



# **Insurance Compliance Re-Imagined**

**Changes to Complaints  
regulation – what you  
need to know**



# OUR AGENDA FOR TODAY

**01** Summary of Complaints regulation (RG 271) and what it means for your business

**02** Changes to data and reporting requirements

**03** Practical tips on how to implement the changes

**04** Using technology to comply with new requirements



# There are several regulations & contractual obligations that are relevant to Complaints handling

**Main regulatory documents** that specify rules that govern complaints handling:

- RG 271 – Internal Dispute Resolution | ASIC
- General Insurance Code of Conduct (GICOP) | ICA
- Broker Code of Practice | NIBA
- Other

In addition to those, you might have contractual obligations –e.g., SLAs (service level agreements):

- With your clients & their partners (e.g., Underwriters, Insurers, suppliers) – e.g., Complaints handling manual, contractual SLA etc.
- Internal service standards





# Timeline for implementation of ASIC Complaint requirements

Complaints or Internal Disputes are regulated by ASIC and the new guide [RG 271](#) was introduced **by ASIC on 5<sup>th</sup> Oct 2021**. It replaced the previous guide RG 165.

The guide applies to the following:

- Australian financial services (AFS) licensees,
- unlicensed product issuers,
- unlicensed secondary sellers,
- trustees of regulated superannuation funds
- Other firms specified in the guide

The new reporting format and standard has been **rolled out in three stages**:

- **First tranche** firms have already submitted their first IDR reports to ASIC. Their first submission window was 1 January to 28 February 2023, covering the six-month reporting period 1 July to 31 December 2022, and their reporting obligations are now ongoing.
- **Second tranche** firms will first report in the submission window from 1 July to 31 August 2023, covering the six-month reporting period 1 January to 30 June 2023.
- **Third tranche** firms will first report in the submission window from 1 January to 29 February 2024, covering the six-month reporting period 1 July to 31 December 2023.





# The regulator has set up clear rules and expectations towards a complaint process

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## Identify & record a complaint

- Broad definition of a complaint as “expression of dissatisfaction” and 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 and Broker Code of Conduct
- Once identified, the complaint must be triaged & handled with a higher priority

3

## Confirm the receipt to the complainant

- Confirmation via complainants preferred channel
- The recommended timeline is 24 hours from the receipt of the complaint

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## Inform the insurer within 2 business days (GICOP requirement)

- All entities that work 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 (mandatory)

- 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

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

- ASIC has created a Data Dictionary that is being rolled out in phases, however a certain set of records must be kept (e.g., written confirmation that the complainant is satisfied with the outcome of the complaint)



# What the Complaints requirements mean for your business

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- **Record any “expression of dissatisfaction” as complaint.** The complainant does not need to say the word “complaint” in order to express it. Best practice is to record more than less and treat a complaint as feedback.



- **Do not forget about the 30 days deadline to respond to the complainant with a resolution.** The deadline is strict, surpassing it results in the breach of RG 271. It is important to remember that it applies to all parties involved (e.g., TPA, MGA, Underwriter, broker etc.) If the complaint is particularly complex or requires extra time (timeline driven by a third party), an **exception needs to be documented and complainant needs to be informed.**



- **Data requirements** (specified in the IDR handbook) – under RG 271 ASIC expects a certain format of information collected for each complaint that includes e.g., age, gender, postcode etc.



- **Written notices to and from complainants** – if the complaint is not resolved within the first 5 days, the regulator expects a written response to be sent to the complainant as well as their acceptance of the outcome.



- Identify and address **systemic issues.** Complaints data provides rich insights into potential systemic issues. These need to be identified and addresses as soon as possible. In certain cases, they need to be reported to ASIC or other supervisory bodies.



- Identify potential **customer vulnerability** and address it – e.g., difficulty with English language (provide reference to Translating and Interpreting Services or information in foreign language), difficulty with phones, hearing, speaking etc. (National Relay Services), age, family and personal matters, financial distress etc.



