



INSURANCE BROKERS CODE OF PRACTICE



INSURANCE BROKERS CODE OF PRACTICE

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THE TRUE VALUE OF THE INSURANCE
BROKING PROFESSION IS THAT IT
ALLOWS YOU TO NAVIGATE THE
UNAVOIDABLE COMPLEXITIES OF RISK
AND INSURANCE PRODUCTS AND
MARKETS SO YOU CAN ADEQUATELY
MANAGE THE RISKS AFFECTING YOU.”

Who owns the Code?

The Code is an initiative of the National Insurance Brokers' Association of Australia (NIBA), which is the voice of the insurance broking industry in Australia.

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◀ IMPORTANT BACKGROUND

What does the Code do for you? (Code objectives)

(A “Code Member” is referred to in these Standards as “we”, “our” and “us” and a “Client” as “you” and “your”)

THE CODE DOES THE FOLLOWING

Commits us and our Representatives to high standards of customer service.

We are committed by the Code to high standards, which apply to a very broad range of customers and services.

They are designed to:

- result in a higher standard of service for customers;
- promote better and more professional, informed and effective relationships between insurance brokers and

their customers, insurers and others involved in the insurance industry.

WHAT YOU NEED TO KNOW

The Code addresses many issues not specifically dealt with in legislation.

Where the Code imposes an obligation that is greater than the law we will comply with it (unless it would cause us to breach the law).

The Code aims to work together with the many laws covering our conduct that are designed to protect you but will in no way limit your rights under such laws against us.

How to navigate the Code

STEP 1

UNDERSTAND WHAT THE CODE APPLIES TO

The Code applies to general and life insurance and other insurance related services (as defined in the “Covered Services” section page 6) provided by us as Code Members (see “Code Members” definition on page 14) to you as our Client (see “Client” definition page 14).

The Code is drafted to cover a broad range of services that go beyond those covered by the FOS Terms of Reference.

You can contact the Code Administrator if you have any questions. Visit www.fos.org.au or tel: **1300 78 08 08**.

STEP 2

UNDERSTAND THE STANDARDS AND REQUIREMENTS THAT CODE MEMBERS MUST MEET

The Code sets the high standards and other requirements we agree with NIBA to meet (see What Code Standards Apply pages 8-11). Nothing prevents us from adopting higher standards where we wish to do so.

The aim is to promote informed and effective relationships between you, and us insurers and others involved in the insurance industry. The Code standards address many issues not specifically dealt with in legislation. The Code does not affect or limit your rights under any relevant legislation or other law against us.



Words with special meanings

Some words have the special meanings set out

in the ‘Words with Special Meanings’ section on page 14.



Additional guidance to help you understand the Code

Guidance has been developed to assist understanding of the Code. See the Code of Practice section of the NIBA website at www.niba.com.au



Code procedures

Code Procedures also apply which cover in detail how a Complaint may be made and resolved, the power of the Code Administrator to review compliance and resolve any alleged breach and role and operation of the Code Compliance Committee. See pages 12-13 for details.

ND INFORMATION ▶

THE CODE DOES THE FOLLOWING

Commits us to a free and transparent complaints and compliance review process and Can impose binding sanctions against us for any breach

WHAT YOU NEED TO KNOW

You can complain to the Code Administrator and have the complaint resolved in accordance with the procedures set out in the Code.

This is usually done if our Internal Dispute Resolution (IDR) process fails to resolve the complaint. FOS will not usually consider a complaint that has not gone through this process.

The Code Administrator can also conduct reviews of Code

compliance by us even where there has been no complaint.

There is also an independent Code Compliance Committee that monitors Code compliance and oversees administration of the Code.

All of the above helps minimise non-compliance and maintain high compliance standards.

By agreeing to the Code we enter into a contract with NIBA to abide by the Code. The Code does not create legal or other rights between us and any person other than NIBA.

The Code Administrator can impose binding orders or sanctions for breaches on us for a breach of the Code.

STEP 3

UNDERSTAND WHAT HAPPENS IF THE CODE IS BREACHED

If there is a breach of the Code you can make a complaint and seek to have it resolved in accordance with the Code terms (see the "Breaches and Code Compliance Reviews" section on pages 12-13).

The Code does not create legal or other rights between us and any person other than NIBA, with which we contract in relation to the Code.

NIBA (through the Code Administrator) can impose binding orders and/or sanctions on us for a breach.

