



Hon Tim Nicholls MP
Member for Clayfield
Treasurer and Minister for Trade

TOQ-00559

02 JUL 2012

Mr Neil Laurie
The Clerk of Parliament
Queensland Parliamentary Service
Parliament House
George Street
BRISBANE QLD 4000

Dear Mr Laurie *Neil,*

Thank you for your letter of 28 May 2012 enclosing a copy of Petition No. 1816-12 presented to the Queensland Legislative Assembly regarding the offshoring of jobs by the Suncorp Group.

I wish to advise regulation of the financial services industry is not a responsibility of the Queensland Government. The Australian Prudential Regulation Authority (APRA) is the prudential regulator of the Australian financial services industry. It oversees banks, credit unions, building societies, general insurance and reinsurance companies, life insurance, friendly societies and most members of the superannuation industry. APRA may be contacted in writing to GPO Box 9836, Brisbane QLD 4001, or by telephoning the information line on 1300 558 849.

While regulation of insurance is a Commonwealth responsibility, the Queensland Government is providing input into policy development at the national level to ensure the necessary steps are taken to address some of the difficulties encountered during last year's unprecedented series of natural disasters.

In response to the deluge of complaints, including the insurance industry's handling of claims, a national review of disaster insurance (NDIR) was undertaken. The NDIR presented its final report on 30 September 2011 with several of the 47 recommendations aimed at improving the industry's claims management practices. The NDIR also recommended changes to the General Insurance Code of Practice (Code of Practice) imposing a set timeframe for assessing and deciding claims and resolving internal claims disputes.

Level 9 Executive Building
100 George Street Brisbane
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone +61 7 3224 6900
Facsimile +61 7 3211 0122
Email treasurer@ministerial.qld.gov.au
Website www.treasury.qld.gov.au
ABN 90 856 020 239

As a result, a number of definitive steps have already been taken to strengthen product disclosure requirements and ensure consumers are better informed.

In addition to the NDIR, the House of Representatives Standing Committee on Social Policy and Legal Affairs (the Committee) also reviewed the claims processing arrangements of insurers, the time taken to process claims and the effectiveness of the Code of Practice and internal and external dispute resolution processes. Among its 13 recommendations, the Committee calls on the Australian Government to legislate to make compliance with the Code of Practice compulsory for all general insurers and to empower the Australian Securities and Investments Commission (ASIC) to regulate insurance claims handling, settlement and disputes. The Committee also recommends ASIC have the authority to be able to publicly 'name and shame' insurers that breach the Code and fail to do the right thing by their customers.

The Queensland Government believes the Australian Government should strengthen the regulatory framework under which the insurance industry operates, including changes to the General Insurance Code of Practice as recommended by both national inquiries to ensure greater consumer protection. The Queensland Government has met with the Insurance Council of Australia (ICA) who has given a commitment to address government and consumer concerns and improve the performance of the industry particularly following a natural disaster. While some changes have already been made to the Code of Practice to provide greater certainty for policyholders, the ICA has brought forward its triennial independent review of the Code to July and will consider further revisions to the Code in light of the outcomes of these inquiries.

I can assure the petitioners that the Queensland Government will continue to work with the Australian Government and the ICA to do all that it can to ensure that people who've been through a traumatic natural disaster are not further traumatised by unacceptable delays in the assessment of their insurance claims or misunderstandings about the scope and extent of their policies.

I trust this information is of assistance and thank you for bringing the concerns of the petitioners to my attention.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Tim Nicholls', written in a cursive style.

Tim Nicholls
Treasurer and Minister for Trade