



Financial Rights Legal Centre

Treasury

Pre-Budget Submission on the 2022- 2023
Budget

January 2022

Executive Summary

Key points

- The Federal Government should provide ongoing funding certainty for the Insurance Law Service as part of the 2022-2023 Budget;
- Demand for the Insurance Law Service shows there is significant unmet need for independent legal advice and advocacy on general and life insurance;
- Australians need access to this assistance to navigate the complex insurance sector and understand complicated products;
- The Insurance Law Service has demonstrated value and improved outcomes having responded to more than 65,000 calls for legal advice and represented more than 1,400 clients since 2007.
- The Insurance Law Service:
 - Supports community resilience and recovery after natural disasters;
 - Provides specialised assistance to victim-survivors of economic abuse;
 - Has responded to the needs of more than 500 Australians throughout COVID-19;
 - Is an organisational repository of insurance law expertise; and
 - Is supporting the Federal Government's economic recovery efforts.

Introduction

Insurance plays an important role in supporting Australians in the face of catastrophic events. Adequate insurance cover is integral to protecting consumers' most valuable assets and to maintaining and protecting the living standards of all Australians.

Insurance also plays a critical role in the economy. It enables Australians to get back on their feet after events such as extreme weather, accidents, crime, illness or the death of a loved one. When insurance works as expected, it puts people on the path to resilience and recovery. However, when things go wrong, people who are often already traumatised, are ill-equipped to understand and assert their legal rights. Critical problems such as underinsurance and affordability have serious ramifications for the economy, and wellbeing of Australians.

The voice of the insurance industry and large insurance companies is much louder than that of consumers, and has led to some imbalance in the realisation of interests and rights.

Australian consumers need an adequately funded national advocacy service that can provide free and independent legal advice when claim disputes arise. Governments also need authoritative expertise, independent evidence-based research and consumer-focused insights to inform policy and legislative reform. It is critical that governments hear and understand the

concerns of consumers navigating the labyrinth of general and life insurance products on the market.

The Federal Government's commitment to implementing the insurance regulatory reforms proposed by the Financial Services Royal Commission has been positive. It has served to protect insurance consumers from unfair contract terms and poor claims handling as well as the unsolicited hawking of unwanted products and aggressive sale of junk insurance.

A sustainably funded Insurance Law Service would support the Federal Government's implementation of these important reforms, assist in promoting the compliance of the insurance sector and empower Australians to assert their legal rights.

A lack of affordable access to justice makes the need for an independent consumer service with specialist insurance law knowledge imperative.

The Insurance Law Service at the Financial Rights Legal Centre has been providing free, specialist legal advice about insurance to Australians since 2007. We are the only free, independent, national specialist insurance legal advice service in Australia. Since our inception we have:

- Answered more than 65,000 calls for specialist insurance legal advice;
- Represented more than 1,400 insurance law clients;
- Assisted consumers to obtain millions of dollars in entitlements in the form of refunded premiums, paid insurance claims, ex-gratia payments and compensation;
- Worked closely with the insurance sector to improve their performance in better meeting community expectations;
- Contributed to the work of regulators and government through evidence-based policy submissions; and
- Supported legislation to improve the insurance sector and outcomes for consumers.

It is vital that this work continues and that the skills and experience of our specialist solicitors is not lost. Unfortunately the small amount of funding the Insurance Law Service receives is inadequate. The Attorney-General's Department's funding for three full-time solicitors is insufficient to meet the huge demand for this national service (this includes some NLAP funding for NSW). Other sources of funding from state governments and one off community benefit payments which have, until now, kept the service afloat, run out in June 2022.¹

About Financial Rights

Financial Rights is a community legal centre that specialises in helping consumers understand and enforce their financial rights, especially low income and otherwise marginalised or

¹ We also have 1.4 solicitors funded to do insurance work as part of our NLAP funds for NSW. These funds will continue. The Insurance Law Service has received additional one-off funding as community benefit payments negotiated as part of enforcement action taken by ASIC. We have also received residual remediation funds from financial services firms, where customers could not be located. This has enabled us to employ many more solicitors but these funds have almost run out.

vulnerable consumers. We provide free and independent financial counselling, legal advice and representation to individuals about a broad range of financial issues. Financial Rights is an operator of the National Debt Helpline, which helps NSW consumers experiencing financial difficulties. We also operate the Insurance Law Service which provides advice nationally to consumers about insurance claims and debts to insurance companies, and the Mob Strong Debt Help service which assists Aboriginal and Torres Strait Islander peoples with credit, debt and insurance matters.

