



Insurance Council  
of Australia

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Australian Securities and Investments Commission

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

Dear Mr Sutcliffe

## **ASIC proposal to remake basic deposit and general insurance product distribution legislative instrument**

The Insurance Council of Australia (Insurance Council) welcomes the opportunity to respond to the Australian Securities and Investments Commission's (ASIC) proposal to remake [ASIC Corporations \(Basic Deposit and General Insurance Product Distribution\) Instrument 2015/682](#) ('the Instrument') for a period of five years.<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).

### **Overview**

The Insurance Council welcomes ASIC's proposal to remake the Instrument. We recognise that it forms a necessary and useful part of the legislative framework, providing relief to AFS licensees by allowing basic deposit and general insurance products to be distributed without the need to appoint distributors as Authorised Representatives (ARs).

We understand that the relief aims to provide consumers the same level of overall protection when buying general insurance products, at the same time as avoiding unnecessary or disproportionate burdensome regulation for distributors.

A further review of the Instrument may be appropriate to ensure it remains fit for purpose, aligns with the *Corporations Act 2001 (Cth)* ('the Corporations Act') and reflects modern practices.

### **Modernisation**

We refer to Section 2(c) of the Instrument which details that when the distributor provides the financial service to another person (the client) as a retail client:

*'(i) the distributor draws the client's attention to the availability of a dispute resolution system of the licensee that covers complaints by the client in relation to the financial service and how that system may be accessed; and*

*(ii) if the distributor is dealing in a general insurance product or a bundled consumer credit insurance product, the client is given information in writing about:*

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<sup>1</sup>ASIC Media Release (28 May 2025). '[CS 20 Proposed remake of basic deposit and general insurance product distribution legislative instrument](#)'.

*(A) who the distributor acts for when providing the financial service; and*

*(B) any remuneration (including commission) or other benefits that the distributor, or an associate of the distributor, may receive in respect of, or that is attributable to, the provision of the financial service.'*

The Instrument requires that certain disclosures must be provided in writing at the time the financial service is provided. A practical issue that can arise from this 'in writing' requirement includes customers declining to receive disclosure statements during real-time interactions (such as via telephone or web chat), where these could be delivered digitally.

The Corporations Act allows certain disclosures to be made orally or provided at a later time in time-critical situations or upon request. This includes for example Financial Services Guides (FSGs), where oral disclosures may be made and a written FSG provided later.

We encourage ASIC to consider ways to modernise and align the Instrument with current customer expectations, such as:

- Enabling distributors to provide real-time shortened disclosures, with full written disclosures provided subsequently (such as in the FSG or PDS) in circumstances where the customer does not want immediate full written disclosure.
- Clarifying the definition of 'arranging' for the purposes of the Instrument and how quoting interacts with this obligation; and
- Ensuring alignment with related instruments, such as:
  - [ASIC Corporations \(Financial Services Guides\) Instrument 2022/910](#); and
  - [ASIC Corporations \(PDS Requirements for General Insurance Quotes\) Instrument 2022/22](#).

### *Conclusion*

We appreciate ASIC's commitment to maintaining a regulatory framework that is both consumer-focused and responsive to changes in modern practices.

If you have any questions in relation to our submission, please contact myself or [REDACTED] Director Regulatory and Consumer Policy, at [REDACTED]

Yours sincerely,

[REDACTED]

[REDACTED]  
General Manager, Regulatory and Consumer Policy