

Private Health Insurance Intermediaries

Code of Conduct

MARCH 2019

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PRIVATE HEALTH INSURANCE INTERMEDIARIES CODE OF CONDUCT

PART A: GENERAL

1. INTRODUCTION

The Private Health Insurance Intermediaries Code of Conduct (“**Code**”) is a self-regulatory code to promote honest, informed and transparent relationships between Private Health Insurance Intermediaries and customers.

The Code assists to maintain and enhance regulatory compliance and service standards across the private health insurance industry. The provisions in this Code are for the purpose of clarification or are in addition to the existing regulatory obligations on Intermediaries.

The Code will be reviewed every three years. Reviews will involve the input of a range of stakeholders including, but not limited to: industry, customers and regulators.

2. OUR COMMITMENTS UNDER THE CODE

We will:

- (a) continuously work towards improving standards of practice and service in the private health insurance industry;
- (b) act in the best interests of customers;
- (c) put customers’ interests before our own or those of the insurers;
- (d) if we cannot identify a product that better meets their needs, advise customers to remain with their current Private Health Insurer;
- (e) promote better informed decisions about private health insurance products and services by:
 - (i) ensuring that our proposals contain all required information;
 - (ii) providing an effective explanation of the contents of the policy documentation in plain language and in the form requested by a customer;
 - (iii) ensuring that our staff and other persons providing information on our behalf are appropriately trained;
- (f) provide information to customers on their rights and obligations under their private health insurance policy;
- (g) explain to customers our relationship with the Private Health Insurers we are recommending to them, including any commission arrangements; and
- (h) when we write to our customers, inform customers of our accreditation under the Code (including by publishing the Code logo on the communication) and inform customers that they can obtain the information in sub-paragraphs (i) to (iv) of paragraph (i) and how they can view or obtain a copy of that information;
- (i) publish on our website:
 - (i) our accreditation under the Code including the Code logo;
 - (ii) the identity of Private Health Insurers or general insurers whose products we are representing; and
 - (iii) the total number of Private Health Insurers or general insurers available to us to select from.
- (j) To ensure product recommendations are not influenced by commissions or other incentives.

PART B: DISPUTE RESOLUTION

1, PROVIDING ACCESS TO DISPUTE RESOLUTION

1.1 We will:

- (a) provide customers with easy access to our internal dispute resolution procedures;
- (b) undertake internal dispute resolution in a fair and reasonable manner; and
- (c) where internal dispute resolution procedures do not reach a satisfactory outcome for the customer, or if a customer wishes to deal directly with an external body, advise the customer of their right to take the issue to the private health insurer that may be the subject of the dispute or an external body, such as the Private Health Insurance Ombudsman; but apart from the provisions for enforcement and sanctions in this Code, a breach of the Code will not give rise to any legal right or liability to any person or organisation.

2. INTERNAL DISPUTE RESOLUTION

2.1 DOCUMENTED PROCESS

We will have a fully documented internal process for resolving a dispute between a customer and us.

This process will be readily accessible by customers, without charge.

The internal process will provide a fair and timely method of handling disputes, together with procedures for monitoring the efficient resolution of disputes.

2.2 RESOLUTION REQUESTS

Where we receive from a customer a request, whether written or oral, for the resolution of a dispute or a request for a response in writing in relation to the dispute, we will promptly reply to the customer within ten working days. If the dispute is not resolved in a manner acceptable to the customer, we will provide:

- (a) where appropriate, the general reasons for that outcome; and
- (b) information on the further action that the customer can take such as the process for resolution of disputes referred to in Section 2 below.

3. EXTERNAL DISPUTE RESOLUTION

3.1 REFERRAL TO RELEVANT AUTHORITY

In the event that a dispute is considered by the customer to be unresolved internally, we will advise the customer of the available external dispute resolution program(s) in which we participate.

This includes providing information on a Private Health Insurer or general insurer that may be involved as well as information regarding the Private Health Insurance Ombudsman or other relevant authority.