The need for free and independent legal advice and advocacy on insurance

There is significant unmet demand for expert independent legal advice and assistance on insurance

Inquiries into the legal needs of Australians and access to justice often focus on Legal Aid funding, and a concern for people at the margins of society who are facing social and economic disadvantage. While those people should have access to assistance, there is also a large group of ordinary Australians who cannot access legal aid. These people often earn too much to meet eligibility criteria but cannot afford private legal assistance either. This is particularly the case for people who need legal advice in complex insurance matters.

The Productivity Commission's inquiry into access to justice arrangements in 2014 found that complexity in the law can render it incomprehensible to the general public. This prevents people from responding to legal problems or seeking advice, and can make it more difficult, time-consuming and costly to resolve problems.²

The Productivity Commission also said:

Even many relatively affluent Australians could not afford a lawyer if they had a serious legal issue. Legal assistance providers also indicated that those refused a grant of legal aid (on the basis of means) cannot necessarily afford to engage a private lawyer – there is a 'justice gap'.³

Demand for the Insurance Law Service provides evidence for the serious need for free and independent legal advice about consumer insurance. The Insurance Law Service began as a small pilot project. However, it has since grown to become a trusted source for specialist information and advice for consumers.

Use of the Insurance Law Service has increased by more than 900% since its inception in 2007. Demand has consistently outstripped Financial Rights' ability to respond to community needs.

² Productivity Commission, Access to Justice Arrangements, Volume One, pg 152

³ Volume Two, pg 57 – available at: <https://www.pc.gov.au/inquiries/completed/access-justice/report/access-justice-volume2.pdf>

The Insurance Law Service was only able to answer 40% of calls to the service each day in the 2020-21 financial year. Around 60% of consumer calls go unanswered, and we do not have the capacity to accept and return voicemails.

Our small casework practice opened and closed only 50 files in 2020-21, but obtained over \$740,000 for our clients. We recovered approximately \$98,700 in premiums for consumers who were sold inappropriate policies. We assisted consumers to claim an additional \$487,950 in entitlements (calculated as the amount above the insurer's initial offer when the client was first engaged). The Insurance Law Service also obtained \$156,580 in ex-gratia payments or compensation for consumers who were treated unfairly.

However, this reflects only a small part of the true impact of the service. In the same period, the Insurance Law Service gave information and advice to ten times as many people:

Dealing with an insurance company and their investigators is quite intimidating to say the least... [Your] advice given was paramount for the excellent outcome of our claim.... Within a few days I was phoned by an employee to inform me that full payment would be made. Two days later I got a remittance advice. A few days after that my claim was settled for the full amount insured. I wouldn't have done it without your help. Thank you so much.

Advice caller, Yvette, May 2021*

Unmet demand for our service is even greater, as of January 2022. Inadequate funding led to the loss of several specialist solicitors at the end of the 2020-21 financial year. The service was forced to reduce its advice line hours by half from August 2021. The phone line is now only open for three hours each day and we have not been able to accept email enquiries since December 2021.

By June 2022 the Insurance Law Service will lose the majority of its supplementary funding and the service will struggle to remain viable.

You have brilliant lawyers but even if we try for days we can't get through. It makes you inaccessible if we have to try for days and still can't get through. People can try calling for days and that means 30 times per hour for 8 hours a day or so and yet not get through which adds more stress to our already stressed situation.

Advice Caller, Caroline, July 2021*

**names have been changed*

Government and industry need the perspective of Australian consumers for a fairer insurance sector

The legal advice and assistance provided to individuals in insurance disputes is critically important. The systemic advocacy work of the Insurance Law Service benefits all consumers of insurance. It is crucial for consumers, the insurance sector and governments that insurance markets operate effectively. An independent consumer advocacy voice is needed to ensure insurance products deliver what they promise to consumers and are effective in building community resilience.

The Federal Government and the insurance industry need, and regularly seek out, the input of consumers and their representatives in policy development, and product and service development.

Financial Rights was called on by the Hayne Royal Commission to provide evidence through submissions including client case studies demonstrating poor industry practices. Financial Rights Chief Executive Officer, Karen Cox was asked to speak on behalf of consumers as the opening witness.

The expertise of Financial Rights on the issues faced by Australian insurance consumers is often called upon by the Australian Treasury, the Australian Securities and Investments Commission (ASIC), Australian Financial Complaints Authority (AFCA) and other government departments to provide a voice for Australian consumers in the implementation of reforms to the insurance and broader financial services sector.

