

EXPOSURE DRAFT

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Inserts for
**Financial Sector Reform (Hayne Royal
Commission Response—Protecting
Consumers (2020 Measures)) Bill 2020:
Deferred sales model for add-on
insurance**

Commencement information

Column 1**Column 2****Column 3**

Provisions**Commencement****Date/Details**

1. Schedule [4.3] The day after the end of the period of 12
months beginning on the day this Act
receives the Royal Assent.

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Schedule [4.3]—Deferred sales model for add-on insurance

Australian Securities and Investments Commission Act 2001

1 Subsection 12BA(1)

Insert:

add-on insurance deferral period has the meaning given by section 12DP.

add-on insurance pre-deferral period has the meaning given by section 12DP.

add-on insurance product, in relation to a product or service, has the meaning given by section 12DO.

2 Subsection 12BA(1) (definition of *consumer*)

After “*consumer*”, insert “, in relation to financial services,”.

3 After Subdivision D of Division 2 of Part 2

Insert:

Subdivision DA—Deferred sales for add-on insurance products

12DO Meaning of *add-on insurance product*

- (1) An *add-on insurance product*, in relation to another product or service (the *principal product or service*), is a financial product that:
- (a) is offered or sold to a consumer in connection with the consumer acquiring, or entering into a commitment to acquire, the principal product or service as a consumer; and
 - (b) is offered or sold by:
 - (i) the provider of the principal product or service; or
 - (ii) another person, in accordance with an arrangement between that other person and the provider of the principal product or service; and

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- 1 (c) manages financial risk (within the meaning of
2 section 12BAA) relating to the principal product or service;
3 and
4 (d) either:
5 (i) is a contract of insurance; or
6 (ii) provides for the consumer to benefit from a contract of
7 insurance to which the provider of the financial product
8 is a party.
- 9 (2) For the purposes of subsection (1), **contract of insurance** includes:
10 (a) a contract that would ordinarily be regarded as a contract of
11 insurance even if some of its provisions are not by way of
12 insurance; and
13 (b) a contract that includes provisions of insurance in so far as
14 those provisions are concerned, even if the contract would
15 not ordinarily be regarded as a contract of insurance.
- 16 (3) The regulations may provide that a consumer is, for the purposes of
17 this Subdivision, taken to have entered into a commitment to
18 acquire a product or service of a specified class at a time specified
19 in the regulations.

20 **12DP Meaning of *add-on insurance deferral period* and *add-on*** 21 ***insurance pre-deferral period***

- 22 (1) A person who acquires, or enters into a commitment to acquire, a
23 product or service (the ***principal product or service***) as a consumer
24 may be given the information determined under paragraph (4)(a),
25 in the manner determined under paragraph (4)(b), in connection
26 with the acquisition or proposed acquisition.

27 Note: There is no obligation for a person who provides a product or service
28 to give the information to a consumer. However, if the information is
29 not given, there will be no add-on insurance deferral period and
30 certain conduct relating to the sale or offer of add-on insurance
31 products may be prohibited (see sections 12DQ to 12DS).

- 32 (2) If the information is so given to the consumer, then:
33 (a) there is an ***add-on insurance deferral period*** in relation to
34 the consumer acquiring, or entering into a commitment to
35 acquire, the principal product or service; and
36 (b) the add-on insurance deferral period is the period beginning
37 at the later of:

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- 1 (i) the time the consumer enters into the commitment (or, if
2 the consumer acquires the principal product or service
3 without previously entering into a commitment to do so,
4 the time the consumer acquires the principal product or
5 service); and
6 (ii) the time the consumer is given the information;
7 and ending at the end of 4 days after the day on which the
8 period begins.
- 9 (3) The *add-on insurance pre-deferral period* in relation to the
10 principal product or service is a period that:
11 (a) begins when the consumer indicates an intention to acquire
12 the principal product or service; and
13 (b) if there is an add-on insurance deferral period in relation to
14 the consumer acquiring, or entering into a commitment to
15 acquire, the principal product or service—ends immediately
16 before the start of that period; and
17 (c) if there is no such add-on insurance deferral period—does not
18 end.
- 19 (4) ASIC may, by legislative instrument, determine the following:
20 (a) information that may be given to consumers of products or
21 services for the purposes of subsection (1);
22 (b) the manner in which the information is to be given (which
23 may require the information to be given to a particular
24 consumer each time the consumer enters into a commitment
25 to acquire, or acquires, the products or services).
- 26 (5) Information determined under paragraph (4)(a) must include
27 information that relates to the consumer giving notice that the
28 consumer does not want to receive:
29 (a) offers of add-on insurance products; or
30 (b) requests or invitations for the consumer to ask or apply for
31 add-on insurance products;
32 in relation to the principal product or service.

