

## **DETAILED TABLE OF CONTENTS**

<b>About The Broker Manual &amp; Companion .....</b>	<b>2</b>
<b>Table of Contents .....</b>	<b>3</b>
<b>Stepping Through The Insurance Broking Process .....</b>	<b>4</b>
<b>1 Marketing and Advertising .....</b>	<b>5</b>
<b>2 Client Contact .....</b>	<b>5</b>
<b>3 Confirm Appointment .....</b>	<b>5</b>
<b>4 Prepare Documents .....</b>	<b>6</b>
<b>5 Client Meeting .....</b>	<b>6</b>
<b>6 Establish Rapport .....</b>	<b>6</b>
<b>7 Introduction .....</b>	<b>7</b>
<b>8 Retail v Wholesale Clients .....</b>	<b>9</b>
8.1 Retail Clients .....	9
8.2 Wholesale Clients .....	9
8.3 Bundled Covers .....	10
<b>Collecting Information .....</b>	<b>10</b>
<b>10 Can You Act? .....</b>	<b>12</b>
<b>11 Your Duties to the Client .....</b>	<b>12</b>
<b>12 Servicing Retail Clients .....</b>	<b>13</b>
12.1 Client Engagement/FSG .....	13
12.2 Quotations .....	13
12.3 Giving the FSG – General Principles .....	14
12.4 Giving the FSG – ‘Time-critical’ Transactions .....	15
12.5 Needs Analysis .....	16
12.6 Preliminary Advice .....	17
12.7 Giving Personal Advice .....	17
12.8 Using an SoA – General Principles .....	18
12.9 Giving the SoA – ‘Time-critical’ transactions .....	19
12.10 Incomplete or Inaccurate Information .....	20
12.11 Policy Replacement .....	20
12.12 Giving a PDS – General Principles .....	20

12.13	Giving a PDS – ‘Time-critical’ transactions .....	21
12.14	Arranging the Insurance.....	21
12.15	Insurance Proposals – General Principles .....	21
12.16	Cover Notes/Interim Contracts.....	22
12.17	Policy Documentation .....	23
12.18	Confirmation.....	23
12.19	Cancellations During Cooling Off Period.....	23
12.20	Premium Not Received .....	24
12.21	Renewals .....	24
12.22	Re-quoting .....	25
<b>13</b>	<b>Servicing Wholesale Clients .....</b>	<b>26</b>
13.1	Client Engagement .....	26
13.2	Your Responsibilities .....	27
13.3	Preliminary Advice .....	27
13.4	Uninsured Risks.....	28
13.5	Quotation & Placement Slips.....	29
13.6	Policy Selection .....	30
13.7	Placing the Policies .....	30
13.8	Changes / Difficulties in Placement.....	31
13.9	Using an Insurance Manual .....	32
13.10	Premium .....	32
13.11	Premium Funding.....	32
13.12	Giving Insurance Documents To The Client .....	33
13.13	Renewals and Re-quoting.....	33
<b>14</b>	<b>Cancellation and Lapses .....</b>	<b>34</b>
14.1	Cancellation By Insurer.....	34
14.2	Cancellation By Client.....	34
14.3	Cancellation By Funder.....	36
14.4	Lapses .....	36
14.5	Cancellation From Inception .....	37
14.6	Return Premium.....	37
<b>15</b>	<b>Insurance Certificates .....</b>	<b>37</b>
15.1	Certificates of Currency .....	37
15.2	Certificates of Insurance .....	38
15.3	Certificates of Placement .....	38
<b>16</b>	<b>Claims and Complaints.....</b>	<b>38</b>



<b>17</b>	<b>Terminating Your Engagement .....</b>	<b>39</b>
17.1	Notifying the Client.....	39
17.2	Contacting Insurers and Handling Claims .....	40
<b>18</b>	<b>File Management .....</b>	<b>40</b>
	<b>Detailed Table of Contents .....</b>	<b>42</b>

