
From: Insurance Review
To: Johann Schoonees
Subject: RE: Why should insurers be exempt from the Fair Trading Act?

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Submission on: Insurance Contract Law Review

The insurance industry should not be exempt from the provisions in the Fair Trading Act against unfair contract terms.

There is an inevitable imbalance of power between most consumers and the insurer, in terms of access to legal resources, specialist industry knowledge and time to analyse policy details.

This places a burden of responsibility on insurers to ensure, at best, that consumers are not left ignorant of important terms and conditions of the insurance policy or, at worst, misled about terms or conditions through obfuscation, jargon or arcane language.

There seems to be little incentive for insurers to act responsibly thus because their market is competitive and the risk of reputational damage is low.

I strongly support a better deal for consumers in the insurance market, in particular ensuring fair terms and conditions in insurance policies in the same way that the Fair Trading Act does for other types of contract.

Yours sincerely

Johann Schoonees