Without input from national consumer advocacy organisations the evidence of everyday consumers could be excluded from these consultations.

The unique insight of Financial Rights into the systemic issues faced by insurance consumers is also relied upon by the industry. Through our policy work and advocacy work, Financial Rights has represented consumer interests on multiple industry bodies including the Insurance Council of Australia Consumer Advisory Committee, the Financial Services Council's Consumer Advocate Forum, TAL's Consumer Consultation Board and IAG's Consumer Advisory Board, amongst others.

Our systemic advocacy has been recognised and supported by ASIC, AFCA and the Productivity Commission (see attached letters of support). The Productivity Commission acknowledged the Insurance Law Service's *"valuable and important contributions made over the years to several Productivity Commissions Reports"*, and ASIC agrees that *"as a national service, the ILS is well placed through its casework role and direct experience of consumer problems, to make a significant contribution to ASIC's regulatory work."*

The Insurance Law Service has demonstrated its value and improved consumer outcomes

The Insurance Law Service supports resilience and recovery after natural disasters

When extreme weather events strike, people need help - both in the immediate aftermath and in the long term, as they grapple with trauma, struggle with finances, pursue insurance claims and piece their lives back together. People often require advice and assistance to deal with insurers and financial service providers. Some disputes are inevitable. While the majority of claims are dealt with in an efficient, timely and sensitive manner, the compounding effect on pre-existing trauma when they are not, is often devastating.

The Insurance Law Service plays a key role in disaster recovery, providing legal advice and assistance over the phone and by e-mail as well as legal representation in a small number of cases. The service resources a significant number of other services on the front line of recovery efforts.

A national, telephone-based model is an extremely efficient way of delivering legal services and provides Financial Rights the flexibility to respond to insurance problems that arise after major insurance events like natural disasters anywhere in Australia. We recently released the *Exposed: Insurance problems after extreme weather events report* about the experiences and problems confronted by 700 consumers we assisted with natural disaster insurance claims between November 2019 and April 2021. This 18-month period was extraordinary on almost every metric, beginning with the unprecedented “Black Summer bushfires” in NSW, Queensland, South Australia and Victoria and ending in March 2021 following Cyclone Seroja, with multiple extreme weather events in between.

The Insurance Law Service supports victim/survivors of economic abuse

Family violence is a reality faced by too many Australians. Perpetrators can undermine their victim’s ability to access the benefits of insurance either unintentionally – as a consequence of their behaviour- or intentionally – through the use of insurance as a tool to inflict financial abuse. Perpetrators can take control of victim’s home or car insurances depriving them of insurance altogether, or preventing them from making a claim or receiving a payment. Perpetrators can also damage homes leaving victims unable to claim due to exclusions under the policy. Survivors of family violence can also be treated poorly by insurance claims handling processes. Financial Rights has assisted many family violence victim-survivors dealing with situations of this nature.

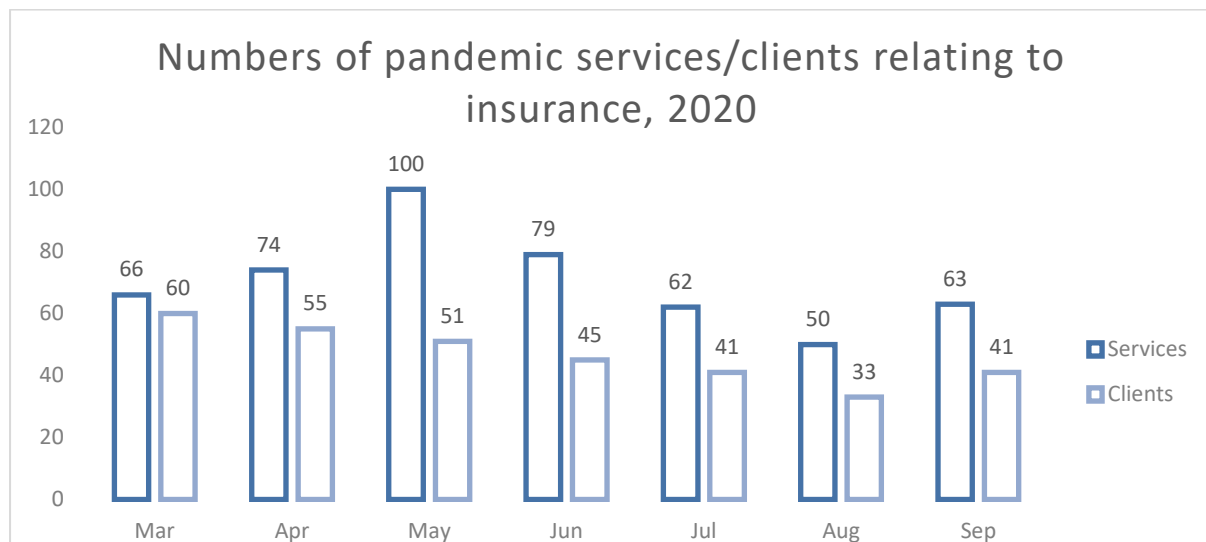
The Insurance Law Service plays a vital role in assisting victim-survivors affected by family violence to negotiate the challenges related to maintaining and claiming on their insurance, and countering the impact of harmful abuse. The service has also had significant input into the development of the General Insurance Code of Practice, and recently conducted a desktop audit of family violence policies of 47 insurer subscribers to this code. This report provided a critical benchmark for appropriate conduct and has been highly valued by the insurance industry to improve domestic violence policies and practices. It also provided regulators and government with significant insights to inform policy and law reform.