33 **12DQ Prohibition on selling add-on insurance products before end**
34 **of add-on insurance deferral period etc.**

35 *Contraventions by provider of principal product or service*

- 36 (1) A person contravenes this subsection if:
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- 1 (a) a consumer acquires, or enters into a commitment to acquire,
2 a product or service (the *principal product or service*) from
3 the person; and
4 (b) the person also sells a financial product to the consumer; and
5 (c) the financial product is an add-on insurance product in
6 relation to the principal product or service.

7 Note: Failure to comply with this subsection is an offence (see
8 section 12GB).

- 9 (2) A person contravenes this subsection if:
10 (a) a consumer acquires, or enters into a commitment to acquire,
11 a product or service (the *principal product or service*) from
12 the person; and
13 (b) another person sells the consumer a financial product that is
14 an add-on insurance product in relation to the principal
15 product or service.

16 Note: Failure to comply with this subsection is an offence (see
17 section 12GB).

18 *Exception for sale after add-on insurance deferral period*

- 19 (3) Subsections (1) and (2) do not apply if:
20 (a) there is an add-on insurance deferral period in relation to the
21 consumer acquiring, or entering into a commitment to
22 acquire, the principal product or service; and
23 (b) the add-on insurance product is sold to the consumer after the
24 end of the add-on insurance deferral period.

25 Note: A defendant bears an evidential burden in relation to the matter in
26 subsection (3): see subsection 13.3(3) of the *Criminal Code*.

27 *Contravention by third party provider*

- 28 (4) A person (the *third party provider*) contravenes this subsection if:
29 (a) the third party provider sells a financial product to a
30 consumer; and
31 (b) the financial product is an add-on insurance product in
32 relation to a product or service (the *principal product or*
33 *service*) offered or provided by another person; and
34 (c) either:
35 (i) there is no add-on insurance deferral period in relation
36 to the consumer acquiring, or entering into a

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Offer by third party provider

- (3) A person (the ***third party provider***) contravenes this subsection if:
- (a) another person (the ***consumer***) acquires, or enters into a commitment to acquire, a product or service (the ***principal product or service***); and
 - (b) the third party provider offers a financial product for issue or sale to the consumer, or requests or invites the consumer to ask or apply for a financial product or to purchase a financial product; and
 - (c) the financial product is an add-on insurance product in relation to the principal product or service; and
 - (d) the offer, request or invitation is made otherwise than in writing; and
 - (e) there is an add-on insurance deferral period in relation to the consumer acquiring, or entering into a commitment to acquire, the principal product or service; and
 - (f) the offer, request or invitation is made during the add-on insurance deferral period.

Note: Failure to comply with this subsection is an offence (see section 12GB).

Exception for subsections (1) and (3)—contact initiated by consumer

- (4) Subsections (1) and (3) do not apply if:
- (a) the offer, request or invitation is made in response to contact initiated by the consumer; and
 - (b) the offer, request or invitation relates only to the purpose for which the consumer initiated the contact.

Note: A defendant bears an evidential burden in relation to the matter in subsection (4): see subsection 13.3(3) of the *Criminal Code*.

12DS Prohibition on offering add-on insurance product after add-on insurance deferral period

Offer by principal provider

- (1) A person (the ***principal provider***) contravenes this subsection if:
- (a) another person (the ***consumer***) acquires, or enters into a commitment to acquire, a product or service (the ***principal product or service***) from the principal provider; and

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- 1 (b) the principal provider offers a financial product for issue or
2 sale to the consumer, or requests or invites the consumer to
3 ask or apply for a financial product or to purchase a financial
4 product; and
5 (c) the financial product is an add-on insurance product in
6 relation to the principal product or service; and
7 (d) the offer, request or invitation is made otherwise than in
8 writing.