- **Ease of making a complaint** – customers need to understand that making a complaint is their right and it must be relatively easy for them to exercise it (e.g., by writing an email, speaking to someone, filling an online form etc.) Customers need to be informed about their rights (preferable in simple language) and expectations from the complaints process (e.g., independent review of the matter, speedy resolution, written response etc.)



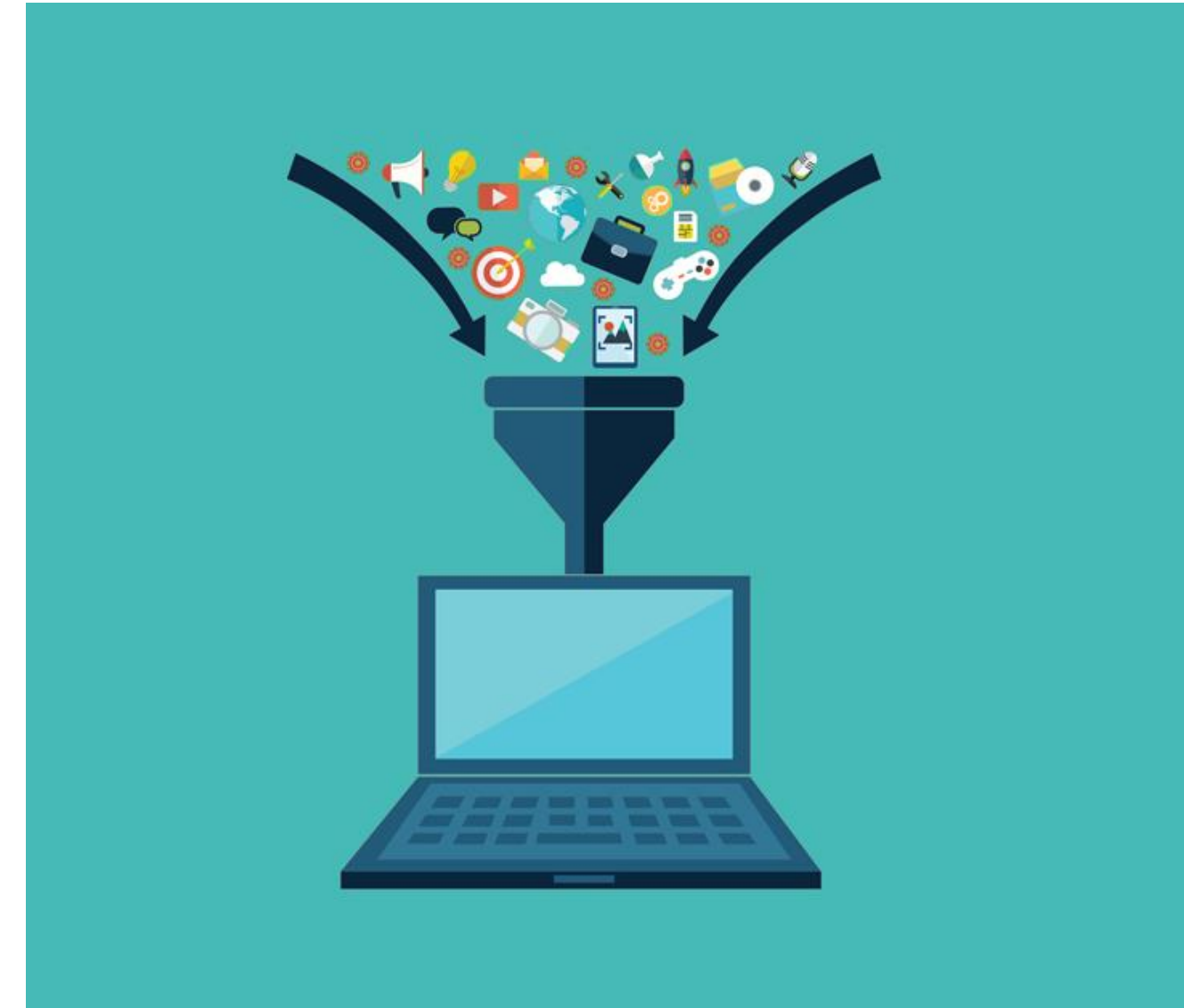
# Starting from the 1st of July Complaints data need to be recorded in a new format for most financial firms (third tranche)

