



ASIC
Australian Securities &
Investments Commission

ASIC (Information under the Deferred Sales Model for Add-On Insurance) Instrument 2021/632

I, Anthony Graham, delegate of the Australian Securities and Investments Commission, make the following legislative instrument.

Date 26 July 2021

Anthony Graham

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Part 1—Preliminary

1 Name of legislative instrument

This is the *ASIC (Information under the Deferred Sales Model for Add-On Insurance) Instrument 2021/632*.

2 Commencement

This instrument commences on the later of:

- (a) the day after it is registered on the Federal Register of Legislation; and
- (b) 5 October 2021.

Note: The register may be accessed at www.legislation.gov.au.

3 Authority

This instrument is made under subsection 12DP(4) of the *Australian Securities and Investments Commission Act 2001*.

4 Definitions

In this instrument:

Act means the *Australian Securities and Investments Commission Act 2001*.

add-on insurance deferral period has the same meaning as in subsection 12DP(1) of the Act.

customer has the same meaning as in subsection 12DP(1) of the Act.

electronic communication has the meaning given in paragraph (a) of the definition of *electronic communication* in section 5 of the *Electronic Transactions Act 1999*.

opt-out mechanism means the way or ways by which a customer can inform any person referred to in section 12DS of the Act that they do not wish to receive offers of add-on insurance products, or requests or invitations for the customer to ask or apply for add-on insurance products, in relation to a principal product or service.

prescribed information has the meaning given in subsection 5(1).

principal product or service has the same meaning as in subsection 12DP(1) of the Act.

WCAG 2.0 means the Web Content Accessibility Guidelines published on 11 December 2008 developed by the Accessibility Guidelines Working Group which is part of the World Wide Web Consortium Web Accessibility Initiative.

Part 2—Information under the deferred sales model for add-on insurance

5 Information that must be given to the customer

Prescribed information

- (1) For the purposes of paragraph 12DP(1) of the Act, the information (***prescribed information***) set out in:
 - (a) Schedule 1 is determined in relation to giving a customer information by electronic communication in relation to a principal product or service and an add-on insurance product; and
 - (b) Schedule 2 is determined in relation to giving a customer information in hard copy in relation to a principal product or service and an add-on insurance product.

Note: In order for there to be an add-on insurance deferral period in relation to an add-on insurance product, the prescribed information will need to be given in relation to that add-on insurance product.

Electronic provision of the prescribed information

- (2) Where the prescribed information is given by electronic communication:
 - (a) the information must:
 - (i) be in the sequence set out in Schedule 1; and
 - (ii) be displayed in the body of the electronic communication, and not in an attachment or via a link; and
 - (iii) be displayed in a format that complies with Guideline 1.4 of the WCAG 2.0 at Level AA; and
 - (iv) if sent using an electronic communication that has a subject line, have the subject line: ‘You can say no to add-on insurance’; and
 - (v) not contain any words or images other than those determined in this instrument; and
 - (b) the manner of electronic communication must allow the customer to have convenient and ongoing access to the prescribed information throughout the period of 6 weeks beginning on the first day of the add-on insurance deferral period.

Hard copy provision of the prescribed information

- (3) Where the prescribed information is given in hard copy, the information must:
 - (a) be in the form set out in Schedule 2; and
 - (b) be provided on an A4 size page with a white background; and
 - (c) not contain any words or images other than those determined in this instrument.

6 How the information must be given

- (1) The prescribed information must be given to the customer:
 - (a) if the person giving the information is satisfied that the customer can receive the information by electronic communication used by the person for the purpose of giving the information to customers—by electronic communication; or
 - (b) if, having taken reasonable steps, the person giving the information is not so satisfied—in hard copy.
- (2) In addition to any requirement to give information by electronic communication under paragraph (1)(a), if the customer acquires, or commits to acquire, the principal product or service through an in-person interaction, the customer must be given:
 - (a) the option to receive the prescribed information in hard copy during the in-person interaction; and
 - (b) the prescribed information in hard copy during the in-person interaction if the customer so elects.
- (3) Subsection (2) does not apply if the add-on insurance product, as part of its terms and conditions, is sold on the basis that all disclosures and communications relating to the product will only be given by electronic communication.
- (4) The prescribed information must be given to the customer after:
 - (a) the time the customer enters into the commitment to acquire the principal product or service; or
 - (b) if the customer acquires the principal product or service without previously entering into a commitment to do so—the time the customer acquires the principal product or service.

Schedule 1—Prescribed information by electronic communication

To *[insert name of customer]*

You can say no to being sold this insurance. It is not compulsory.

Salespeople must wait 4 days before selling you insurance as an ‘extra’ to your main purchase.

You can say ‘no’ to being contacted about *[insert name of add-on insurance product]* sold by *[insert name of add-on insurance product provider]* by *[insert details of opt-out mechanism]* or via either of the contact details below.

You can opt-out of being contacted about any insurance as an ‘extra’ to your main purchase by contacting *[insert name of principal product or service provider]* via the details below.

If you are unsure, consider your situation and ask yourself:

Do I need and understand this insurance?

Consider what the policy covers and what it excludes. You may already have other insurance or arrangements that will cover any potential loss or damage.

Could I get a better deal somewhere else?

Consider if another insurance product or company can better meet your needs. You may be able to shop around for a better deal.

For more information, visit <https://Moneysmart.gov.au/add-on-insurance>

[insert name of principal product or service provider]

Call: *[insert phone number]*

Write to: *[insert address and/or email address]*

[insert name of add-on insurance provider]

Call: *[insert phone number]*

Write to: *[insert address and/or email address]*

This Customer Information is provided as a requirement of the *Australian Securities and Investments Commission Act 2001* to reduce the number of poor-quality insurance products being sold in Australia.

Schedule 2—Prescribed information in hard copy

To *[insert name of customer]*

You can say no to being sold this insurance It is not compulsory

Salespeople must wait 4 days before selling you insurance as an 'extra' to your main purchase.

You can say 'no' to being contacted about *[insert name of add-on insurance product]* **sold by** *[insert name of add-on insurance provider]* **by:**

- 1.** Telling the salesperson
- or
- 2.** Ticking here and returning this form
- or
- 3.** Using either of the contact details below

You can opt-out of being contacted about any insurance as an 'extra' to your main purchase by contacting *[insert name of principal product or service provider]* **via the details below.**

If you are unsure, consider your situation and ask yourself:

- **Do I need and understand this insurance?**
Consider what the policy covers and what it excludes. You may already have other insurance or arrangements that will cover any potential loss or damage.
- **Could I get a better deal somewhere else?**
Consider if another insurance product or company can better meet your needs. You may be able to shop around for a better deal.

For more information, visit <https://Moneysmart.gov.au/add-on-insurance>

[insert name of principal product or service provider]

Call: *[insert phone number]*

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