



Insurance Contracts Amendment Regulation 2012 (No.)¹

Select Legislative Instrument 2012 No.

I, QUENTIN BRYCE, Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following regulation under the *Insurance Contracts Act 1984*.

Dated 2012

Governor-General

By Her Excellency's Command

WILLIAM RICHARD SHORTEN
Minister for Financial Services and Superannuation

CONSULTATION DRAFT

1 Name of regulation

This regulation is the *Insurance Contracts Amendment Regulation 2012 (No.)*.

2 Commencement

This regulation commences 2 years after the day on which it is registered.

3 Amendment of *Insurance Contracts Regulations 1985*

Schedule 1 amends the *Insurance Contracts Regulations 1985*.

Schedule 1 Amendments

(section 3)

[1] Part I, heading

substitute

Part 1 Preliminary

[2] Subsection 2 (1)

insert

home buildings insurance contract means a contract referred to in regulation 9.

home contents insurance contract means a contract referred to in regulation 13.

[3] After regulation 2A

insert

Part 4 Disclosures and misrepresentations

Division 1 Insured's duty of disclosure

[4] After regulation 3

insert

Division 3 Remedies for non-disclosure and misrepresentations by insured

[5] After regulation 4

insert

Division 4 Key Facts Sheets

4A Application of Division

- (1) This regulation is made for section 33A of the Act.
- (2) Each of the following class of contracts of insurance is declared to be a class of contracts in relation to which Division 4 of Part IV of the Act applies:
 - (a) a home buildings insurance contract;
 - (b) a home contents insurance contract;
 - (c) a contract that contains a part that relates to either or both of the following:
 - (i) a home buildings insurance contract;
 - (ii) a home contents insurance contract.

Example for paragraph (c)

A contract that bundles up home buildings insurance, home contents insurance and motor vehicle insurance.

4B What is a Key Facts Sheet?

- (1) This regulation:
 - (a) is made for section 33B of the Act; and
 - (b) prescribes:
 - (i) the information required to be contained in a Key Facts Sheet for a contract; and
 - (ii) requirements that a Key Facts Sheet must comply with.
- (2) A Key Facts Sheet must:
 - (a) contain the information, and be completed in the way, specified in the following form:
 - (i) for a home buildings insurance contract—Form 1 in Schedule 3;
 - (ii) for a home contents insurance contract—Form 2 in Schedule 3; and
 - (b) be A4 in size; and
 - (c) be set out in Arial font, in the following sizes:
 - (i) the heading at the top of the first page that starts with the words ‘KEY FACTS’ must be in size 18 font;
 - (ii) the word ‘STEP’ must be in size 16 font;
 - (iii) the number after the word ‘STEP’ must be in size 48 font;
 - (iv) the rest of the document must be in size 10 font; and
 - (d) be set out in the following colours, with sufficient contrast in the colours to allow the text to be easily read:
 - (i) the headings, subheadings, and policy name, must be in blue type on a white background;
 - (ii) the boxes in steps 2 and 3 must be in white type on a blue background;
 - (iii) the rest of the document must be in black type on a white background.
- (3) However, if an insurer is not able to print a Key Facts Sheet using a colour printer, the insurer may print the Key Facts Sheet in black and white.

4C Insurer's obligation to provide Key Facts Sheet

- (1) This regulation:
 - (a) is made for section 33C of the Act; and
 - (b) prescribes:
 - (i) the circumstances, and manner, in which an insurer must provide a Key Facts Sheet for a contract; and
 - (ii) the circumstances in which an insurer may or must provide a Key Facts Sheet for a contract by electronic means; and
 - (iii) exceptions to the requirement in subsection 33C (1) of the Act.
- (2) An insurer must provide a person (a *consumer*) with a Key Facts Sheet for a contract if the person requests information about the contract.
- (3) The insurer must provide the Key Facts Sheet as soon as reasonably practicable, but not later than 14 days, after the consumer first requests information about the contract.
- (4) The insurer may provide the Key Facts Sheet by electronic means if the consumer provides the insurer with an email address to which the Key Facts Sheet may be sent.
- (5) If the consumer provides the insurer with an email address, the insurer is taken to have provided the consumer with the Key Facts Sheet if the insurer sends to the email address an email that:
 - (a) attaches a copy of the Key Facts Sheet; or
 - (b) contains a hyperlink to the Key Facts Sheet.
- (6) If an insurer has a website that is accessible by members of the public, the insurer must keep a copy of each Key Facts Sheet for a contract on the website, in a format that may be downloaded by members of the public.
- (7) An insurer is not required to provide a consumer with a Key Facts Sheet for a contract:
 - (a) if:
 - (i) the insurer has already provided the consumer with the Key Facts Sheet; and

- (ii) the contract has not changed since then, other than any change to the date of the Key Facts Sheet; or
- (b) if:
 - (i) the insurer believes, on reasonable grounds, that someone else has already provided the consumer with the Key Facts Sheet; and
 - (ii) the contract has not changed since then, other than any change to the date of the Key Facts Sheet; or
- (c) if the consumer informs the insurer that the consumer does not want the Key Facts Sheet.

[6] **Part II, heading**

substitute

Part 5 The contract—standard cover

[7] **Part III, heading**

substitute

Part 10 Miscellaneous

[8] **Part 4, heading**

omit

Part 4 Transitional arrangements

insert

Part 11 Transitional arrangements

[9] **Regulation 40, heading**

substitute

40 Purpose of this Part

[10] **Subregulation 41 (1), note**

omit

Part II

insert

Part 5

[11] After Schedule 2

insert

Schedule 3 Key Facts Sheets

(regulation 4B)

Form 1 Home buildings insurance contract

Form 2 Home contents insurance contract

Note

1. All legislative instruments and compilations are registered on the Federal Register of Legislative Instruments kept under the *Legislative Instruments Act 2003*. See www.comlaw.gov.au.