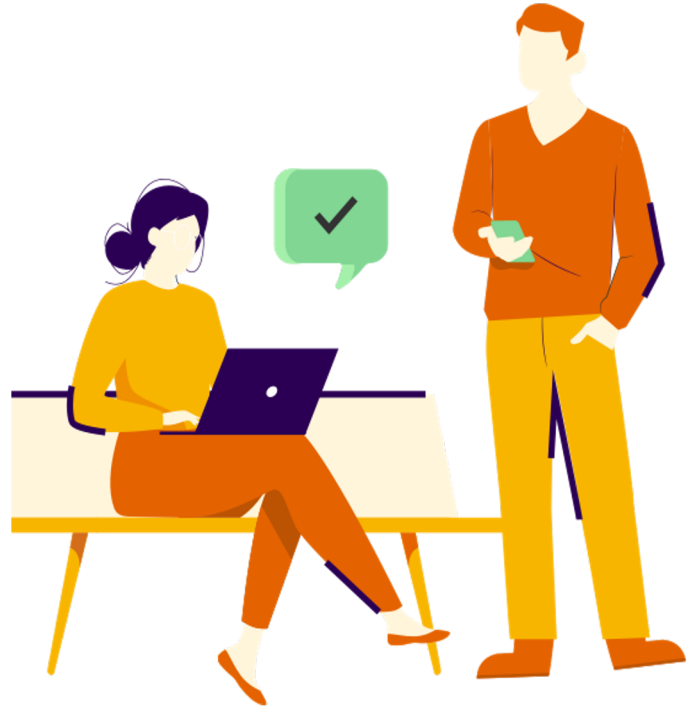


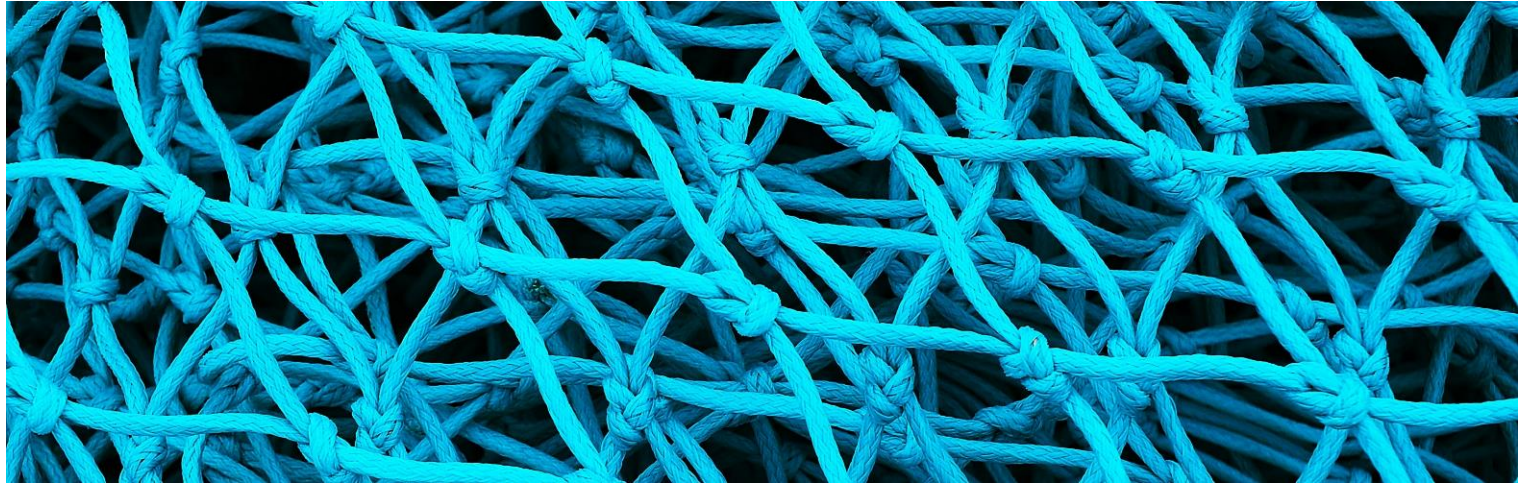
Essential guide to your regulatory obligations with RG 271

What you absolutely need to know

September 2021



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1. Applicability

Does RG 271 apply to your organization?

2. Purpose

Why is this new regulation coming?

3. New complaint process

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What does it mean for your organization?

4. So what?

Checklist of what you need to get ready

The new complaints regulation applies if you hold an AFSL license, are a service provider and deal with General Insurance Products

RG 271 applies to you if:

- You hold an **AFS License**
- You are a **distributor** or **service provider** to an insurer (AFSL holder)
- You deal with **retail clients** and **retail products**, however in practice you will want to use? for all general insurance complaints, except for workers compensation and CTP.



