



ASIC
Australian Securities &
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To: Life insurer boards and executives

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ASIC's 2026–27 life insurance sector priorities

This letter outlines ASIC's key life insurance sector priorities for 2026–27, including both new activities and continuing areas of focus. It is intended to help life insurers plan, allocate resources and focus attention on the issues boards and executives should consider and act upon in the year ahead. The letter is also part of our response to industry requests for greater transparency of ASIC's regulatory priorities and planned activities.

ASIC's strategic priorities

ASIC's [2026–27 Corporate Plan](#) sets out five strategic priorities designed to support better financial outcomes for all Australians while driving productivity, enhancing responsible innovation and building a more resilient financial system. For life insurers, ASIC's central priority is improving consumer outcomes.

Life insurance landscape

Life insurers provide important financial protection for Australians, while operating in an environment shaped by questions around the sustainability of total and permanent disability (TPD) insurance, significant legacy products and systems, and rapid technological change. These pressures create challenges, but also opportunities to improve life insurance services and claims handling processes for consumers.

ASIC supports industry action to improve the long-term sustainability of TPD insurance, while emphasising that life insurers must continue to meet their legal obligations, including in relation to claims handling.

ASIC will continue to focus on the consumer impact of life insurers' activities. We want to ensure that life insurers maintain the competence and systems to operate efficiently, honestly and fairly, comply with licence obligations and promote trust and confidence in Australia's financial system.

Focus areas for 2026–27: New activities

Strategic priority: Improve consumer outcomes

Services in life insurance (Expected completion: Q3 2026–27)

Central to providing good service to customers is getting the basics right, which for an insurer includes retaining a copy of the insurance policy, calculating premiums correctly and paying out the right benefits. Data from complaints and breaches reported to ASIC continues to suggest that these basic services are a significant cause of issues and concern for consumers.

ASIC is currently conducting a review into service issues in life insurance. ASIC will likely publish a report in the third quarter of 2026–27. All life insurers should review their own practices against our findings when published.

Funeral insurance (Expected commencement: 2H 2026–27)

While funeral insurance was not included in this current review, ASIC continues to receive reports from Australian Financial Complaints Authority (AFCA) and consumer groups about issues with this type of insurance, particularly where costs exceed benefits. In light of these concerns, ASIC expects to review insurers' practices related to funeral insurance in the second half of 2026–27.

ASIC's other strategic priorities and relevant projects

Given the important role life insurers play in the lives of everyday Australians, they may also be included in broader reviews such as ASIC's financial reporting surveillance.

Life insurance may also be in scope for phase three of ASIC's review of superannuation member services.

Continuing areas of focus

ASIC will retain a continued focus on several key issues impacting consumers including misconduct targeting vulnerable customers, cyber resilience, and the impact of AI usage.

ASIC will also monitor the work of the Council of Australian Life Insurers (CALI) to draft a new Life Insurance Code of Practice following the final report of the independent review of the current code.

Engagement with peer regulators and supporting productivity

ASIC will continue to work with Australian Prudential Regulation Authority (APRA) and other Council of Financial Regulators (CFR) members on life insurance sector issues, including TPD sustainability and emerging cyber risks. This engagement will help ASIC understand the potential conduct implications of how life insurers are responding to these risks.

ASIC will continue to work with APRA, AFCA and Life Code Compliance Committee to exchange information on priorities and issues of concern, with a view to avoiding duplication of effort where appropriate.

ASIC will also continue to work with APRA and other regulators to streamline and harmonise data collection and sharing across regulators: see [CFR's Better regulation roadmap](#). We encourage the life insurance sector to continue raising practical examples of duplication, unnecessary burden or opportunities to simplify regulatory interactions with ASIC.

Looking ahead

Boards and executives should use this letter to inform their priorities for improvement and approach to engagement with ASIC.

I look forward to engaging with life insurers over the next year, both directly and via CALI.

Sincerely

Alan Kirkland

Commissioner

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