



AFIA LAUNCHES INSURANCE PREMIUM FUNDING CODE

4 October 2022. Customers seeking insurance premium funding will have additional protections through a new finance industry code that came into effect on 1 October 2022.

The Australian Finance Industry Association (“AFIA”) and its Insurance Premium Funding (“IPF”) members developed the IPF Code of Practice (“Code”) after extensive consultation with key stakeholders.

AFIA members Arteva, Attvest, BOQ Finance, Clearmatch, Elantis, Hunter Premium Funding and IQumulate were involved in development of the Code. Hunter Premium Funding and IQumulate are the first IPF members to be accredited by the IPF Code Compliance Committee as meeting the standards set out in the Code. All other IPF members are in the process of seeking accreditation, which is expected to be completed in the coming months.

AFIA CEO, Diane Tate said: ‘This is an important milestone. The Financial Services Royal Commission made it clear it’s not just what financial institutions do that is important, but how they do it, and firms are now required to embed a consumer-centric approach.’

“The new IPF Code of Practice is an example of the finance industry proactively adopting industry standards that go above and beyond what is required by the law. The Code has gone through an extensive consultation process to ensure insights from a broad spectrum of stakeholders are included.”

The customer-centric Code supports consumer and business customers by:

- Enabling them to easily compare the features and pricing of different IPF products, using several standardised disclosures and metrics
- Ensuring high standards of practice in the design and distribution of IPF products
- Supporting access to insurance and finance through a competitive and innovative market.

The Code’s commitments require signatories to deliver clear disclosures to enable better comparison of IPF product features and costs, provide customers with access to internal and external dispute resolution, including through AFCA, provide financial hardship assistance, and promote continuous improvement of customer service and a culture of professionalism in the IPF industry.

The [Insurance Premium Funding Code of Practice](#) also works alongside the updated [Insurance Brokers Code of Practice](#), published by the National Insurance Brokers Association (“NIBA”), and in particular ensures the management of conflicts of interest and the disclosure of remuneration or other benefits an intermediary may receive in distributing an IPF product.

“AFIA will publish further announcements as other IPF members complete accreditation. We will also ensure we continue to work closely with NIBA as they implement their updated code. There are significant changes happening in the financial services industry, so it is critical for industry codes to continue to keep ahead and set high standards of industry practice,” Ms Tate said.

AFIA believes an independent Compliance Committee is fundamental to the credibility and effectiveness of a code of practice. The IPF Code Compliance Committee is responsible for managing the accreditation process as well as overseeing and administering the code, including monitoring and investigating providers’ compliance and imposing sanctions for non-compliance.

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ABOUT AFIA

AFIA is the only peak body representing the entire finance industry in Australia.

We represent over 150 members, including bank and non-bank lenders, neobanks, finance companies, fintechs, providers of vehicle and equipment finance, car rental and fleet providers, and service providers in the finance industry. We are the voice for advancing a world-class finance industry and our members are at the forefront of innovation in consumer and business finance in Australia. Our members finance Australia's future.

We collaborate with our members, governments, regulators and customer representatives to promote competition and innovation, deliver better customer outcomes and create a resilient, inclusive and sustainable future. We provide new policy, data and insights to support our advocacy in building a more prosperous Australia.