The purpose of the new complaints regulation is to improve customer outcomes

Purpose of RG 271

Improve customer outcomes

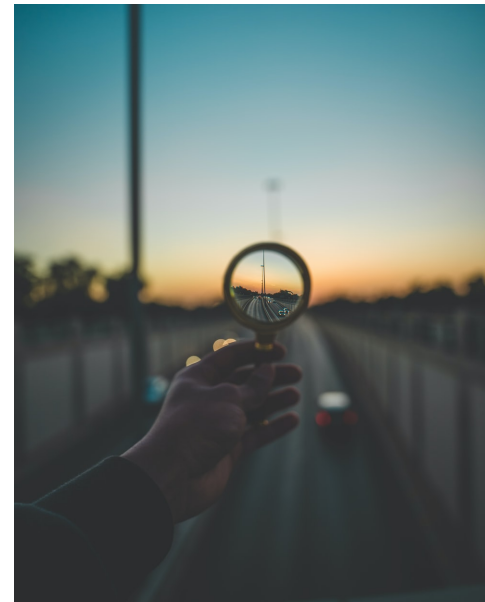
Highlight elements that must be contained in an IDR (internal dispute resolution) system

Main facts

Start date 5th Oct 2021 – i.e. all complaints received on or after **must comply**

Enforceable paragraphs are a “must”

Consider RG 271 & GICOP



The new complaint process has broader complaint definitions and stricter rules



1

Identify & record a complaint

- Broader definition of a complaint with mandated information to be collected
- Make sure that the complaint process is easy, accessible & free

2

Identify vulnerability & triage

- Initial identification of vulnerability is crucial and required by GICOP
- Once identified, the complaint must be triaged & handled with a higher priority

3

Confirm the receipt to the complainant

- The regulation requires a confirmation via complainants preferred channel and mandates specific information requirements
- The recommended timeline is 24 hours from the receipt of the complaint

4

Inform the insurer within 2 business days

- All entities that work with or on behalf of insurers must inform the insurers of every new complaint within 2 business days (GICOP requirement)

5

Triage & resolve within max 30 days

- The overall expectation is to resolve the complaint ASAP
- Specific rules for complaints resolved within 5 business days
- Maximum resolution timeline is 30 days with specified exceptions for delays

6

Keep the records & refer (e.g. to AFCA) if necessary

- ASIC has created a Data Dictionary that is planned to be implemented as an obligation (not yet), however a certain set of records must be kept (e.g. written confirmation that the complainant is satisfied with the outcome of the complaint)

Main changes to your formal obligations (1/2)



- A broadened **definition of ‘complaint’** e.g. to include dissatisfaction expressed on social media (where controlled by the firm and the author is identifiable/contactable) -> *De facto it will mean that a lot of expressions of dissatisfaction will be reordered as complaints. Also, firms will need to start monitoring different channels for feedback.*



- **Shorter maximum deadlines** for responses to complaints -> *This will be the hardest change to implement since it is enforceable by ASIC (30 days max). For a lot of service suppliers, it will mean significantly reduced timelines (e.g. 5-10 days) & stricter controls from insurers (e.g. SLAs).*



- Additional **resourcing requirements** -> *ASIC requires “adequate” resourcing, which will allow companies to comply with the timelines. Companies will need to monitor their complaints workloads proactively.*



- Requirements for firms to include **written IDR notices** -> *This is one of the reasons XLS spreadsheets won’t do the job anymore, since ASIC requires written records not only for emails sent to complainants, but also confirmations on their end as well as all AFCA-related documentation*

Main changes to your formal obligations (2/2)



- Identifications of **systemic issues**-> ASIC will expect complaints to serve as the primary indicator of systemic issues requiring the company to act upon them. ASIC has specified the types of systemic issues that it expects companies to monitor & report on.



- **Processes to act in the best interest** of the customer -> There are a number of process directives, some of them formulated as enforceable paragraphs, which are meant to provide a customer with a better outcomes (e.g. mandatory check with the customer, if they are satisfied with the outcome of their complaint).



- ASIC Mandatory **data reporting**-> As of 5th of October, the reporting is not mandatory. However, ASIC is planning to mandate the reporting standard in 2022.

What you need to get ready for the 5th of Oct

Checklist

- | | | |
|---|--|-------------------------------------|
| 1 | Description of your (IDR) complaints process with contact details of parties involved | <input checked="" type="checkbox"/> |
| 2 | Make sure that the (e.g. NSW) gov help hotlines are visible to support people with disabilities or who are experiencing vulnerability (GICOP requirement) | <input checked="" type="checkbox"/> |
| 3 | Have your privacy policy accessible from the place (e.g. web address) where your complaints are | <input checked="" type="checkbox"/> |
| 4 | Prepare a fact sheet with contact details of AFCA | |
| 5 | Make sure that anyone can lodge a complaint and that it is free (e.g. publish a web form, provide a link to a web form, provide a phone number, email address) on a public website / other channels (e.g. in emails etc) | |
| 6 | Train staff (front and other) to identify and handle complaints (e.g. inform them about the new timelines, vulnerability requirements, data capture) | |
| 7 | Work out and agree on the process (timelines) with your partners – e.g. Underwriters, suppliers etc. Document the process & SLAs. | |