PART C: COMPLIANCE RESPONSIBILITIES

1. GENERAL RESPONSIBILITIES OF INTERMEDIARIES

We will ensure that if we are arranging private health insurance, providing advice or dealing with health cover provided by a general insurer we will:

- (a) discharge our responsibilities and duties competently and with integrity and honesty;
- (b) exercise reasonable care and skill;
- (c) comply with the provisions of all relevant legislation including, but not limited to, the *Private Health Insurance Act 2007*, the *Privacy Act 1988* including the *Australian Privacy Principles*, the *Competition and Consumer Act 2010* including the *Australian Consumer Law* and the *State Fair Trading Acts*;
- (d) maintain records required by law and comply with legal requirements for production of, access to, or copying of, such records;
- (e) provide such information as may be legally required by any regulatory or other authority;
- (f) comply with the Code where relevant;
- (g) not engage in any unlawful non-disclosure or misrepresentation;

Policy documentation or proposals

(h) ensure all policy documentation and proposals include the information required to be disclosed by the

Private Health Insurer or general insurer which will as a minimum contain:

- (i) waiting periods;
 - (ii) an explanation of the scope and implications of exclusions;
 - (iii) an explanation of the scope and implications of restriction on benefits;
 - (iv) an explanation of the scope and implications of benefit limitation periods;
 - (v) annual limits (individual and membership);
 - (vi) co-payments and/or excesses;
 - (vii) how to access the fund's complaints handling procedures;
 - (viii) advice they may cancel their private health insurance policy and if they have not yet made a claim, may receive a full refund of any premiums paid within a period of 30 days from the commencement date of their policy;
 - (ix) information about the existence of the Code and Code Logo; and
 - (x) advice that the documentation should be read carefully and retained; and
- (i) disclose to the customer or our principals the existence of any fees, commissions or other remuneration or benefits.

2. ADDITIONAL RESPONSIBILITIES FOR AGENTS ENGAGED BY PRIVATE HEALTH INSURERS/GENERAL INSURERS TO MARKET THOSE PRODUCTS TO CUSTOMERS

In addition to those responsibilities in Rule 1. GENERAL RESPONSIBILITIES OF INTERMEDIARIES above we will as agents of one or more Private Health Insurers and/or general insurers:

- (a) provide to the customer copies of policy wordings, insurance documentation and certificates;
- (b) explain options clearly to the customer and provide such information as is required to make an informed choice as to their health insurance purchase; and
- (c) promptly convey to the customer the policy documentation and other relevant information as required by the relevant Private Health Insurer or general insurer.

3. ADDITIONAL RESPONSIBILITIES OF BROKERS ENGAGED BY INDIVIDUAL CUSTOMERS TO RECOMMEND AND/OR ARRANGE PRIVATE HEALTH INSURANCE FOR THEM

In addition to those responsibilities in Rule 1. GENERAL RESPONSIBILITIES OF

INTERMEDIARIES above we as a Broker acting on behalf of a customer in relation to a PHI contract offered by a Private Health Insurer or general insurer will:

- (a) ensure customers are able to make an informed decision about their health insurance purchase by clearly explaining relevant options and providing all relevant information;
- (b) comply with our fiduciary obligations to our principal and the customer, including:
 - (i) avoiding conflicts of interest;
 - (ii) if a conflict of interest occurs, disclosing that conflict as soon as is reasonably practicable; and
 - (iv) maintain the confidentiality of our principal's records and other information.

Policy arrangements/renewal/cancellation

- (c) assist the customer in all ways to comply with the Private Health Insurer's or general insurer's requirements of the customer;
- (d) promptly provide the customer's proposal information to the Private Health Insurer or general insurer; and
- (e) not engage in any unlawful non-disclosure or misrepresentation

Drafting proposals

- (f) when requesting information from customers for information to prepare a proposal, ensure requests are in plain language and provide instruction where necessary on how the questions should be answered; and
- (g) when preparing proposals ensure information is in plain language.