9 Note: Failure to comply with this subsection is an offence (see
10 section 12GB).

11 *Exception for subsection (1)—offer made outside 6-week period*

- 12 (2) Subsection (1) does not apply if the offer, request or invitation is
13 made:
14 (a) during the add-on insurance pre-deferral period in relation to
15 the principal product or service; or
16 (b) if there is an add-on insurance deferral period in relation to
17 the consumer acquiring, or entering into a commitment to
18 acquire, the principal product or service—after the end of the
19 period of 6 weeks beginning on the first day of the add-on
20 insurance deferral period.

21 Note: A defendant bears an evidential burden in relation to the matter in
22 subsection (2): see subsection 13.3(3) of the *Criminal Code*.

23 *Offer by third party provider*

- 24 (3) A person (the ***third party provider***) contravenes this subsection if:
25 (a) another person (the ***consumer***) acquires, or enters into a
26 commitment to acquire, a product or service (the ***principal***
27 ***product or service***); and
28 (b) the third party provider offers a financial product for issue or
29 sale to the consumer, or requests or invites the consumer to
30 ask or apply for a financial product or to purchase a financial
31 product; and
32 (c) the financial product is an add-on insurance product in
33 relation to the principal product or service; and
34 (d) the offer, request or invitation is made otherwise than in
35 writing; and
36 (e) there is an add-on insurance deferral period in relation to the
37 consumer acquiring, or entering into a commitment to
38 acquire, the principal product or service; and

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1 (f) the offer, request or invitation is made during the period of 6
2 weeks beginning on the first day of the add-on insurance
3 deferral period.

4 Note: Failure to comply with this subsection is an offence (see
5 section 12GB).

6 *Exception for subsections (1) and (3)—contact initiated by*
7 *consumer*

8 (4) Subsections (1) and (3) do not apply if the offer, request or
9 invitation is made in response to contact initiated by the consumer.

10 Note: A defendant bears an evidential burden in relation to the matter in
11 subsection (4): see subsection 13.3(3) of the *Criminal Code*.

12 **12DT Prohibition on offering add-on insurance product—consumer** 13 **opt-out**

14 (1) A person (the *first person*) contravenes this subsection if:

- 15 (a) another person (the *consumer*) acquires, or enters into a
16 commitment to acquire, a product or service (the *principal*
17 *product or service*); and
18 (b) the first person offers a financial product for issue or sale to
19 the consumer, or requests or invites the consumer to ask or
20 apply for a financial product or to purchase a financial
21 product; and
22 (c) the financial product is an add-on insurance product in
23 relation to the principal product or service; and
24 (d) before the offer, request or invitation is made, the consumer
25 informs the first person that the consumer does not want to
26 receive such offers, requests or invitations.

27 Note: Failure to comply with this subsection is an offence (see
28 section 12GB).

29 (2) A person (the *first person*) contravenes this subsection if:

- 30 (a) another person (the *consumer*) acquires, or enters into a
31 commitment to acquire, a product or service (the *principal*
32 *product or service*); and
33 (b) the first person offers a financial product for issue or sale to
34 the consumer, or requests or invites the consumer to ask or
35 apply for a financial product or to purchase a financial
36 product; and

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- 1 (c) the financial product is an add-on insurance product in
2 relation to the principal product or service; and
3 (d) before the offer, request or invitation is made, the consumer
4 informs any of the following that the consumer does not want
5 to receive such offers, requests or invitations:
6 (i) the person who provided the principal product or service
7 (if that person is not the first person);
8 (ii) any person (other than the first person) with whom the
9 person mentioned in subparagraph (i) has an
10 arrangement of a kind mentioned in
11 subparagraph 12DO(1)(b)(ii).
12 Note: Failure to comply with this subsection is an offence (see
13 section 12GB).

14 **12DU Exception for financial advisers**

- 15 Section 12DQ does not apply in relation to the sale of an add-on
16 insurance product, and sections 12DR, 12DS and 12DT do not
17 apply in relation to an offer to issue or sell an add-on insurance
18 product, or a request or invitation to ask or apply for an add-on
19 insurance product, by a person if:
20 (a) the person sells the add-on insurance product, or makes the
21 offer, request or invitation, in the course of providing
22 personal advice (within the meaning of Chapter 7 of the
23 *Corporations Act 2001*) in circumstances where Division 2
24 (best interests obligations) of Part 7.7A of that Act applies;
25 and
26 (b) the add-on insurance product relates to a principal product or
27 service that is provided by the person, and that the person
28 recommends in the course of providing the advice.
29 Note: A defendant bears an evidential burden in relation to the matter in this
30 section: see subsection 13.3(3) of the *Criminal Code*.