SAMPLE

## **DETAILED TABLE OF CONTENTS**

<b>About The Companion To The Broker Manual .....</b>	<b>2</b>
<b>Table of Contents.....</b>	<b>3</b>
<b>Financial Services.....</b>	<b>5</b>
<b>1 Overview .....</b>	<b>5</b>
<b>2 Retail / Wholesale clients.....</b>	<b>5</b>
2.1 Retail Clients.....	5
2.2 Wholesale Clients .....	7
2.3 Bundled Policies .....	7
<b>3 Advising .....</b>	<b>8</b>
3.1 What is Advice .....	8
3.2 What Is Not Advice .....	9
3.2.1 Factual Information.....	9
3.2.2 "Disclosure" Documents.....	10
3.2.3 Quotations .....	10
3.2.4 Advertising by Insurer.....	10
3.2.5 General Advice Without Remuneration .....	11
<b>4 General and Personal Advice.....</b>	<b>11</b>
4.1 Personal Advice .....	11
4.2 General Advice .....	12
4.2.1 When Does General Advice Become Personal Advice .....	13
4.2.2 General Advice Warnings .....	14
<b>5 Dealing .....</b>	<b>14</b>
5.1 Dealing.....	14
5.2 Arranging .....	15
5.3 Binders and Acting as an Agent of The Insurer.....	16
<b>6 Non-Financial Services .....</b>	<b>17</b>
6.1 Referrals .....	17
6.2 Clerks and Cashiers.....	17
6.3 Passing On Prepared Documents.....	18
6.4 Claims Handling.....	18

6.5	Group Purchasing Bodies .....	18
	<b>Marketing .....</b>	<b>21</b>
<b>7</b>	<b>Describing Your Business .....</b>	<b>21</b>
7.1	Holding Out .....	21
7.2	Restricted Terms .....	22
7.3	Business Documents .....	22
	7.3.1. AFS Licence Number .....	22
	7.3.2. Australian Company Number and Australian Business Number .....	23
7.4	Business Names .....	24
<b>8</b>	<b>Advertising .....</b>	<b>25</b>
8.1	Disclosures .....	25
8.2	Use of Words .....	25
8.3	Mass Media .....	28
<b>9</b>	<b>Direct Marketing .....</b>	<b>29</b>
9.1	General Principles .....	29
	9.1.1. Marketing Material .....	29
	9.1.2. Lists .....	29
	9.1.3. Privacy .....	29
	9.1.4. No Contact / No Call Register .....	30
9.2	Telemarketing .....	30
	9.2.1. Federal Do Not Call Register .....	30
9.3	Hawking .....	31
	9.3.1. What Is An Unsolicited Meeting/Call .....	31
	9.3.2. Illegal Hawking .....	32
	9.3.3. Permitted Hawking .....	32
	9.3.4. Future Ban on Hawking .....	33
9.4	Electronic Marketing/Spam .....	33
	9.4.1. What Is Spam? .....	34
	9.4.2. What Is Not Spam? .....	34
	9.4.3. What Is Consent? .....	34
	9.4.4. Address Harvesting Lists .....	35
9.5	Newsletters .....	35
<b>10</b>	<b>Other Marketing Strategies .....</b>	<b>36</b>