## Data collected

- **16 data elements with a set of pre-defined options and codes**, e.g., complaint issues related to specific products. See the latest version of the IDR data handbook [here](#).
- There are specific requirements towards the type of information:
  - 10 out of 16 fields are “**Mandatory**”, meaning that the data element must be completed for all complaints (noting that ‘not applicable’ or ‘unknown’ options may be available)
  - 5 out of 16 fields are ‘**Conditional**’, meaning that the data element must be completed if a certain answer has been provided at another data element (e.g., the requirement to complete data element 10 ‘Date closed’ depends on a closed status being recorded at data element 7 ‘Complaint status’.)
  - One field is ‘**Optional**’, meaning that the financial firm can choose whether to complete the data element or leave it blank.

## Reporting requirements and frequency

- Reports need to be submitted to ASIC for **each 6 months period**
- Reports need to be uploaded to **ASIC reporting portal**
- Reports need to be submitted in **machine-readable format** (contain specific headings and data in the report must pass the rules validation).
- ASIC will run a **two-stage validation** (basic validation and deep validation) and will inform you in case the report failed either stage





# Practical tips on how to implement the changes

We have worked with companies that implemented the change. Here are some lessons learned:

## What works:

- ✓ Focus on **training for customer-facing** staff to help them spot a complaint – 2-3 times per year and using specific examples
- ✓ **Internal checks for “proxy words”** in emails or call recordings to check if “expressions of dissatisfaction” are being picked up regularly
- ✓ **Structured data collection** forms for customers and internal staff
- ✓ **Clear instructions to staff** how to fill out the forms and how to treat “complex” cases (e.g., when the complaint is made against a different firm)
- ✓ Using data from Complaints to **improve internal processes** – e.g., add a new FAQ to address the excess for people under 25
- ✓ Having a clear process of **complaint handling, reporting, and assigned responsibilities and escalation mechanisms**