31 **12DV Exception for product covered by product intervention order**

- 32 (1) Section 12DQ does not apply in relation to the sale of an add-on
33 insurance product by a person if a product intervention order in
34 force under Part 7.9A of the *Corporations Act 2001*:
35 (a) covers that sale; and
36 (b) provides for a period during which the product must not be
37 sold.
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Note: A defendant bears an evidential burden in relation to the matter in subsection (1): see subsection 13.3(3) of the *Criminal Code*.

- (2) Sections 12DR, 12DS and 12DT do not apply in relation to:
- (a) an offer to issue or sell; or
 - (b) a request or invitation to ask or apply for;
an add-on insurance product that would, if offered to a consumer, be covered by a product intervention order in force under Part 7.9A of the *Corporations Act 2001* that provides for a period during which the product must not be sold to the consumer.

Note: A defendant bears an evidential burden in relation to the matter in subsection (2): see subsection 13.3(3) of the *Criminal Code*.

12DW Exception for comprehensive motor vehicle insurance

- (1) Section 12DQ does not apply in relation to the sale of an add-on insurance product by a person if the add-on insurance product provides insurance cover:
- (a) to an individual who:
 - (i) wholly or partly owns a motor-powered road vehicle (including a 4-wheel-drive vehicle) (a **motor vehicle**); or
 - (ii) has the use of a motor vehicle under a lease of at least 4 months' duration; and
 - (b) in respect of all of the following (whether or not the product also provides insurance cover in respect of other matters):
 - (i) loss of, or damage to, the motor vehicle resulting from an accident;
 - (ii) loss of, or damage to, property of another person resulting from an accident in which the motor vehicle is involved;
 - (iii) loss of, or damage to, the motor vehicle caused by fire, theft or malicious acts.

Note: A defendant bears an evidential burden in relation to the matter in subsection (1): see subsection 13.3(3) of the *Criminal Code*.

- (2) Sections 12DR, 12DS and 12DT do not apply in relation to an offer to issue or sell an add-on insurance product described in subsection (1) of this section, or a request or invitation to ask or apply for such an add-on insurance product.

Note: A defendant bears an evidential burden in relation to the matter in subsection (2): see subsection 13.3(3) of the *Criminal Code*.

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1 **12DX Exemption by regulations**

2 *Regulations may exempt a class of products*

- 3 (1) The regulations may exempt a class of add-on insurance products
4 from sections 12DQ, 12DR, 12DS and 12DT.
- 5 (2) In considering whether to advise the Governor-General about the
6 making of regulations for the purposes of subsection (1) in relation
7 to a class of add-on insurance products, the Minister must have
8 regard to:
- 9 (a) whether add-on insurance products in the class provide good
10 value for money; and
 - 11 (b) the extent of any potential financial consequences for
12 consumers of not being covered by the products; and
 - 13 (c) the extent of any potential financial consequences for
14 Australian governments of consumers not being covered by
15 the products; and
 - 16 (d) any other matters the Minister considers relevant.

17 *Conditions on exemptions*

- 18 (3) An exemption under subsection (1) may be subject to conditions
19 specified in the regulations.
- 20 (4) A person who:
- 21 (a) sells or offers to sell an add-on insurance product to which an
22 exemption applies; or
 - 23 (b) sells a product or service, if:
 - 24 (i) there is an arrangement between the person and another
25 person that relates to the provision by the other person
26 of add-on insurance products in relation to that kind of
27 product or service; and
 - 28 (ii) an exemption applies to any of those add-on insurance
29 products; or
 - 30 (c) offers an add-on insurance product for issue or sale to a
31 consumer, or requests or invites a consumer to ask or apply
32 for an add-on insurance product or to purchase an add-on
33 insurance product, where an exemption applies to the add-on
34 insurance product;
- 35 must not contravene a condition of the exemption.

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Note: Failure to comply with this subsection is an offence (see section 12GB).

Effect of exemption

- (5) Section 12DQ does not apply in relation to the sale of an add-on insurance product by a person if an exemption under subsection (1) of this section applies to the add-on insurance product.

Note: A defendant bears an evidential burden in relation to the matter in subsection (5): see subsection 13.3(3) of the *Criminal Code*.

