

**Financial Exclusion and Australian Domestic General Insurance:
The impact of Financial Services Reforms**

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CERTIFICATE OF AUTHORSHIP/ORIGINALITY

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

Signature of Student

A handwritten signature in black ink, appearing to be 'M. J.', is written over a horizontal line. The signature is stylized and cursive.

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Financial Exclusion and Australian Domestic General Insurance The impact of Financial Services Reforms

Thesis Abstract

Consumer access to financial products and services may depend on a variety of factors. Recent evidence reveals that “Financial Exclusionary” effects may exert a particularly adverse impact on people's ability to access financial services and products. Specifically, this Study examines the extent to which recent financial services reforms in Australia have impacted upon those financial exclusionary effects which may preclude access to general insurance products in the domestic market.

Towards this aim, I first generated a profile of financial exclusionary effects applying to current Australian domestic general insurance products utilised by domestic insureds. The profile revealed that these effects occur widely across statute-prescribed insurance policies in the Australian domestic general insurance market. I then examined extent to which internal and external contextual factors arising from interaction with various statutory provisions constrained these effects. I discovered that potential constraints, primarily due to the preclusion of external statutory provisions from general insurance contracts, were minimal. This in turn, could be traced to the existence of insurance specific statutory remedies under the Australian federal insurance legislation designed to provide relief from harsh, oppressive, unconscionable, unjust, unfair, or inequitable insurer conduct.

Subsequently, I identified the general objectives of recent Australian financial services reform legislation from the perspective of potential impact upon financial exclusionary effects. I found that, through an attempt to address structural defects in the application of the reform legislation, the new legislation in fact replicated existing statutory descriptions of several domestic general insurance products which contained financial exclusionary effects, embedding these effects in the definitions central to the reform legislation. I consider the policy implications of my research findings, noting that remedial legislation may be necessary to address those issues identified.

I conclude my thesis with the outcome of a Pilot Study I developed and implemented in order to establish the extent to which my multi-part analytical framework was relevant in determining the financial exclusionary effect profile in domestic general insurance products available in the New Zealand general insurance market. I report on the outcome of these inquiries, which successfully established the probable financial exclusionary effect profile in financial products and services within that jurisdiction.