

**Highlights Summary For CAFII Verbal Sharing With
CCIR/CISRO Fair Treatment of Customers (FTC) Working Group
In March 27/19 Quarterly Follow-up Meeting Re Industry Implementation of
“Guidance: Conduct of Insurance Business and Fair Treatment of Customers”**

On February 2019 Visit To CAFII By Helen Troup, Executive General Manager, Comminsure, Australia

Background

- The Australian Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry released its final report on 4 February, 2019
- CAFII has been reviewing the Commission’s report and recommendations carefully, particularly those related the Australian bancassurance/creditor insurance industry
- We wanted to understand where the Canadian bancassurance/creditor insurance industry is different from, and where it has similarities to, its Australian counterpart industry, particularly in terms of fair treatment of consumers
- To ensure that the Canadian bancassurance/creditor insurance industry could learn directly from the Australian experience, CAFII invited Helen Troup, Executive General Manager of Comminsure, Australia to travel to Toronto meet with CAFII and its members. Comminsure is the insurance arm of the Commonwealth Bank of Australia (CBA), the largest bank in Australia. Ms. Troup provided testimony to the Australian Royal Commission hearings.
- Ms. Troup spent a week with CAFII and its members in February 2019, speaking candidly to a special purpose meeting of the CAFII Board of Directors, and meeting individually with 11 of CAFII’s 13 members.

Key Learnings From Helen Troup’s Visit To CAFII

- Proper conduct is very much about common sense—make sure your customers have signed up for the products you sell them, want them, and get value from them.
- The Australian Royal Commission issued six underlying principles to guide the industry’s Norms of Conduct—and Ms. Troup, asked, “who could be against those principles?” They are:
 - *Obey the law*
 - *Do not mislead or deceive*
 - *Act fairly*
 - *Provide services that are fit for purpose*
 - *Deliver services with reasonable care and skill*
 - *When acting for another, act in best interest of that other*
- Insurance is about trust and when that trust is lost, it is very hard to get it back.
- There was a culture of complacency in the Australian insurance industry — the industry operated under the expectation premise of “we’ve found a problem, so now we will fix it” — which ultimately proved to be at odds with societal expectations. An airline company cannot say it will fix a problem after a plane crashes and its customers perish; similarly, insurance industry players must seek to prevent and avoid problems in the first instance, not fix them afterwards.
- In Australia, there needs to be a more proactive, customer-centred approach to how the business is conducted, as opposed to a focus solely on business objectives.