- (6) Sections 12DR, 12DS and 12DT do not apply in relation to an offer to issue or sell an add-on insurance product, or a request or invitation to ask or apply for an add-on insurance product, if an exemption under subsection (1) of this section applies to the add-on insurance product.

Note: A defendant bears an evidential burden in relation to the matter in subsection (6): see subsection 13.3(3) of the *Criminal Code*.

Product intervention orders

- (7) Subsections (4), (5) and (6) do not apply to an add-on insurance product if:
- (a) a product intervention order is in force under Part 7.9A of the *Corporations Act 2001* in relation to the product; and
 - (b) the product intervention order provides for a period during which the product must not be sold.

12DY Exemption by ASIC

Exemptions for products sold by specified persons

- (1) ASIC may, by notifiable instrument, exempt from sections 12DQ, 12DR, 12DS and 12DT:
- (a) an add-on insurance product sold by a specified person; or
 - (b) a class of add-on insurance products sold by a specified person.

Note: For review of a decision to refuse to make an exemption under subsection (1), or to vary or revoke such an exemption, see section 244.

- (2) In considering whether to make an exemption under subsection (1), ASIC must have regard to the following:

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- 1 (a) any evidence as to whether the add-on insurance product, or
2 the class of add-on insurance products, has historically been
3 good value for money;
- 4 (b) whether, without an exemption, there is a high risk of
5 underinsurance or non-insurance;
- 6 (c) any evidence as to whether the add-on insurance product, or
7 the class of add-on insurance products, is well understood by
8 consumers;
- 9 (d) any differences between the add-on insurance product, or
10 add-on insurance products in the class, and financial products
11 of a similar kind that are not sold as add-on insurance
12 products;
- 13 (e) any other matters that ASIC considers relevant.

14 *Exemptions for classes of products*

- 15 (3) ASIC may, by legislative instrument, exempt from sections 12DQ,
16 12DR, 12DS and 12DT a class of add-on insurance products if
17 ASIC considers that consumers are likely to need to be covered by
18 the products immediately on acquiring the principal products or
19 services to which the products relate.

20 *Conditions on exemptions*

- 21 (4) An exemption under subsection (1) or (3) may be subject to
22 conditions specified in the exemption.

23 Note: For review of a decision to impose or vary a condition on an
24 exemption under subsection (1), see section 244.

- 25 (5) A person who:
- 26 (a) sells or offers to sell an add-on insurance product to which an
27 exemption applies; or
- 28 (b) sells a product or service, if:
- 29 (i) there is an arrangement between the person and another
30 person that relates to the provision by the other person
31 of add-on insurance products in relation to that kind of
32 product or service; and
- 33 (ii) an exemption applies to any of those add-on insurance
34 products; or
- 35 (c) offers an add-on insurance product for issue or sale to a
36 consumer, or requests or invites a consumer to ask or apply
37 for an add-on insurance product or to purchase an add-on

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1 insurance product, where an exemption applies to the add-on
2 insurance product;
3 must not contravene a condition of the exemption.

4 Note: Failure to comply with this subsection is an offence (see
5 section 12GB).

6 *Effect of exemption*

- 7 (6) Section 12DQ does not apply in relation to the sale of an add-on
8 insurance product by a person if:
9 (a) an exemption under subsection (1) of this section applies to
10 the sale of the add-on insurance product by the person; or
11 (b) an exemption under subsection (3) of this section applies to
12 the add-on insurance product.

13 Note: A defendant bears an evidential burden in relation to the matter in
14 subsection (6): see subsection 13.3(3) of the *Criminal Code*.

- 15 (7) Sections 12DR, 12DS and 12DT do not apply in relation to an
16 offer to issue or sell an add-on insurance product, or a request or
17 invitation to ask or apply for an add-on insurance product, if:
18 (a) an exemption under subsection (1) of this section applies to
19 the sale of the add-on insurance product; or
20 (b) an exemption under subsection (3) of this section applies to
21 the add-on insurance product.

22 Note: A defendant bears an evidential burden in relation to the matter in
23 subsection (7): see subsection 13.3(3) of the *Criminal Code*.

24 *Product intervention orders*

- 25 (8) Subsections (5), (6) and (7) do not apply to an add-on insurance
26 product if:
27 (a) a product intervention order is in force under Part 7.9A of the
28 *Corporations Act 2001* in relation to the product; and
29 (b) the product intervention order provides for a period during
30 which the product must not be sold.

