

Submission number: 2014/13

7 March 2014

### **Consultation on Draft LPG 270 – Group Insurance Arrangements**

ASFA is broadly comfortable with the contents of draft LPG 270. However, to improve the consistency of data provided by RSE licensees to insurers as part of a tender process, and thereby enable insurers to quote accurately for the business, ASFA believes it would be helpful for LPG 270 to provide guidance to insurers on the information they should be requesting from RSE licensees (eg. with respect to claims information, information such as: claim type, cause of claim, date ceased work, date notified/registered, date of initial claim payment, total benefit paid to date, status of claim etc).

Our submission identified some specific issues within draft LPG 270 and provided recommendations for APRA's consideration.

We also noted in our submission that draft LPG 270 uses the terminology "APRA expects" in a number of places. ASFA's view is that, given the fact that prudential practice guides do not contain enforceable requirements, where an insurer's process does not accord with APRA's expectation, it should be sufficient for an insurer to evidence:

- an awareness and consideration of the APRA expectation; and
- an alternative justifiable position.