The Insurance Law Service has responded to COVID-19

When the pandemic struck in early 2020 there was a lot of focus on financial hardship and loan deferrals. Consumers were also struggling with COVID-19-related insurance disputes. Financial Rights received more than 1,600 calls relating to the pandemic between March and September 2020. More than 30% of these calls were about consumer insurance.

Of the insurance related matters – travel insurance was the product most people (77%) sought legal advice and/or assistance about. The Insurance Law Service successfully assisted several

clients with complaints before AFCA. Financial Rights successfully argued for a landmark precedent in Australia that the COVID-19 pandemic be considered a 'natural disaster' and that insurers, which were denying claims because of a pandemic exclusion, were required to pay because their policies covered losses for natural disaster.



AFCA regards Financial Rights as “a very valuable independent advice service for consumers”:

When consumers make complaints against insurers in AFCA they often want legal advice about their prospects. As an independent ombudsman, AFCA is not able to give consumers legal advice, but we can refer them to the Insurance Law Service. Last year we referred over 2000 people to the ILS for legal advice, and there simply is no other service like the ILS that we can refer to. The lawyers at the ILS also regularly represent vulnerable consumers throughout the AFCA dispute resolution process which helps to streamline disputes and ensure consumers have put their best evidence and arguments forward.

David Locke, Chief Ombudsman and Chief Executive Officer, AFCA, September 2021

The Insurance Law Service is a repository of insurance law expertise

In addition to being the only independent and free specialist insurance service for consumers in Australia, the Insurance Law Service is also a key repository of insurance law expertise and data regarding consumer experiences of insurance claims and disputes. Financial Rights is able to analyse and share insights from tens of thousands of consumer calls across a range of government consultations. We regularly make formal submissions, provide evidence to parliamentary hearings, give feedback on exposure legislation and attend government roundtables.

Financial Rights has also been able to leverage our coalface consumer data to produce specialist legal information fact sheets, an interactive problem-solver website, community legal education

programs and consumer research publications. We provided more than 500 community workers with specialist insurance law training in the 2020-21 financial year. Meanwhile, our legal information websites received nearly a half million page views.

Our team of financial counsellors rely on this service for advice to help navigate insurance disputes on behalf of people in really vulnerable circumstances. This service is critical to teams like ours.

Jillian Williams, Operations Manager, Indigenous Consumer Assistance Network, July 2021

The Insurance Law Service provides value for money in supporting the economic recovery

Having adequate insurance is an important way for households and businesses to manage financial risks. Individuals cannot rely on public and charitable entities to restore their losses following a major catastrophe. Government disaster relief cannot take the place of insurance.

The Insurance Law Service strives to ensure insurance products are delivering what they promise to consumers and are effective in building community resilience. We hold insurers to account at the individual dispute level, and support Australians to run disputes through dispute resolution. We promote efficiency in the system by advising clients in a timely manner when their complaint does not have merit. This saves vital time and resources for insurers and AFCA.

The Insurance Law Service also provides valuable feedback to insurers themselves. We attract funds for important research to improve consumer outcomes and provides vital market information and complaints to the regulators, ASIC and the Australian Prudential Regulation Authority. We note that between July and December 2020 ASIC enforcement work generated a record \$159.8 million in court-imposed penalties. We certainly cannot take credit for ASIC's extensive investigation and enforcement activities. However, we understand that our regular Reports of Misconduct to ASIC and meetings with the ASIC insurance team every two months have shared valuable evidence-based intelligence and insights from our advice line. Many of our clients have been contacted by ASIC as part of larger enforcement actions, over the years.

