

Suncorp

14 April 2008

Dear Commissioners

The principle issue regarding disclosure for insurers is that under the *Insurance Contracts Act* we are required to send the full insurance policy and schedule to the insured in writing. This has been interpreted (over 100s of years of common law) as meaning that we have to post the contract and schedule. Therefore we are *unable* to send the contract electronically - at present. Additionally we have to send full terms & conditions, which makes it rather difficult to produce a four page PDS (an issue which is being considered by Senator Sherry).

It's our understanding that Treasury are happy to make the changes, also, the insurance industry has already been through the consultation process with them and have agreed changes. However, there has been a lack of resources in terms of drafters in Canberra to progress these changes into a Bill. We also suspect that the matter has not progressed due to the impact of the election last year on the legislative program.

It is the insurance industry view that if we wish to simplify disclosure the main method will be through the use of the internet. We also recognise that not all of Australia has access to the internet or knows how to use it and would continue to provide paper based disclosures for the consumer if they wished. However it is also recognised that as time goes on the internet will become the major communication tool for financial services (the success of on line banking illustrates this point). The use of electronic documents also has the additional benefit of reducing paper usage overall which is another step towards a more sustainable future.

In terms of banking, we cannot provide electronic offer and acceptance for a State UCCC regulated mortgage or personal term loan. They still have to be paper-based. There are other issues for mortgages eg, some State titles office registries don't yet allow electronic lodgement, but the e-conveyancing project COAG are supporting may progress this issue.

Please let me know if we can provide any further information,

Kind regards
Amber Hawkins