To maintain high standards of compliance (and help protect consumers) the Code Administrator will undertake annual reviews of Code compliance. The Code Administrator also has a power to undertake Code reviews of our compliance and can impose binding orders and/or sanctions on us for a breach.

There is also a Code Compliance Committee that monitors Code compliance and oversees administration of the Code.



How up to date is the Code?

The Code is a living Code and can be updated by NIBA at any time to take into immediate account, where necessary, any significant market developments and industry experience.

The Code will be formally reviewed by NIBA every three years.

In making any changes NIBA will consult with relevant stakeholders, including consumer representatives, Code Members, FOS, the Code Compliance Committee and relevant government agencies.



Are any Code reports available to you?

Reports can be prepared and publicised by NIBA and the Code Administrator covering matters it believes are of importance having regard to the Code Objectives and Code Principles.

◀ SCOPE OF THE CODE ▶

Who does the Code apply to, and from when? (Code Members)

WHO ARE CODE MEMBERS?

(Also referred to as “we”, “our” and “us” in the Code)

NIBA Principal Member or Corporate Associate as defined in the NIBA Constitution.

WHEN DOES THE CODE APPLY FROM?

The later of:

- the time they become a Principal Member or Corporate Associate; or
- 1 January 2014 or such earlier time they agree with NIBA to opt into this Code.

WHO ARE CODE MEMBERS?

Anyone that has entered into an agreement with NIBA to be bound by the Code; or

Such other type of NIBA member approved by the NIBA Board.

WHEN DOES THE CODE APPLY FROM?

The later of:

- the time they enter into an agreement with NIBA to be bound by the Code; or
- 1 January 2014 or such earlier time they agree with NIBA to opt into this Code.

For a list of Code Members see www.niba.com.au

What services are covered by the Code? (Covered Services)

COVERED SERVICES

The Code applies to Covered Services provided by us (or our Representatives on our behalf) after the time we become bound by the Code (see the “Who does the Code apply to, and from when?” above).

Covered Services are made up of the following Insurance Services and Associated Services:

INSURANCE SERVICES means all:

- general insurance services; and
- life insurance services in relation to life policies (as defined in section 9 of the *Life Insurance Act* 1995 (Cth)).

Insurance Services **do not** include reinsurance services.

ASSOCIATED SERVICES means services provided in association with the above two types of Insurance Services. These services include but are but not limited to:

- claims administration services;
- loss control and risk management advice;
- mutual fund or captive administration;
- risk inspection; and
- premium funding arrangement or referral.

Associated Services **do not** include reinsurance services.

Who can access the benefits of the Code? (Client)

(referred to as “you” and “your” in the Code)

A person is covered by the Code as a Client in relation to the Covered Services we provide to them.

However, a Client will not include:

- an insurer or its agents;
- any insurance broker;
- other type of insurance intermediary; or
- other insurance service providers, such as premium funders and loss adjusters...

...except to the extent we have provided Covered Services to them in relation to or arising from their proposed or actual purchase of insurance or Associated Services.

For example, if an insurer uses our services to acquire insurance on their behalf, they are a Client in relation to that insurance and any premium funding referral we may make related to the insurance.

If we act as their agent in selling insurance for them to others or act for an insured in arranging insurance with them as insurer, they won't be a Client in relation to these services.

What rights are provided by the Code?



The Code does not create any legal or other right as between us and you or any person other than NIBA.

How is the Code applied? (Code Principles)

The provisions of the Code will be applied having regard to the:

- requirement of Code Members to meet the standards established at general law and statute, in particular but in no way limited to the:
 - *Corporations Act* 2001 (in particular Chapter 7);
 - *Insurance Contracts Act* 1984;
 - *Australian Securities and Investments Commission Act* 2001;
 - *Australian Consumer Law* 2011; and
 - *Privacy Act* 1988.

To the extent the Code may be found to be inconsistent with any Commonwealth, State or Territory law, that law always prevails.

- fact that insurance contracts and arrangements between Code Members, Clients and insurers and their agents are substantially governed by the above legislation.
- need for Code Members to provide fair, honest and diligent services to enhance and maintain public confidence in insurance brokers and insurance intermediaries.
- need for Clients of Code Members to be made aware of the provisions of the Code.
- need to promote competition and cost efficiency in the insurance industry and to ensure flexibility and innovation in the development and enhancement of products and services for Clients of Code Members.

STANDARDS THAT APPLY

About the Code Standards

(A “Code Member” is referred to in these Standards as “we”, “our” and “us” and a “Client” as “you” and “your”)

WHAT SERVICE STANDARDS APPLY?