4. ADDITIONAL RESPONSIBILITIES OF CORPORATE BROKERS ACTING ON BEHALF OF ORGANISATIONS WISHING TO OFFER HEALTH INSURANCE PRODUCTS TO EMPLOYEES

In addition to those responsibilities in Rule 1. GENERAL RESPONSIBILITIES OF INTERMEDIARIES above we as a Broker acting on behalf of an organisation wishing to offer health insurance products or health cover offered by a general insurer to their employees will:

- (a) ensure our principal is able to make an informed decision about their health insurance decisions by clearly explaining relevant options and providing all relevant information;
- (b) comply with our fiduciary obligations to our principal, including:
 - (i) avoiding conflicts of interest;
 - (ii) if a conflict of interest occurs or cannot be avoided, disclosing that conflict as soon as is reasonably practicable; and
 - (iv) maintain the confidentiality of our principal's records and other information.

Drafting proposals

- (c) when requesting information from our principal for information to prepare a proposal, ensure requests are in plain language and provide instruction where necessary on how the questions should be answered; and
- (d) when preparing proposals ensure information is in plain language.

PART D: TRAINING AND ACCREDITATION

1. TRAINING FOR AGENTS ENGAGED BY PRIVATE HEALTH INSURERS/GENERAL INSURERS TO MARKET THOSE PRODUCTS TO CUSTOMERS

1.1 TRAINING OF AGENTS

We will, as agents of a Private Health Insurer, ensure we possess the necessary skills appropriate to the private health insurance product we are arranging and the insurance services we are providing.

To this end, we will as agents ensure we receive adequate on-going training or instructions, and documentation from relevant Private Health Insurer/s to competently arrange PHI contracts for and provide the insurance services to customers that we are authorised to arrange or provide. This training will allow sufficient information for the customer to make an informed choice as to their health insurance purchase.

The obligation to receive training or instruction, and documentation will be ongoing and will include training or instruction and documentation in the areas of:

- (a) principles of health insurance and any relevant customer protection law;
- (b) product knowledge;
- (c) use of by us and distribution to customers of relevant product documentation;
- (d) what to do in the event of a claim;
- (e) the requirements of this Code; and
- (f) the requirements for our compliance with the Private Health Insurance Intermediaries Code of Conduct;

as may be appropriate in relation to the authority and responsibility of us as agents.

1.2 IMPLEMENTATION FOR AGENTS

In implementing these requirements, we will have regard to whether we as agents would ordinarily provide advice to customers.

If we as agents make no representations to customers and merely have brochures in our premises or receive claims from Private Health Insurer members, we will ensure we have information as to how customers may be able to obtain further product information and assistance from the relevant Private Health Insurer/s or general insurer/s.

We will ensure we, as agents do not make representations in relation to any product in respect of which we have not been trained to provide information. We will keep appropriate records of our advice to customers.

2. TRAINING OF BROKERS ENGAGED BY CUSTOMERS TO RECOMMEND AND/OR ARRANGE PRIVATE HEALTH INSURANCE FOR THEM AND CORPORATE BROKERS ACTING ON BEHALF OF ORGANISATIONS WISHING TO OFFER HEALTH INSURANCE PRODUCTS TO EMPLOYEES

2.1 TRAINING AND ACCREDITATION OF BROKERS AND CORPORATE BROKERS

We as Brokers and/or Corporate Brokers acting in the private health insurance industry will meet appropriate training and accreditation requirements including any requirements of a Private Health Insurer or general insurer with whom we deal.

This training will allow for sufficient information to be provided to the customer or principal to make an informed choice as to their health insurance purchase or decision.

3. TRAINING OF EMPLOYEES

We will:

- (a) ensure that employees involved in arranging insurance and in dispute resolution are familiar with the provisions of this Code and that they possess the necessary skills appropriate to their responsibilities;
- (b) provide adequate on-going training to employees, having regard to their roles and responsibilities; and
- (c) keep appropriate records of on-going training of employees.

3.1 IMPLEMENTATION FOR EMPLOYEES

In implementing these requirements, we will have regard to whether the employee would ordinarily provide advice to customers and, if this is not the case, we will provide such employees with information as to how customers may be able to obtain product information.

