

Chapter 6A

Product specific rules



6A.6 Cancellation of automatic renewal

Application

6A.6.1 **R** This section applies in relation to all *general insurance contracts* entered into with *consumers* which have an automatic *renewal* feature except for:

- (1) private health or medical insurance; and
- pet insurance.

Purpose

6A.6.2 **G** The purpose of this section is to support Treating Customers Fairly outcome 6 – “Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint”, by making it easier for *consumers* who wish to prevent their *policy* from automatically *renewing* to cancel this feature of their *policy*.

Requirement for a range of cancellation methods

6A.6.3 **R** A *firm* must provide a *consumer* with easy and accessible methods for cancelling the automatic *renewal* feature in the *consumer's* contract.

6A.6.4 **R**

- (1) The methods provided by a *firm* in accordance with **ICOBS 6A.6.3R** must include at least all the methods by which a *consumer* is able to purchase a new *policy* with the *firm*.
- (2) A *firm* must consider the needs of its *customers* when determining what cancellation methods it provides.

6A.6.5 **G** An easy and accessible method for cancelling an automatic *renewal* feature is a method that does not place any unnecessary barriers on the *consumer* who uses it. Unnecessary barriers may include one or both of the following:

- (1) unreasonably longer call waiting times to cancel the automatic *renewal* feature than to purchase a new *policy*; and/or
- (2) unnecessary questions or steps before the *consumer* is able to confirm their instructions to cancel the automatic *renewal* feature.

Times a consumer may cancel

6A.6.6

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A *firm* must allow the consumer to exercise their right to cancel the automatic *renewal* feature:

- (1) at the time the *consumer* purchases the *policy* and at any time during the duration of the *policy*; and
- (2) free of charge.