1 WE WILL COMPLY WITH ALL RELEVANT LAW

2 WE WILL TRANSPARENTLY MANAGE ANY CONFLICTS OF INTEREST THAT MAY ARISE

ALL COVERED SERVICES

In performing the above we will:

- before or at the time of providing our Covered Service clearly tell you of any material conflicts of interest we may have;
- answer any questions you may have about conflicts of interest and our procedures for handling them;
- avoid the conflict if appropriate; and
- keep appropriate records relevant to any conflict and our handling of it.

Where we hold a licence under Chapter 7 of the *Corporations Act* 2001 we are required to have certain procedures in place to adequately manage conflicts of interest in relation to our provision of financial services under that Act.

3 WE WILL CLEARLY TELL YOU IF WE DO NOT ACT FOR YOU IN PROVIDING OUR COVERED SERVICES

INSURANCE SERVICES

We will clearly tell you if we are:

- acting as agent of the insurer (including under binder) before or at the time we provide our service; and
- using another insurance broker to assist in the arrangement of insurance for you (commonly called a wholesale broker) and will explain their role and answer any questions about the role of that broker.

4 WE WILL CLEARLY TELL YOU ABOUT THE SCOPE OF OUR SERVICES

ALL COVERED SERVICES

We will clearly tell you before or at the time we provide our service:

- if we are providing you with advice based on our consideration of whether certain insurance or other products are suitable for

your personal needs, objectives or financial situation or not (Personal Advisory Service); and

- if there are any material limits on the scope of any Personal Advisory Service being provided, and the relevant implications of this.

5 WE WILL DISCHARGE OUR DUTIES DILIGENTLY, COMPETENTLY, FAIRLY AND WITH HONESTY AND INTEGRITY

ALL COVERED SERVICES

We will exercise reasonable care and skill in performing any services on your behalf, including communicating with you in a clear and prompt manner.

STANDARDS FOR INSURANCE SERVICES USUALLY PROVIDED WHEN YOU BUY INSURANCE AND WE ACT ON YOUR BEHALF

We will do the following in relation to your purchase of insurance (unless you agree with us otherwise):

- when we provide you with a Personal Advisory Service in relation to the insurance we will:
 - act in your best interests by:
 - identifying your objectives, financial situation and needs, as disclosed to us by you through your instructions;
 - identifying the subject matter of the advice that has been sought by you (whether explicitly or implicitly);
 - identifying your objectives, financial situation and needs that would reasonably be considered as relevant to advice sought on that subject matter (the Relevant Circumstances);
 - making reasonable inquiries to obtain complete and accurate information where it is reasonably apparent that information relating to your Relevant Circumstances is incomplete or inaccurate.

Something is ‘reasonably apparent’ if it would be apparent to a person with a reasonable level of expertise in the subject matter of the advice that has been sought, were that person exercising care and objectively assessing the information given:

- warn you if the advice is based on incomplete or inaccurate information (in relation to the Relevant

Y TO CODE MEMBERS

There are 12 Key Code Standards. Under these are more detailed standards that fall within the concept of the Key Code Standard, which identify the type of Covered Services they apply to.

Circumstances), and advise you that you should, before acting on the advice, consider the appropriateness of the advice, taking into your account your objectives, financial situation and needs.

- provide advice that is appropriate for your needs, which will include, where appropriate in the circumstances, a reasonable explanation of the terms of the insurance that the advice is being provided on.
- provide you with access to information to assist you to determine the level of insurance cover you may require;
- assist you to determine your policy requirements and arrange policies for you;
- promptly provide to insurers any insurance proposal and application forms or other required information required by them;
- not advise you that any insurance is available on specified terms (insurance conditions, coverage or premiums) where the declared insurer has not provided such terms;
- take all reasonable steps to promptly make available to you copies of any relevant insurance documentation such as policy wordings, schedules, certificates and endorsements;
- promptly advise you if policy coverage is accepted, declined, cancelled or lapsed or has had additional special terms applied;
- receive all general insurance notices from the insurer on your behalf and pass the notices or relevant information in the notices to you promptly;
- when we provide a Personal Advisory Service on insurance provided by a foreign general insurer that is not authorised under or subject to the provisions of the *Insurance Act 1973* (which establishes a system of financial supervision of general insurers that carry on general insurance business in Australia), we will inform you of the material risks we believe are involved in transacting insurance with such an insurer.
- in relation to Group Purchasing Arrangements (as defined below):
 - where the person can separately elect and pay to access the benefit we will tell the contracting insured of the importance of:
 - taking reasonable steps to make copies of the relevant policy terms available to the relevant persons at or before the time they make the election and pay; and
 - complying with relevant law as it applies to them in relation to such arrangements.

benefit of being able to claim under the policy to persons who are not contracting insureds (e.g persons covered by reason of section 48 of the Insurance Contracts Act 1984 (Cth)).