We will instruct and remind our employees not to make representations or provide advice in relation to any product in respect of which they have not been trained.

We will instruct our employees to explain the customer's options clearly and provide, in addition to the policy documentation, the information that the customer requires to make an informed choice as to their health insurance purchase. We will instruct employees to keep appropriate records of their advice to customers.

PART E: ADDITIONAL DISCLOSURE (AGENTS & BROKERS)

1. ADDITIONAL RESPONSIBILITIES FOR AGENTS ENGAGED BY PRIVATE HEALTH INSURERS/GENERAL INSURERS TO MARKET THOSE PRODUCTS TO CUSTOMERS

In addition to the requirements in Part A 2(h), we as agents will inform customers; of our status as agents, the fact that we are acting for the Private Health Insurer/s or general insurer/s and the nature of our association.

2. ADDITIONAL RESPONSIBILITIES OF BROKERS ENGAGED BY INDIVIDUAL CUSTOMERS TO RECOMMEND AND/OR ARRANGE PRIVATE HEALTH INSURANCE FOR THEM

In addition to the requirements in Part A 2(h), we as Brokers will inform customers of: (a) our status; and
(b) the company we are representing.

We will also inform customers and the corporate entity for whom we are acting of any associations between us and Private Health Insurers and/or general insurers.

3. ADDITIONAL DISCLOSURE REQUIREMENT FOR CORPORATE BROKERS OPERATING ON BEHALF OF ORGANISATIONS WISHING TO OFFER HEALTH INSURANCE PRODUCTS TO EMPLOYEES

In addition to the requirements in Part A 2(h), we as Corporate Brokers will inform our principal of our status.

PART F: DEFINITIONS

1. DEFINED WORDS

In the Code, the following terms mean:

“**advice**” means make representations about a product, including recommendations or statements of opinion intended to influence a decision in relation to a product;

“**agent**” means an insurance intermediary who acts for one or more Private Health Insurers and who acts on behalf of the Private Health Insurer/s;

“**association**” means the PHIIA;

“**broker**” means an insurance intermediary who is engaged by a customer and who acts on behalf of the customer who is the intermediary’s principal;

“**customer**” includes both current and prospective customers of PHIIA members who, whether alone or jointly with another, enters or proposes to enter into a PHI contract. For clarity, a customer can be a consumer, principal, organisation or client;

“**corporate broker**” means an insurance intermediary who is a representative of an organisation wishing to offer health insurance products provided by a Private Health Insurer or general insurer to their employees and acts on behalf of that organisation;

“**Board**” means the board of directors of the PHIIA set up to manage the affairs of the Association;

“**dispute**” means an unresolved complaint about a product or service of an Intermediary and for this purpose a complaint is an expression of dissatisfaction conveyed to an Intermediary together with a request that the complaint be remedied by the Intermediary;

“**general insurer**” means a general insurer offering health insurance products to customers that fall outside the Private Health Insurance Act 2007;

“**health insurance business**” is as defined in Division 121 of the *Private Health Insurance Act 2007*;

“**Intermediary**” means an “agent” or “aggregator” or “broker” or “corporate broker” defined in these Definitions.

“**Minister**” means the Federal Minister or his or her delegate with the powers vested in the Minister under the *Private Health Insurance Act 2007*;

“**PHI**” means private health insurance;

“**PHIIA**” means the Private Health Insurance Intermediaries Association, an industry body that agents and brokers may join if they wish;

“**PHI policy**” or “**product**” means each **contract of insurance** arising out of or in connection with health insurance business between a Private Health Insurer and a customer;

“**PHIO**” means the Private Health Insurance Ombudsman as appointed by the Minister from time to time;

“**Policy documentation**” means private health insurance policy information in brochures, websites or other printed or electronic form;

“**Principal**” means insurance agent or broker;

“**Private Health Insurer**” means a registered health benefits fund under the *Private Health Insurance Act 2007*;

“**proposal**” means a document in any form prepared by an Intermediary offering a private health insurance product or products to a customer or to an organisation.

NOTES:



Private Health Insurance Intermediaries Association

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