Financial Rights provided 142 complaints to regulators and code compliance bodies in 2020-21, which led to positive outcomes including systemic change and remediation.

Funding certainty for the Insurance Law Service is urgently needed

Current funding

The Federal Attorney-General's Department currently provides **\$364,000** per annum to fund the service (through direct funding and some NLAP funding for NSW). This covers the cost of less than 3 full-time solicitors.

Seven solicitors rotating between advice and casework could only answer an average of 40% of the calls the Insurance Law Service received each day in 2020-21.

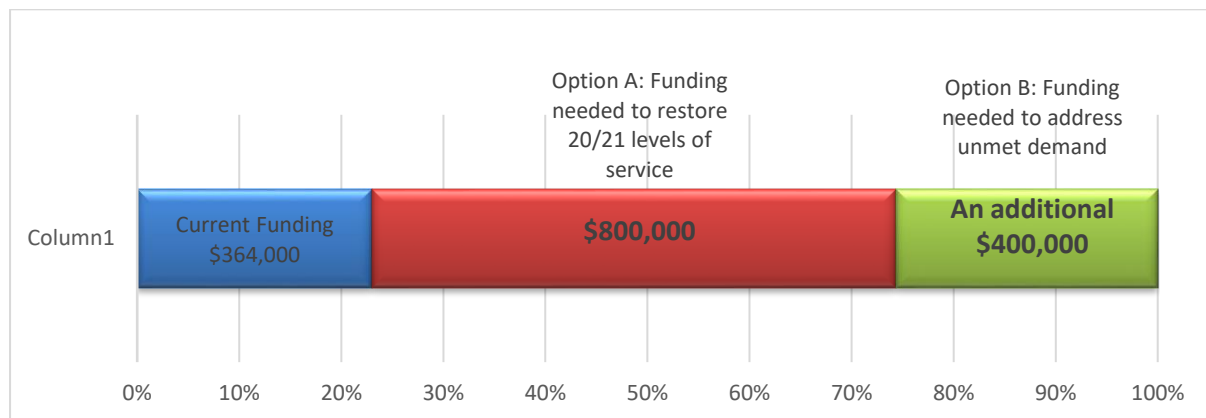
Additional funding needed

Option A

Additional direct AGD funding of \$800,000 would restore the service to 2020-21 levels, when we were able to keep the advice line open 7 hours per day, answering about 40% of incoming calls. This funding would provide for 4 solicitors, 3.5 senior solicitors, a part-time policy officer and part-time community legal education officer.

Option B

Additional direct AGD funding of \$1,200,000 would address the serious unmet demand for the Insurance Law Service and provide for policy and education activities. This would provide for 5 solicitors, 4 senior solicitors, 1 policy officer, 1 community legal education coordinator and a part-time communications professional.



Recommendation

1. That the Federal Government provide funding certainty for the Insurance Law Service.
 2. That the Federal Budget 2022-2023 make provision for recurring annual funding of \$1,560,000 for the Insurance Law Service (which includes ongoing NLAP funds for NSW).
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Additional Funding Options

Option A: Restore 2020-2021 level of service (minimal education and policy function)

Legal advice and assistance	\$505,024	4 solicitors
	\$516,961	3.5 senior solicitors
Policy & law reform	\$73,852	0.5 policy officer
Communications and education	\$63,128	0.5 x CLE officer
Total Funding for ILS	\$1,158,965	
Less Existing Funding	\$182,384	Federal NLAP funding for NSW
	\$181,789	Federal AGD funding
	\$364,173	Total Existing Funding
New AGD funding	\$794,792	
Total Annual commitment from AGD	\$976,581	

Option B: Address unmet demand with education, policy and communication functions appropriately resourced

Legal advice and assistance	\$631,280	5 solicitors
	\$590,812	4 senior solicitors
Policy & law reform	\$147,703	1 policy officer
Communications and education	\$189,384	1 CLE coord. and 0.5 comms
Total Funding for ILS	\$1,559,179	
Less Existing Funding	\$182,384	Federal NLAP funding for NSW
	\$181,789	Federal AGD funding
	\$364,173	Total Existing Funding
New AGD funding	\$1,195,006	
Total Annual commitment from AGD	\$1,376,795	

Support for the Insurance Law Service

We have attached the following letters of support and evidence of the value of the Insurance Law Service:

- Letter of Support from ASIC for the Insurance Law Service
- Letter of Support from the Insurance Council of Australia
- Letter of Support from TAL Services Ltd.
- Letter of Support from the Law Council of Australia
- Letter of Support from the Productivity Commission

What our clients say about the Insurance Law Service

The insurance company now appears to be bending over backwards to make the horrible situation right. I am grateful that I had you to come to for legal advice and would recommend anyone who had a problem to speak with you again. I cannot thank you enough for being there in a very dark hour to shine a light on the situation so I am better equipped to get the matter sorted.