- where you are appointing us to act on your behalf, instead of utilising the services of your existing insurance broker, only request an authority to obtain information from your insurers relevant to the services we are to provide for you.

STANDARDS FOR INSURANCE SERVICES USUALLY PROVIDED IN RELATION TO INSURANCE CLAIMS WHEN WE ACT ON YOUR BEHALF

We will (unless we tell you otherwise):

- assist you in making and progressing a claim (including but not limited to providing you with claim forms and claims advice) and will act in your best interests in doing so;
- on receiving an insurer's response to a claim, inform you as soon as reasonably practical of that response; and
- assist you and negotiate with insurers on your behalf in the event of a claim being disputed or rejected.

STANDARDS FOR INSURANCE SERVICES USUALLY PROVIDED WHEN WE ACT FOR THE INSURER AND NOT YOU

We will:

- tell you if we are acting for an insurer and not for you before or at the time we provide our services for certain transactions. This is important because in these circumstances we will not be acting on your behalf in providing the Covered Services we agree to provide to you;
- comply with any obligation that the insurer has under any law or code of practice the insurer subscribes to, where relevant to our conduct;
- take all reasonable steps to promptly make available to you copies of any relevant insurance documentation evidencing the insurance in force, including but not limited to, policy such as policy wordings, schedules, certificates and endorsements; and
- reasonably assist with any requested acquisition, arrangement or management of your insurance policies, including but not limited to any endorsement, reinstatement, replacement, renewal or cancellation of such policies.



A Group Purchasing Arrangement is where the policy provides the

6 WE WILL CLEARLY TELL YOU BEFORE PROVIDING OUR SERVICES HOW THEY ARE PAID FOR AND ANSWER ANY QUESTIONS ABOUT OUR REMUNERATION

INSURANCE SERVICES

We will clearly tell you before or at the time you enter into an insurance contract:

- if we will receive remuneration (e.g a fee payable by you) in addition to or instead of commission/brokerage from the relevant insurer as a result of your accepting an insurance policy arranged by us (including renewals and variations).

The commission/brokerage is a percentage of the insurer's premium. It is included in the premium set out in our invoices and we receive it when you pay the premium or at such other time agreed with the insurer.

- if we intend to retain any of the commission/brokerage paid by the insurer or any fee paid by you if the policy is cancelled before the period of insurance ends.

7 WE WILL HANDLE ANY MONEY RECEIVED IN ACCORDANCE WITH RELEVANT LAW AND ANY AGREEMENT WITH YOU

INSURANCE SERVICES

We will answer any question you may have about the operation of any designated trust account we have established in accordance with the Corporations Act 2001. We use this account to hold certain insurance premiums paid to us by you and certain moneys owing to you that are paid to us by insurers.

8 WE WILL ENSURE THAT WE AND OUR REPRESENTATIVES ARE COMPETENT AND ADEQUATELY TRAINED TO PROVIDE THE RELEVANT SERVICES AND WILL MAINTAIN THIS COMPETENCE

ALL COVERED SERVICES

We will:

- ensure our Representatives receive adequate training to competently provide services on our behalf, including but not limited to:
 - an understanding of this Code or other relevant code applying to them and their obligations under them (where applicable to their activities); and

- meeting any training standards identified by NIBA as applicable to the relevant services.

- ensure records of their training is kept for at least five years and make the records available for examination by the Code Administrator on request;
- measure the effectiveness of their training by appropriately monitoring their performance;
- require additional or remedial training to address any identified deficiencies in their training; and
- maintain and keep current a training and development plan for our Representatives that is appropriate for the services provided by them or to be provided by them in the future.