31 **4 Subsections 12AE(1) and (3)**

32 After “Subdivision D (sections 12DA to 12DN)”, insert “, Subdivision
33 DA (sections 12DO to 12DY)”.

34 **5 Section 12GB (at the end of the heading)**

35 Add “or DA”.

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6 Subsections 12GB(1), (1A) and (1B)

Omit “other than section 12DA”, substitute “, other than section 12DA, or a provision of Subdivision DA”.

7 Paragraphs 12GB(2)(a) and (3)(a)

After “Subdivision D (sections 12DA to 12DN)”, insert “or Subdivision DA (sections 12DO to 12DY)”.

8 Subsection 12GB(4)

After “Subdivision D (sections 12DA to 12DN)”, insert “or Subdivision DA (sections 12DO to 12DY)”.

9 After paragraph 12GBA(6)(b)

Insert:

(ba) a provision of Subdivision DA;

10 After subsection 12GBCN(3)

Insert:

(3A) Despite subsection (1), in proceedings referred to in that subsection:

- (a) in relation to a contravention by a person of subsection 12DQ(4), it is necessary to prove that the person was reckless as to the matters in paragraph 12DQ(4)(c); and
- (b) in relation to a contravention by a person of subsection 12DR(3), it is necessary to prove that the person was reckless as to the matters in paragraphs 12DR(3)(e) and (f); and
- (c) in relation to a contravention by a person of subsection 12DS(3), it is necessary to prove that the person was reckless as to the matters in paragraphs 12DS(3)(e) and (f); and
- (d) in relation to a contravention by a person of subsection 12DT(2), it is necessary to prove that the person was reckless as to the matters in paragraph 12DT(2)(d).

(3B) For the purposes of subsection (3A), a person is reckless as to a fact if:

- (a) the person is aware of a substantial risk that the fact exists; and

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1 (b) having regard to the circumstances known to the person, it is
2 unjustifiable to take the risk.

3 **11 Subsection 12GF(1)**

4 Omit “or Subdivision D (sections 12DA to 12DN)”, substitute “,
5 Subdivision D (sections 12DA to 12DN) or Subdivision DA
6 (sections 12DO to 12DY)”.

7 **12 Subsections 12GI(1) and (4)**

8 After “Subdivision D (sections 12DA to 12DN)”, insert “or Subdivision
9 DA (sections 12DO to 12DY)”.

10 **13 Subsection 12GI(4)**

11 After “amount to a contravention of a provision of Subdivision D”,
12 insert “or DA”.

13 **14 Subsection 12GLA(4) (after paragraph (b) of the definition**
14 **of contravening conduct)**

15 Insert:

16 (ba) contravenes a provision of Subdivision DA (sections 12DO
17 to 12DY); or

18 **15 Paragraph 12GN(1)(c)**

19 After “Subdivision D (sections 12DA to 12DN)”, insert “or Subdivision
20 DA (sections 12DO to 12DY)”.

21 **16 After paragraph 12GXA(b)**

22 Insert:

23 (ba) a provision of Subdivision DA;

24 **17 At the end of subsection 244(2)**

25 Add:

26 ; or (d) to refuse to make an exemption under subsection 12DY(1);
27 or

28 (e) to vary or revoke an exemption under subsection 12DY(1); or

29 (f) to impose or vary a condition on an exemption under
30 subsection 12DY(1).

31 **18 In the appropriate position**

32 Insert:

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1 **Part 31—Application and transitional provisions**
2 **relating to Schedule [4.3] to the Financial**
3 **Sector Reform (Hayne Royal Commission**
4 **Response—Protecting Consumers (2020**
5 **Measures)) Act 2020**
6

7 **329 Application—deferred sales model for add-on insurance**

- 8 (1) The amendments made by Schedule [4.3] to the *Financial Sector*
9 *Reform (Hayne Royal Commission Response—Protecting*
10 *Consumers (2020 Measures)) Act 2020* apply in relation to a
11 principal product or service (within the meaning of section 12DO)
12 if:
13 (a) a person enters into a commitment to acquire the principal
14 product or service on or after the commencement of that
15 Schedule; or
16 (b) a person acquires the principal product or service on or after
17 the commencement of that Schedule without previously
18 having entered into such a commitment.
- 19 (2) Regulations made for the purposes of subsection 12DO(3) apply
20 for the purposes of this section.