10.1	Referrals .....	36
10.1.1.	Limits On Activities .....	36
10.1.2.	Disclosing Remuneration .....	37
10.1.3.	Monitoring Referrers .....	37
10.2	Lead Generation .....	38
10.3	Alliances .....	38
<b>11</b>	<b>Competition And Consumer Obligations .....</b>	<b>40</b>
11.1	Misleading and Deceptive Conduct .....	41
11.2	False Representations .....	42
11.3	Unconscionable Conduct .....	42
11.4	Harassment or Coercion .....	43
11.5	Third Line Forcing .....	43
11.6	Consumer Guarantees .....	44
11.7	Unfair Contracts .....	44
11.8	Penalties .....	45
	<b>Broker's Duties To Clients .....</b>	<b>47</b>
<b>12</b>	<b>Provision of Services .....</b>	<b>47</b>
12.1	Efficient, Honest and Fair .....	47
12.2	Interests Duty .....	47
12.3	Common Law Duty of care .....	47
12.3.1.	What is the Duty? .....	47
12.3.2.	What Standard Is Expected? .....	48
12.3.3.	Specific Elements of the Common Law Duty .....	49
12.3.4.	To Whom Is the Duty Owed .....	57
12.3.5.	Duration of Duty .....	58
12.3.6.	Compensation for Breach of Duty .....	58
12.4	Industry Codes of Practice .....	59
12.4.1.	General Insurance Code of Practice .....	59
12.4.2.	Insurance Brokers Code of Practice .....	61
12.4.3.	NIBA Code of Conduct .....	61
<b>13</b>	<b>Remuneration Disclosure .....</b>	<b>62</b>
13.1	General Principles .....	62
13.2	Remuneration Types .....	62
13.2.1.	Commissions and Fees .....	62

13.2.2.	Alternative Remuneration .....	63
13.2.3.	Rebates and Related Payments .....	64
13.2.4.	Wholesale Clients .....	64
13.3	When Remuneration Must Be Disclosed .....	65
13.3.1.	FSG .....	65
13.3.2.	SoA .....	66
13.3.3.	Written Advice and Other Record of Advice .....	66
13.3.4.	Content of Disclosure .....	66
13.4	When Remuneration Need Not Be Disclosed .....	67
<b>14</b>	<b>Privacy and Confidentiality .....</b>	<b>67</b>
14.1	Use of Personal Information .....	67
14.2	Collection of Personal Information .....	68
14.3	Privacy Procedures .....	68
14.3.1.	Intentional Collection .....	69
14.3.2.	Unsolicited Collection .....	70
14.3.3.	Use and Disclosure of Personal Information .....	70
14.3.4.	Over-Collection .....	70
14.3.5.	Sensitive Personal Information .....	71
14.3.6.	Openness .....	72
14.3.7.	Direct Marketing .....	72
14.3.8.	Quality, Security and Destruction of Information .....	73
14.3.9.	Correcting Personal Information .....	73
14.3.10.	Access .....	74
14.3.11.	Timeframe for Access and Correction .....	74
14.3.12.	Charges for Access and Correction .....	75
14.3.13.	Refusing Access .....	75
14.3.14.	Giving Reasons .....	75
14.3.15.	Complaints .....	76
14.3.16.	Tax File Numbers and Other Identifiers .....	76
14.3.17.	Privacy Breaches .....	77
14.3.18.	Privacy Policy Template .....	78
14.3.19.	Privacy Collection Statement Template .....	82
<b>15</b>	<b>Conflicts of Interest .....</b>	<b>84</b>
15.1	Conflicts of Interest Policy .....	85