## What doesn't work:

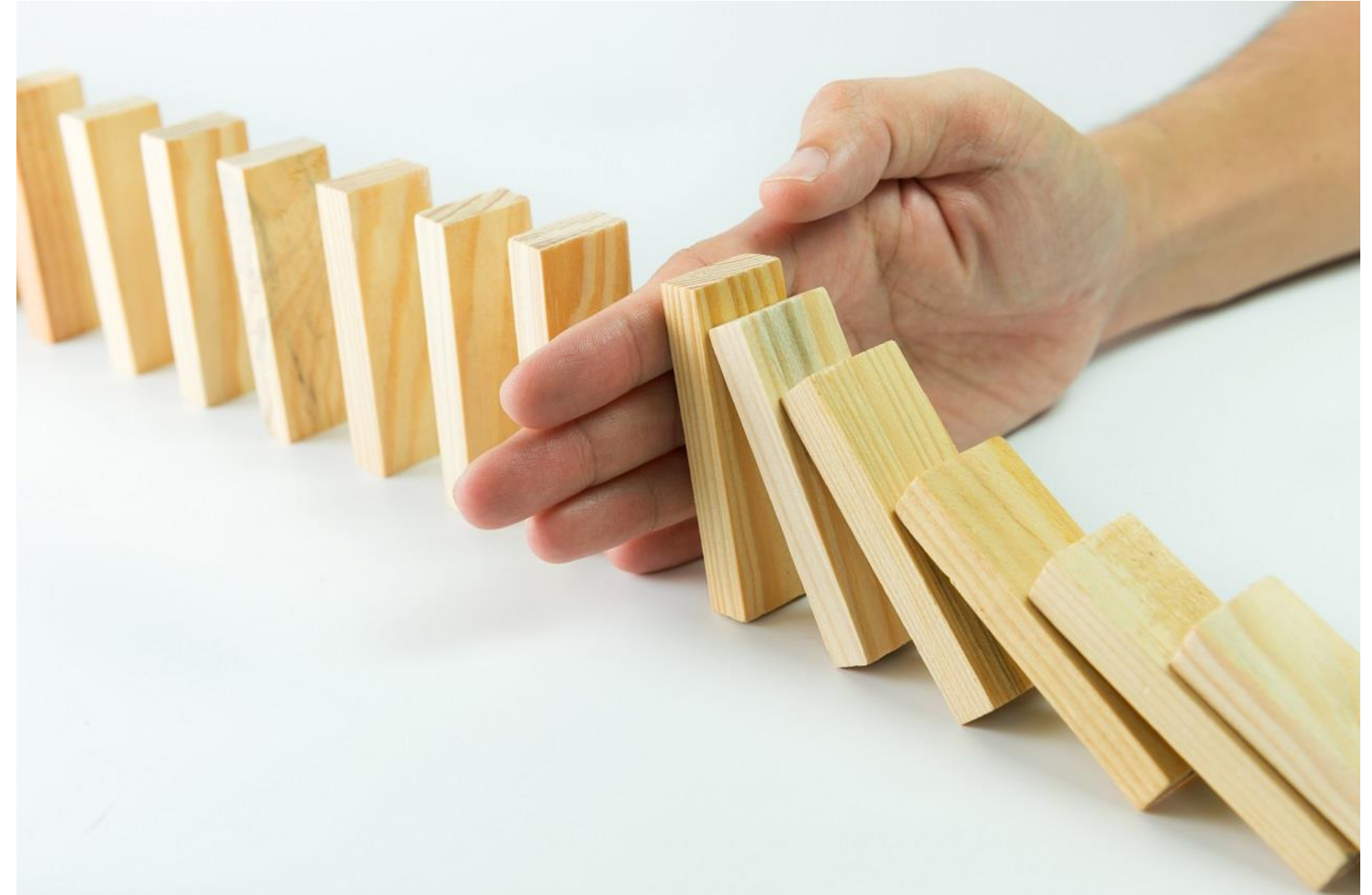
- x Expecting that **staff members “know it all”** and not providing them with extra trainings
- x Expecting that data & reporting is **“not my job”** or “IT’s job” etc.
- x Not recording a **complaint that is directed towards another firm / service provider**
- x Directing and treating complaints as **“feedback”** – e.g., providing customers with email [feedback@xyz.com.au](mailto:feedback@xyz.com.au) to lodge a complaint
- x Having **too many channels** or unclear path of how a complaint can be reported – e.g., no regular oversight of social media channels
- x **Lack of active timeline tracking** for complaint resolution (30 days) and breach recording
- x Common belief “Our customers love us and **don’t complain**”





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Curium helps  
businesses to  
simplify Compliance  
and make it  
everybody's  
business





# We made it our mission to simplify compliance with the new regulations

## What we do:

### Provide the toolbox for all your compliance records:

- Out-of-the-box incident management framework
- Complaints management framework (ASIC RG271)
- Automated reporting
- Five registers required by most regulators
- Easy ways for staff to report incidents, complaints, conflicts of interest and keep of their training
- Advance system of breach warning

### We train your people

- We provide trainings dedicated to compliance

### We help you set up and run effective and cost-efficient Compliance

## What our clients say:

*"Great alternative to CCX360"*

*"The easiest system I have ever seen"*

*"My staff started recording incidents and complaints"*

*"I don't need to bother with reporting any longer. Curium does it."*

*"I finally understood what Compliance means"*

[See how it works](#)