

11 October 2019

Manager
Financial Services Reform Taskforce
The Treasury

Via email – ProductRegulation@treasury.gov.au

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Dear colleagues

MIGA Submission – Draft Product Design & Distribution Regulations

As a medical defence organisation and medical / professional indemnity insurer with over 34,000 members and a national footprint, MIGA appreciates the opportunity to contribute to Treasury's consultation on the exposure draft Corporations Amendment (Design and Distribution Obligations) Regulation 2019.

MIGA supports Treasury's proposal to exempt medical indemnity insurance from the product design and distribution obligations under the *Corporations Act 2001* (Cth). Consistent with Treasury's position, MIGA considers these obligations to be unnecessary and inappropriate for this line of insurance.

Medical indemnity insurance is a highly regulated product with a clear target market. It is very competitive, with insurers offering similar cover to a sophisticated market. It has active professional interest groups, closely engaged with insurance issues, including ongoing review and reform initiatives. The professional regulator of medical practitioners, the Medical Board of Australia, stipulate the professional indemnity insurance requirements which practitioners are legally required to have in place in order to practice.

Any application of the product design and distribution regime would cause significant complexities and uncertainties for medical indemnity insurance. It is governed by a range of mandatory minimum product standards. There are a number of Commonwealth Government schemes applying to medical indemnity insurance. These include Insurer of Last Resort / Universal Cover provisions requiring compulsory offers of medical indemnity insurance to be made in various circumstances.

Application of the product design and distribution regime to medical indemnity insurance would create new obligations not applicable to other lines of professional indemnity insurance. Medical indemnity insurance is much closer in nature and substance to professional indemnity insurance than other lines of retail general insurance.

You can contact Timothy Bowen, telephone 1800 839 280 or email timothy.bowen@miga.com.au, if you have any questions about MIGA's Submission, or if you would like to discuss further.

Yours sincerely



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