Tania, Feb 2021*

Provision of detailed legal advice over the phone on two separate occasions, as well as unsolicited follow-up advice - This is a very important service that deserves ongoing funding and adequate resourcing. I have recommended it to other people I know who are in dispute with their insurers. Thanks very much to the lawyers who advised me.

Mohammad, March 2021*

Without the legal advice provided, we would not know how to proceed to dispute our case against our insurance company - Pending a response from the insurance company [we are in the process of obtaining quotes from an independent builder - This is a useful and valuable service that provides legal advice for then lay person to avoid exploitation from insurance companies

Huong, May 2021*

Thank goodness for your lawyer and the Insurance Law Service. With the verbal guidance that I received from [her] I was able to renegotiate a very poor handled insurance claim. I was able to get me right entitlements.

Bettina, May 2021*

**Names have been changed*

Casework stories from insurance consumers

These people were only able to successfully pursue their claim or get a refund on unsuitable products with the help of Financial Rights' Insurance Law Service.

Home flooded and claim denied

Gina lives in a small town. Her only income is the disability support pension. A few years ago the foundations of her home flooded when a council owned storm pipe burst. Her insurer accepted the claim and promptly sent over a team of engineers to inspect the damage. The engineers recommended no remedial works take place for 12 months to allow the soil to dry.

Instead of following the engineer's advice, the insurer proceeded to carry out works rectifying the damage immediately. Twelve months later, the stumps holding up the property started to deteriorate and the house started sinking.

Our client raised a complaint in 2020 about the defective work and the insurer offered to pay our client just under \$90,000 to re-stump the property, even though its engineer said no builder could actually do this and the house needed to be demolished and rebuilt (at a cost of over \$300,000). The insurer then alleged the damage to the stumps was pre-existing and not caused by the insured event or its faulty works in commencing rectification works before the soil had dried.

Gina contacted Financial Rights around this time and a review of the documents showed there was no pre-existing damage mentioned in any report prior to the rectification works and all the evidence showed it was likely, though not conclusive, that the damaged stumps were caused by the repairs commencing too soon after the flood itself.

We assisted representing Gina in AFCA and drafted submissions seeking for the house to be demolished and rebuilt. AFCA issued a determination in favour of our client awarding her the sum insured (over \$200,000) plus interest, non-financial loss (\$5,000), indirect financial loss (for additional heating she had to pay for), demolition and debris removal costs and temporary accommodation and storage costs.

The insurer paid our client nearly \$260,000.

Source: C199423

Unaffordable and unsuitable insurance

Lorraine is in her early 70s and lives in a nursing home. She has cognitive impairments and is on a disability support pension. She has had a funeral insurance policy in place for more than 12 years. The cost of living in the nursing home has increased, and it has becoming more and more difficult for Lorraine to continue to meet the payments each fortnight.

Lorraine's brother, who is now her guardian and Power of Attorney, came to us for help. He was concerned about how she signed up to the policy and the implications of cancelling it.

We assisted by obtaining the recordings and the policy documents. Lorraine had held multiple policies that would lapse and be re-instated. We argued that in selling Lorraine the policy the insurer failed to make clear how the policy worked, specifically that the premiums would increase. Further, we argued that it was apparent Lorraine did not have capacity to understand the true nature of the contract and the insurance representatives knowingly allowed her to enter into this contract despite having been aware of her inability to understand the terms.

The insurer agreed to cancel Lorraine's Policy and refund the total sum of premiums paid towards all three policies. Her brother was able to use these funds for Lorraine's benefit and ongoing care.

Source: C191112

Bushfire and poor claims handling

Diane called for advice as it seemed that her motor vehicle claim had been under investigation for nearly 12 months and was still not progressing.

Diane had been affected by the South Coast bushfires in summer 2020. During the high alert emergency period, Diane had left her car parked at her local mall overnight when bad behaviour including looting was happening as reported on the news. Her car was maliciously damaged. Her insurer towed the car away, but it was then left at the towing yard for a few months. Rain entered through the broken windows and the car was flooded and became a write off. Due to their poor claims handling the insurer initially incorrectly entered the claim as due to accident and were trying to work out fault and who the other driver was. When Diane corrected this mistake, the insurer was unsure how the damage happened and decided to do a fraud investigation on Diane.