15.1.1.	What is a Conflict of Interest? .....	85
15.2	Managing Conflicts of Interest.....	85
15.2.1.	Controlling Conflicts.....	85
15.2.2.	Disclosing Conflicts.....	85
15.2.3.	Avoiding Conflicts.....	86
15.3	Financial and Commercial Conflicts.....	86
15.4	Related Company Conflicts .....	88
15.5	Related Company Conflicts Procedure.....	90
15.6	Conflicts Disclosures.....	91
	<b>Insurance Broking.....</b>	<b>97</b>
<b>16</b>	<b>Client Engagement.....</b>	<b>97</b>
16.1	Initial Engagement.....	97
16.1.1.	Terms of Engagement.....	97
16.1.2.	Content of Terms of Engagement.....	97
16.1.3.	NIBA Solicitor-Form Letter.....	98
16.1.4.	Letter of Authority to Review and Quote .....	99
16.1.5.	Client Onboarding.....	99
16.2	Mid Term Appointments.....	99
16.3	Foreign and Foreign-Owned Clients .....	100
16.3.1.	Illegal Foreign Clients .....	100
16.3.2.	Risk Based Assessment.....	100
16.3.3.	Compliance Measures.....	101
16.3.4.	Sanctions-Affected Clients.....	102
<b>17</b>	<b>Retail Client Advice.....</b>	<b>102</b>
17.1	Financial Services Guide .....	102
17.1.1.	When Must An FSG Be Provided.....	103
17.1.2.	Time Critical Transactions .....	104
17.1.3.	When An FSG Is Not Required .....	105
17.1.4.	How Must The FSG Be Provided.....	107
17.1.5.	FSG Record Keeping.....	108
17.1.6.	Penalties.....	109
17.2	Your Advice.....	109
17.2.1.	Best Interests Duty .....	109
17.2.2.	Fact Find .....	110



17.2.3.	Incomplete or Inaccurate Information.....	110
17.2.4.	Analysis.....	111
17.2.5.	Appropriate Advice.....	112
17.3	Duty of Disclosure.....	112
17.4	Cooling off periods.....	113
17.5	General Advice Warning.....	114
17.6	Personal Advice.....	115
17.6.1.	When Is An SoA Required.....	115
17.6.2.	Content of an SoA.....	116
17.6.3.	Incorporating Other Documents by Reference.....	117
17.6.4.	What Is Not Required.....	118
17.6.5.	Dollar Disclosure.....	118
17.7	When SoAs Are Not Required.....	119
17.7.1.	Wholesale Clients.....	119
17.7.2.	Further Advice.....	119
17.7.3.	Personal Advice With No "Purchase" Recommendation.....	120
17.7.4.	Clients Outside Australia.....	120
17.8	Records of Advice.....	120
17.8.1.	When To Provide An SoA.....	121
17.9	Record Keeping.....	121
17.10	How Must An SoA Be Provided.....	122
17.11	SoA Record keeping.....	123
17.12	Penalties.....	123
17.13	Product Disclosure Statements.....	124
17.13.1.	When Must a PDS Be Provided.....	124
17.13.2.	Time Critical Circumstances.....	125
17.13.3.	When A PDS Is Not Required.....	125
17.13.4.	Bundled Contracts.....	126
17.13.5.	Providing the PDS.....	126
17.13.6.	PDS Record Keeping.....	128
17.13.7.	Penalties.....	128
17.14	Retail Client Disclosure.....	129
<b>18</b>	<b>Wholesale Client Advice.....</b>	<b>130</b>
18.1	Advice On Policy Coverage.....	130
18.2	Duty of Disclosure.....	131

<b>19</b>	<b>Disclosure Requirements .....</b>	<b>132</b>
19.1	Duty of Disclosure .....	132
19.1.1.	Explaining the duty of disclosure.....	133
19.1.2.	Future changes to Duty of Disclosure .....	134
19.1.3.	Disclosing information to the insurer .....	134
<b>20</b>	<b>Policy Recommendation.....</b>	<b>139</b>
20.1	Approved Policy List .....	139
20.2	Insurer Selection.....	139
20.3	Direct Offshore Foreign Insurers/ Unauthorised Foreign Insurers.....	139
20.3.1.	High Value Clients .....	140
20.3.2.	Atypical Risks .....	140
20.3.3.	Insurance Required in Foreign Law .....	141
20.3.4.	Risks That Cannot Be Placed In The Australian Market.....	141
20.3.5.	Notice Requirements .....	142
20.3.6.	Taxes .....	143
20.3.7.	DOFI Record Keeping .....	143
20.3.8.	Prudential Regulation of Foreign Financial Service Providers.....	148
<b>21</b>	<b>Arranging New Business .....</b>	<b>148</b>
21.1	Quotations / Placing Slips .....	149
21.2	Passing On Quotations .....	150
21.3	Interim Contracts / Cover Notes.....	150
21.4	Proposals.....	151
21.5	Insurance Manual .....	152
21.6	Placing the Risk .....	153
21.7	Changes / Difficulties in Placement.....	154
21.8	Binders.....	155
21.9	Premium .....	156
21.10	Renewal Reminder .....	156
21.11	Premium Funding.....	156
21.12	Confirmation.....	157
21.13	Certificates of Currency .....	158
<b>22</b>	<b>Renewals.....</b>	<b>158</b>
22.1	Authority to Renew.....	158
22.2	Planning for Renewal.....	159

