



Law Council
OF AUSTRALIA

Legal Practice Section

28 February 2020

Manager
Financial Services Reform Taskforce
Treasury
Langton Crescent
PARKES ACT 2600

By email: FSRCconsultations@treasury.gov.au

Dear Sir/Madam

Financial Services Royal Commission – Enhancing Consumer Protections and Strengthening Regulators: Recommendation 4.6 – Limiting Avoidance of Life Insurance Contracts

1. The Australian Consumer Law Committee (**the Committee**) of the Law Council's Legal Practice Section welcomes the opportunity to make a submission to Treasury on the exposure draft legislation released as part its consultation on the Financial Services Royal Commission – Enhancing Consumer Protections and Strengthening Regulators. This submission focuses on Recommendation 4.6 – Limiting avoidance of life insurance contracts.
2. The Committee supports the amendments to the *Insurance Contracts Act 1984* (Cth) as proposed in Schedule 1 of exposure draft of the Financial Sector Reform (Hayne Royal Commission Response - Protecting Consumers (2020 Measures)) Bill 2020: Avoidance of Life Insurance Contracts. This amendment would implement Recommendation 4.6 of the Financial Services Royal Commission to return to the pre-2013 position, which ensures that insurers could only avoid a contract of life insurance where the insurer would not have entered into a contract of life insurance on any terms.
3. The Law Council would welcome the opportunity to discuss this submission with Treasury. In the first instance, please contact Mr Ben Slade, Committee Chair, on BSlade@mauriceblackburn.com.au

Yours sincerely

Margery Nicoll.

Margery Nicoll
Acting Chief Executive Officer