Financial Right wrote to the insurer to work out where the claim was up to and explained to them the background of how the damage occurred. We also pointed out that Diane should have been classified as a bushfire affected client and assessed compassionately as affected by a catastrophe. The insurer insisted on one further interview attendance from Diane, which she agreed to. They eventually confirmed that they accepted the claim. She was paid out her insured value of \$37,700 less excess.

Source: C205423

Financial abuse - Lily was on the verge of homelessness

Lily, a single mother of two, is a survivor of domestic and family violence. Her former partner Michael controlled all the household finances and the family home insurance was in his name. Lily remained in the family home with the children when the couple separated. Shortly after, a fire rendered the house unliveable. Michael claimed on the home insurance policy but, consistent with his pattern of ongoing abuse, he refused to make a claim for a temporary accommodation for Lily and the children.

Lily contacted the insurer to plead for assistance but was told that temporary accommodation would not be provided because the policy was not in her name. When Lily sought Financial Rights' assistance, she was staying in crisis accommodation with her children and was on the verge of homelessness.

Financial Rights acted immediately. We made an urgent claim with the insurer that as a third party beneficiary under the policy, a tenant and an equitable owner in the marital home and a victim of financial abuse, Lily was entitled to temporary accommodation. The insurer still declined. Lily had one more night of crisis accommodation left when Financial Rights lodged an urgent dispute to the Australian Financial Complaints Authority and followed with an email to the AFCA insurance ombudsman. Our actions led to Lily being provided two weeks accommodation in a two bedroom flat while longer term accommodation could be found. Lily and the kids stayed in the accommodation under the insurance policy while the house claim was dealt with.

Source: C212071



Insurance Council
of Australia

28 October 2021

Senator the Hon Michaelia Cash
Attorney-General of Australia
44 Outram Street
West Perth WA 6005

Sent by email to: senator.cash@aph.gov.au

Dear Attorney-General,

THE IMPORTANT ROLE OF THE INSURANCE LAW SERVICE IN THE ECONOMY

I'm writing to you to express the Insurance Council of Australia's support for the ongoing, consistent, and stable funding of the Financial Rights Legal Centre's (FRLC) Insurance Law Service, so consumers can continue to access their financial rights.

The FRLC offers the only specialised national service to assist consumers with insurance issues and plays an important and critical role in the economy. FRLC provides support to a range of consumers, including those who might be experiencing vulnerability, disadvantage, or financial distress. We understand consumer demands on the service have increased, as disasters also increase in frequency.

The general insurance industry is committed to treating customers fairly, yet invariably there may be some customers or those who are uninsured, who may need extra care and assistance, for example by being supported by a community legal service.

It has come to my attention that the viability of the Insurance Law Service is under threat, with government funding not meeting its ongoing needs and other sources of funding, such as community benefit funds, coming to an end.

This, coinciding at a time in the lead up to disaster season, when the service typically increases its workload to support Australians who may be seeking to recover or rebuild their lives following the impacts of an unexpected weather event, may have an unfortunate impact on those who may need FRLC's help the most.

We urge you to please give the FRLC's funding request due consideration and would welcome discussing this letter further.

Please feel free to contact me or Fiona Cameron, General Manager Policy – Consumer Outcomes at fcameron@insurancecouncil.com.au or on 0418 889 071.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Andrew Hall'.

Andrew Hall

Executive Director and CEO



Law Council
OF AUSTRALIA

Office of the President

9 November 2021

Senator the Hon Michaelia Cash
Commonwealth Attorney-General
Minister for Industrial Relations
PO Box 6100
Senate
Parliament House
CANBERRA ACT 2600

By email: attorney@ag.gov.au

Dear Attorney-General

Financial Rights Legal Centre's Insurance Law Service

As you may be aware, the Financial Rights Legal Centre (**FRLC**) operates a specialist free Insurance Law Service (**ILS**), providing independent legal advice for consumers across Australia.

The ILS performs a valuable service to the community, delivering critical legal advice and support to insurance consumers, often in times of real hardship, following accident, illness, or natural disaster. I have been provided with statements from the Australian Securities and Investment Commission, the Australian Financial Complaints Authority and the Insurance Council of Australia, each acknowledging the important role of the ILS in ensuring that consumers are able to access their financial rights.