9 WE WILL RESPOND TO CATASTROPHES AND DISASTERS IN A TIMELY, PROFESSIONAL, PRACTICAL AND COMPASSIONATE MANNER IN CONJUNCTION WITH ANY INDUSTRY-WIDE RESPONSE

10 WE WILL ENSURE THAT WE HAVE AN INTERNAL COMPLAINTS AND DISPUTES HANDLING PROCESS FOR COVERED SERVICE THAT MEETS THE CODE COMPLAINTS AND DISPUTE PROCESS STANDARDS

11 WE WILL PROMOTE THE CODE

We will support industry education initiatives aimed at promoting the Code and explaining Covered Services to consumers and the community where relevant to our services.

We will readily make available to you:

- Up-to-date information on our Covered Services;
- Information about the Code; and
- Information about how to make a complaint against us for breach of the Code.

12 WE WILL NOT ENGAGE IN ACTIVITY OR INACTIVITY THAT IS REASONABLY LIKELY TO BRING THE INSURANCE BROKING PROFESSION INTO DISREPUTE

What complaints and dispute resolution process standards apply?

GENERAL STANDARDS

(A “Code Member” is referred to in these Standards as “we”, “our” and “us” and a “Client” as “you” and “your”)

Our internal complaints and disputes handling process for Covered Services (IDR Process) is a two-step process as set out below and must:

- meet any relevant standard required by law
- be free of charge;
- be conducted in a fair, transparent and timely manner;
- require us to:
 - immediately acknowledge the receipt of Complaints or Disputes and address them promptly in accordance with their degree of urgency;
- only ask for and take account of relevant information in considering a Complaint or Dispute;
- immediately initiate action to correct any identified error or mistake in dealing with a Complaint or Dispute;
- allow you to seek access to information we have relied on in assessing a Complaint or Dispute and provide you with access to the information, except in special circumstances, such as where this would breach any laws (e.g. privacy) or would prejudice us in relation to the Complaint or Dispute;
- if we don't give access to the information, provide reasons why (in writing if you request it); and
- handle Complaints and Disputes about or involving our Representatives for services provided by them on our behalf.

How our internal complaints and disputes handling process works

STEP 1 COMPLAINT

‘Complaint’ means an expression of dissatisfaction made to us by you related to our products or services, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected

We will advise you on how we propose to resolve it within (20) twenty business days unless:

- further information, assessment or investigation is required and you agree to an alternative timeframe. If so we will keep you informed of progress; or
- you or we wish to treat the complaint as a dispute and follow the procedure below.

STEP 2 DISPUTE

‘Dispute’ means an unresolved Complaint

If a Complaint is unresolved (for example, you tell us you are dissatisfied with our decision on a Complaint or you or we ask to treat the Complaint as a Dispute) we will follow the procedure below.

We will refer the matter to our internal disputes resolution manager, who will consider and seek to resolve the dispute by the earlier of:

- (20) twenty business days or such later time agreed with you in order to obtain information or undertake the relevant assessment or investigation. If a later time is agreed, the manager will keep you informed of progress on a regular basis as is reasonable in the circumstances; and
- such time limits required by law or the relevant ASIC-approved external dispute resolution scheme to which we belong.

Our dispute resolution manager will:

- advise you of any decision they have reached in writing, including clear reasons for the decision; and
- if they have been unable to resolve a dispute with you through the above process, provide you with information on how you can seek to access the the Financial Ombudsman Service Limited or such other ASIC-approved independent external dispute resolution scheme(s) we belong to (which is free of charge) and meet such other requirements of that scheme.

We will make information on our Complaints and Disputes resolution process available to you.

◀ BREACHES AND CODE

What happens if the Code is breached?

STEP 1

REPORTING BREACH AND CONCILIATION BY CODE COMPLIANCE MANAGER

REPORTING A BREACH

For an alleged breach to be reviewed the required complaint form [LINK] must be completed and provided to the Code Compliance Manager by a Client.

If appropriate, they will assist the Client in completing the form.

CONCILIATION PROCESS

The Compliance Manager will, where appropriate, endeavour to resolve alleged breaches of the Code by conciliation.

They do not have the power to make any decisions, which bind a Code Member or the complainant.

In investigating and conciliating an alleged breach, they must act honestly and fairly having regard to what is reasonable in the circumstances, the principles and objectives of the Code, the law, relevant judicial authority and any other relevant insurance codes of practice.

TIMING

This process must be completed within 20 working days of the date on which the alleged breach was notified in writing to them, or such other time as they decides is reasonable in the circumstances.

DISCRETION TO REFUSE TO CONSIDER ALLEGED BREACH

They have discretion to refuse to investigate, consider or continue considering an alleged breach of the Code, which they believe in all the circumstances to be inappropriate. Where they exercise the discretion, written reasons must be provided for the decision to the complainant.

