Thursday 6 August 2026

Richard Klipin
Chief Executive Officer
National Insurance Brokers Association
Via email: code@niba.com.au

Dear Richard,

RE: Draft Insurance Brokers Code of Practice Stakeholder Consultation

Financial Counselling Victoria (FCVic), along with our state and territory financial counselling peak partners Financial Counselling Queensland, South Australian Financial Counsellors Association (incorporating Northern Territory), Financial Counsellors Australian Capital Territory and Financial Counselling Western Australia welcomes the opportunity to comment on the draft 2027 Insurance Brokers Code of Practice.

FCVic has engaged constructively with the Code review process over an extended period, including through our detailed submission to the Independent Review in May 2025 and our response to NIBA's initial consultation in April 2026.[1] In those submissions, we provided recommendations based on financial counsellors' direct experience assisting clients affected by poor broker practices, insurance disputes, claims failures, underinsurance and vulnerability.

We acknowledge that the draft Code is clearer, more accessible and stronger in some important areas. We particularly welcome the improved vulnerability provisions. However, despite how the Code is now clearer in **describing** professional behaviour, it falls short of **requiring compliance** with professional behaviour.

The consultation paper asks external stakeholders a simple question: **does the draft address the concerns you raised?** Our answer is: only partially.

[1] https://fcvic.org.au/wp-content/uploads/202505_Joint-Submission-to-Insurance-Brokers-Code-of-Practice-Review.pdf and https://fcvic.org.au/wp-content/uploads/202604_FCVic-and-FCAWA-Letter-to-the-NIBA-Code-of-Practice-Consultation.pdf

Throughout this review process, financial counsellors, consumer advocates and the Independent Reviewer identified common themes: inadequate broker due diligence, poor transparency around recommendations, weak claims support, insufficient accountability and barriers to effective complaints handling. Yet many of the reforms proposed to address these issues remain absent from the draft.

While there are many examples, we draw your attention to the following in particular:

- We recommended clear due diligence obligations requiring brokers to properly understand a client's circumstances before providing advice. **This remains absent.**

- We recommended written Statements of Advice or equivalent advice documents explaining why a product was recommended and what alternatives were considered. **This remains absent.**

- We recommended standardised disclosure templates to allow consumers to compare remuneration and conflicts of interest consistently across the industry. **This recommendation has again not been adopted.**

- We recommended clear timeframes. Instead, the draft largely continues to rely on concepts such as 'timely manner' and 'as soon as reasonably practicable' for claims lodgement, responses and proactive updates. **This remains a gap in the Code.**

The result is a draft Code that is undoubtedly easier to read, but not necessarily stronger where it matters most. It strengthens professional aspirations, but too often stops short of creating enforceable consumer protections. The central question for consumers is not whether brokers understand what good practice looks like. It is whether the Code requires good practice to occur. On that test, the draft still falls short.

The consultation paper specifically asks whether the draft achieves self-regulatory credibility. In our view, credibility requires a Code that goes beyond restating existing legal obligations and establishes measurable standards that consumers can understand, monitor and enforce. A clearer Code is welcome, but clarity alone does not create accountability. The credibility of this Code will ultimately be judged by whether it prevents the types of consumer harm that financial counsellors continue to encounter in practice.

The draft asks consumers to trust that brokers will do the right thing. A modern Code should require them to demonstrate it and enforce action where they don't.

Thank you for your consideration of the above feedback. Please contact FCVic's Advocacy Manager Amanda Chan on achan@fcvic.org.au if you have further questions. In the interest of promoting consumer voices, we offer to participate in further consultation workshops.

Regards,

Zyl Hovenga-Wauchope
Chief Executive Officer
Financial Counselling Victoria

Jon O'Mally
Chief Executive Officer
Financial Counselling Queensland

Kate Fox
Chief Executive Officer
South Australian Financial Counsellors Association (incorporating Northern Territory)

Nicole Flaws
President
Financial Counsellors Australian Capital Territory

Melanie Hopkinson
Chief Executive Officer
Financial Counselling Western Australia