The Law Council is well aware of the large cohort of Australian consumers who do not qualify for legal aid assistance, however, are unable afford the services of a private solicitor when in need of advice or assistance with a dispute. This group is often referred to as the 'missing middle', and services such as the ILS are vital to meeting the legal needs of these individuals.

I am advised that on 9 August 2021 the ILS was forced to halve its hours due to a lack of funding to maintain its required levels of solicitors. The ILS has stated that the funding currently provided by the Attorney-General's Department is insufficient for this vital national service, while other sources of funding that have kept the service afloat are running out.

I understand that the FRLC has written to you separately about its specific funding needs, in addition to support for its Mob Strong Debt Help program. The Law Council urges you to please give the FRLC's funding request due consideration.

Should you wish to discuss this issue directly with me, I am contactable on 0438 301 956 or at jacoba.brasch@lawcouncil.asn.au. Dr Natasha Molt, Director of Policy, is also available to discuss this issue with the staff of your office or Department, on (02) 6426 3754 or at natasha.molt@lawcouncil.asn.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Jacoba Brasch QC', written over a horizontal line.

Dr Jacoba Brasch QC
President



ASIC
Australian Securities &
Investments Commission

**Australian Securities
and Investments Commission**

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www.asic.gov.au

14 September 2021

President
Management Committee
Financial Rights Legal Centre

Insurance Law Service

We write to acknowledge the important contribution made by the Insurance Law Service (ILS) to the financial services consumer protection framework in Australia.

The ILS plays a unique, specialist role in a complex area of financial services law. It provides critical legal advice and support to insurance consumers—often in times of real hardship—following accident, illness, or natural disaster.

As a national service, the ILS is well placed through its casework role and direct experience of consumer problems, to make a significant contribution to ASIC's regulatory work. It does this by:

- Identifying current and emerging issues affecting consumers of general and life insurance products;
- contributing to ASIC's Consumer Consultative Panel (ACCP) with timely, relevant intelligence that helps inform ASIC's regulatory priorities;
- providing informed input to ASIC consultations on issues impacting consumers of insurance products; and
- identifying opportunities to improve insurance product design and claims handling processes for the long-term benefit of all policy holders.

Insurance products are essential risk management tools for most Australians. The ILS plays a valuable role in establishing the evidence base for how consumers experience insurance, the benefits they derive from its use and the problems that can arise where it is mis-sold or doesn't function as expected.

We are happy to discuss the contents of this letter. Please do not hesitate to contact me directly on 0406595911.

Kind regards,

Karen Chester
Deputy Chair, ASIC

20 October 2021

President
Management Committee
Financial Rights Legal Centre

Dear President,

Insurance Law Service

I am writing to express TAL's support for the Financial Rights Legal Centre (FRLC). TAL acknowledges and appreciates the important contribution made by the FRLC Insurance Law Service to the financial services consumer protection framework in Australia.

TAL fully supports the FRLC's request for ongoing, adequate and stable funding. Funding is necessary for the FRLC Insurance Law Service to continue to provide free independent legal support and help to insurance consumers, including some of the most vulnerable in our community. If ongoing financial support is not secured, there is a significant risk that consumer access to this important service is diminished. Recognising the public good the Insurance Law Service creates, we believe the case for funding is strong.

We authorise the FRLC to use this endorsement of the Insurance Law Service in its requests for funding from the government and other sources.

Yours sincerely,



Brett Clark
Group CEO & Managing Director

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22 October 2021

President
Management Committee
Financial Rights Legal Centre
PO Box 538
Surry Hills NSW 2010

Insurance Law Service

This letter is written in support of the Financial Rights Legal Centre, including the Insurance Law Service (ILS), to acknowledge their valuable and important contributions made over the years to several Productivity Commissions Reports. These reports include:

2008 – Review of Consumer Policy Framework (Submissions & Hearing)

2014 – Access to Justice Arrangements (Submission & Hearing)

2014 – Natural Disaster Funding Arrangements (Submission & Hearing)

2016 – Data Availability and Use (Submission)

2018 – Competition in the Australian Financial System (Submissions)

The Financial Rights Legal Centre has made significant contributions to these reports based on their casework and the experiences of the consumers they support. They provide support to consumers – often in times of hardship – dealing with complex financial issues. And it is important the experiences of these consumers are voiced in the development of policy frameworks affecting them.

For any additional information about this letter, please feel free to contact me on 03 9653 2187

Kind regards,

A handwritten signature in blue ink that reads "Mary Cavar".

Mary Cavar
Executive Manager, Productivity Commission