22.2.1.	Retail Clients .....	159
22.2.2.	Commercial Clients.....	159
22.3	Renewing .....	160
22.4	After Renewal .....	161
22.5	Uninsured Risks.....	161
<b>23</b>	<b>Cancellations and Lapses .....</b>	<b>161</b>
23.1	Cancellations .....	161
23.1.1.	Cancellation By The Insurer.....	161
23.1.2.	Cancellation By The Broker .....	162
23.1.3.	Cancellation and Premium Funding Contracts .....	163
23.1.4.	Cancellation by the Client.....	163
23.2	Lapses .....	164
23.3	Other Issues .....	164
23.3.1.	Premium Investments.....	164
23.3.2.	Return Premium .....	165
23.3.3.	Alternative Cover.....	165
23.3.4.	Claims .....	165
23.4	Record Keeping .....	166
<b>24</b>	<b>Communications .....</b>	<b>166</b>
24.1	Write, Read and Respond.....	166
24.1.1.	Write.....	166
24.1.2.	Read.....	166
24.1.3.	Respond.....	167
24.2	Diary System.....	167
24.3	Telephone Calls/Messages.....	167
24.3.1.	Telephone Messages .....	167
24.3.2.	Telephone Calls.....	168
24.4	Written Communications .....	168
24.4.1.	Correspondence .....	168
24.4.2.	Facsimiles .....	168
24.4.3.	Distribution System.....	169
24.5	Email.....	169
24.5.1.	Email Signoff .....	169
24.5.2.	Email Usage.....	169

24.5.3.	Security .....	170
24.5.4.	Checking E-mails.....	170
24.5.5.	Retention .....	170
24.5.6.	Viruses .....	170
24.6	Filing Conventions .....	171
	<b>Trust Accounts and Taxation.....</b>	<b>172</b>
<b>25</b>	<b>Client Money.....</b>	<b>172</b>
25.1	Separation of Front and Back .....	172
25.2	Whose Money Is It? .....	172
25.3	Interest.....	173
25.4	Discharge on Payment to Intermediary.....	173
<b>26</b>	<b>Trust Accounts.....</b>	<b>173</b>
26.1	Types of Trust Accounts .....	173
26.1.1.	Intermediary Client B Trust Accounts .....	173
26.1.2.	Insurer Trust Accounts.....	174
26.2	Money To Be Paid Into s981B Trust Account.....	174
26.3	Mixed money.....	174
26.4	Money Which Cannot Be Paid In .....	175
26.5	Permissible Payments from Trust Accounts.....	176
26.6	Uncollected moneys .....	177
26.7	Times for payment .....	177
26.7.1.	Payments into Trust Account.....	177
26.7.2.	Payments to Insurers.....	178
26.7.3.	Payments to Insureds .....	178
26.7.4.	Payments to the Broker .....	178
26.8	Notices.....	179
26.8.1.	Policy Not Issued.....	179
26.8.2.	Payments Between Intermediaries.....	179
<b>27</b>	<b>Insurance Taxes .....</b>	<b>180</b>
27.1	Taxes and Charges.....	180
27.2	Emergency Services Levy .....	180
27.2.1.	Victoria .....	182
27.2.2.	Tasmania.....	182
27.3	Goods and Services Tax.....	182



