



Insurance Council  
of Australia

5 August 2025

Credit, Banking and General Insurance  
Australian Securities and Investments Commission

By email: [rri.consultation@asic.gov.au](mailto:rri.consultation@asic.gov.au)

Dear ASIC

## **Proposal to remake digital disclosure legislative instruments and updates to Regulatory Guide 221**

The Insurance Council of Australia (Insurance Council) welcomes the opportunity to respond to the Australian Securities and Investments Commission's (ASIC) proposal to remake two legislative instruments on digital disclosure due to sunset and update Regulatory Guide 221 *Facilitating digital financial services disclosures* (RG 221).<sup>1</sup>

The Insurance Council is the representative body of the general insurance industry in Australia and represents approximately 85 per cent of private sector general insurers. As a foundational component of the Australian economy, the general insurance industry employs approximately 60,000 people and on average pays out \$147 million in claims each working day (\$36.5 billion per year).

### *Commentary*

The Insurance Council welcomes the proposal to simplify RG 221, *Facilitating digital financial services disclosure*, and supports efforts to enhance clarity and usability. We further note ASIC's proposal to remake the following electronic disclosure instruments for a further five-year period:

- [ASIC Corporations \(Facilitating Electronic Delivery of Financial Services Disclosure\) Instrument 2015/647](#); and
- [ASIC Corporations \(Removing Barriers to Electronic Disclosure\) Instrument 2015/649](#).

As previously advised, insurers are unable to adopt widespread electronic forms of disclosure available to other financial services providers through instrument 2015/647. The instrument only applies to obligations under the *Corporations Act 2001* (Cth) ('the Corporations Act') and does not apply to obligations under the *Insurance Contracts Act 1984* (Cth) ('the IC Act'), modified by the *Electronic Transactions Act 1999* (Cth), with respect to this issue.

For disclosures required under the Corporations Act (including the requirement to provide a Product Disclosure Statement (PDS)), ASIC permits insurers to make disclosures electronically without first obtaining customer consent, provided certain criteria are satisfied, such as offering an opt-out mechanism. For disclosures required under the IC Act, to which instrument 2015/647 does not apply, customers must consent to receiving disclosures electronically, although that consent can be inferred.

Given that insurers must comply with both Acts, which both have requirements for utilising electronic disclosures, the differing requirements create practical challenges in applying the relief under Instrument 2015/647.

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<sup>1</sup> [ASIC Media Release \(9 July 2025\), ASIC consults on proposals to facilitate digital disclosure](#).

Insurers typically capture communication preferences at a customer level, meaning the more onerous requirements under the IC Act often apply in practice. This limits the ability to streamline or simplify disclosures and deliver a consistent digital experience for consumers.

Currently, disclosures are typically provided as hard copy (postage), or digitally (email), if consent is provided. In some instances, customers may access disclosure documents/notices on their online account or mobile application. However, policy information, such as product coverage or exclusions, can be challenging for some customers to understand.

We believe technology offers opportunities to improve consumer understanding and awareness, such as the use of illustrative disclosures, and/or personalised videos. The adoption of modern communication methods would help to streamline and future-focus communication, such as:

- Illustrative and interactive PDSs with clickable infographics.
- Artificial Intelligence chatbot functionality to help respond to customer queries; and
- QR codes linking to explanatory videos.

While ASIC maintains a technology-neutral approach, further clarity on how this principle is practically applied and future-proofed would be welcomed. A holistic approach to digital disclosure, such as ensuring consistency across instruments, guidance, regulations, and legislation, would support more efficient practices and better consumer outcomes. This would enable efficiencies and better understanding for customers on areas such as product coverage and exclusions.

#### *Specific feedback on RG 221*

We suggest further clarification on the proposed change of re-labelling from 'good practice' to more formalised guidance and if this impacts ASIC's regulatory expectations.

We also note the following challenges can arise in navigating RG 221 and Section D:

- Inconsistent application across legislative frameworks.
- Time and resources used to incentivise and record customer consent for digital disclosure to opt into digital disclosure. It would be preferable to have a more efficient and effective means of applying this across all disclosure requirements; and
- Ongoing costs associated with physical disclosure documents.

#### *Conclusion*

We appreciate the opportunity to provide feedback and support ASIC's commitment to modernising disclosure practices in line with evolving consumer expectations and technological capabilities. If you have any questions in relation to our submission, please contact [REDACTED]

Yours sincerely,

[REDACTED]

[REDACTED]