



Consultation Paper 813: Regulatory Simplification

Submission to Australian Securities and Investments Commission

Insurtech Australia for and on behalf of its members



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About this Submission

Insurtech Australia (Insurtech, we, us, our) welcomes the opportunity to engage with the Australian Securities and Investments Commission (ASIC) to lodge a submission on its report 813 Regulatory Simplification.

This submission was drafted by Insurtech Australia in consultation with our members. In developing this submission, input was provided by members and partners who participate in our Regulatory and Compliance Working Group.

Our response focuses on the strategic objectives of the proposal and the impact of the proposals on our members. In particular, our response considers how the proposals will impact early stage insurance businesses and those seeking to innovate within the insurance industry through new products, technologies and business models.

We have not provided detailed responses to the data elements as our comments relate to the proposal at a high level.

About Insurtech Australia

Insurtech Australia is Australia's leading not-for-profit industry association for insurance technology (Insurtech) and insurance innovation. Our mission is to make Australia a world leader in Insurtech and insurance innovation by supporting and growing the Australian Insurtech community, including Insurtech startups, insurers, hubs, accelerators and investors, and advocating on behalf of our members.

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Overall Strategic Input

Insurtech Australia's mission is to build a world leading ecosystem for insurance in Australia. We believe it is therefore important to balance innovation with consumer protection as innovation is also for the benefit of consumers.

Simplification should focus on clarity, not dilution. Clearer rules help protect consumers more effectively by reducing misinterpretation.

Industry roundtables, insurer and agency-specific working groups, and open feedback loops would allow us to contribute meaningfully. Insurtech Australia's participation on the Digital Finance Advisory Panel allows us to engage directly with ASIC and other regulators with our peer organisations and we would strongly encourage this and other similar forums to ensure the voice of innovation and smaller businesses are represented.

We would encourage consideration of models from other markets include UK FCA and Singapore MAS.

We consider that safe harbour protections can be used to ensure that innovation is balanced with consumer protection.

We have only responded to those questions of most relevance to our members in each section.



Section 1 – Improving access to regulatory information

5. Should we consider piloting additional roadmaps? If so, for which sectors?

We would encourage industry sector roadmaps for the General Insurance sector. Roadmaps for product governance, breach reporting, and distribution obligations would be most useful.

6. Would alternative formats of the regulatory roadmaps be helpful (for example, hard-copy versions or podcasts)?

We would find Interactive tools, webinars, and short-form explainer videos useful.

Section 2 – Reducing complexity in regulatory documents

8. Is our consolidation of financial reporting, accounting and audit instruments helpful? If not, please provide any feedback on how it could be improved.

Yes.

9. Is our simplification of the platform instruments helpful? If not, please provide any feedback on how it could be improved.

Product disclosure, claims handling, and breach reporting instruments are the ones that take up most compliance time.

10. Are there other ASIC relief or categories of instruments you consider should be simplified or consolidated? If consolidation were to occur, would it be most valuable for this to be organised by industry sector, topic or Corporations Act chapter?

Plain language, worked examples, and clear definitions would reduce ambiguity and compliance risk.

Instruments related to reportable situations and distribution obligations are complex and often require external legal advice. More active industry engagement on these topics would help, particularly for smaller businesses with less access to external legal support.



Section 3 – Making it easier to interact with ASIC

11. With respect to interacting with ASIC, other than the work we've outlined, is there anything else we should prioritise?

We are strongly supportive of accepting electronic signatures and email lodgements. We encourage the ability to make lodgements directly into the portal.

15. How would you prefer to interact with ASIC more generally? What can we improve?

Dedicated and engaged contacts for insurers and agencies.

Industry roundtables, insurer and agency-specific working groups, and open feedback loops would allow us to contribute meaningfully.

Section 4 – Simplification through law reform

16. What changes, if any, should be made to the reportable situations regime and substantial holding notices?

Clarifying thresholds for significance and extending reporting timeframes would enable better focus on resolutions.

Concluding questions

18. Of all the simplification work outlined, which do you think we should prioritise and why? Where possible, provide information or data about the cost savings that could be achieved.

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20. Are there any additional areas of simplification you would like us to consider?

From other discussions from other jurisdictions, the UK's FCA Handbook simplification and Singapore's MAS digital lodgement systems offer useful models.