If they require the complainant to take any steps before they will consider or continue to consider the alleged breach, the complainant must take these steps before the alleged breach will be considered further.

If a complainant does not agree with the decision, the Code Referee will review it and:

if the Referee does not agree they will refer the alleged breach back to the Compliance Manager; or

if they do agree, written reasons must be provided but a complainant has no further right of appeal.

PROVISION OF INFORMATION

The Compliance Manager may request from relevant persons information relevant to the alleged breach. Various rules apply in relation to the provision of such information.

IF ALLEGED BREACH IS NOT RESOLVED

If a complainant, Code Member or the Compliance Manager is not satisfied with the resolution of the alleged breach, the alleged breach will be referred to the Referee (See 'Step 2' right) within 20 working days of the date the relevant person confirms its dissatisfaction.



BINDING ORDERS AND SANCTIONS

The following binding orders and sanctions can be made or imposed on Code Members for a Code breach:

- order rectification of the problem procedures;
- order a Code Member to comply with the provisions of the Code or a specified provision of the Code;
- order a Code Member to comply with the provisions of these Code Procedures or a specified provision of these Code Procedures;
- order a Code Member to undertake through an independent and appropriately qualified person an audit of its compliance procedures;
- order a Code Member to publish corrective advertising;

COMPLIANCE REVIEWS ►

STEP 2

BINDING DETERMINATION BY REFEREE

DETERMINATION PROCESS

The Referee has the power to determine if there is a breach of the Code and make such orders and impose such permitted sanctions as are appropriate on the Code Member. These bind the Code Member but not the complainant.

They must act honestly and fairly having regard to what is reasonable in the circumstances, the principles and objectives of the Code, the law, relevant judicial authority and any other relevant insurance codes of practice.

Any complainant and a Code Member will have a right to present their case to the Referee in the form determined by the Referee. A Code Member will be informed by the Referee of any case made against them.

Any proceedings will be at the absolute discretion of the Referee, it being intended that they will function informally with a minimum of legal form and technicality.

TIMING

They must determine an alleged breach of the Code and make such orders and impose such permitted sanctions as are appropriate, within a reasonable period of time. In most instances this should be within 20 working days of having received all relevant information.

DISCRETION TO REFUSE TO CONSIDER ALLEGED BREACH

The Referee has the same discretion as the Code Compliance Manager to refuse to consider an alleged breach and will follow the same procedures, but there is no right of appeal of this decision (See above).

PROVISION OF INFORMATION

They may request from relevant persons information

relevant to the alleged breach. Various rules apply in relation to the provision of such information. They are the same as for the Compliance manager (see above)

MAKING OF A DETERMINATION

Determinations and orders made, and sanctions imposed (see Sanctions section below), will be given in writing to the Complainant and Code Member along with reasons for the determination.

There is no further right of appeal under the Code.

No monetary penalties can be imposed on a Code Member.

Any determination which the Code Administrator believes to be of importance having regard to the principles of the Code, will be made available and appropriately publicised by them to Code Members, ASIC and such other bodies and persons determined by them (subject to NIBA's consent).

A complainant has 20 working days from the date of issue of the determination to accept it or not.

If a Code Member fails to accept a determination of, or comply with, orders made or sanctions imposed by the Referee, the Referee may make such other of the orders or impose such permitted further sanctions as are appropriate.

Before doing so they will notify the Member in writing of their intention.

The Member will have the opportunity to make written representations to them regarding the non-compliance and the Referee will not proceed before the expiry of 20 working days from the date of the above notice being sent to the Code Member.

- order a Code Member to undertake, or require their employees or agents to undertake, professional education of a specific type;
- impose a timetable for compliance with the above orders by a Code Member;
- publish details of any non-compliance by a Code Member, including their name and the name of the

Company they represent; and

- recommend to NIBA that the Code Member be removed or suspended as a member of the Code and NIBA.

No monetary penalties can be imposed on a Code Member.

◀ WORDS WITH SPECIAL MEANINGS ▶

“Associated Services”

has the meaning given to it in the section “Associated Services” page 6.

“ASIC”

means the Australian Securities and Investments Commission.

“Catastrophes or Disasters”

means any natural events, such as fires, floods, earthquakes, cyclones, severe storms and hail, affecting a significant group of persons.

“Client”

has the meaning given to it in the section “Who can access the benefits of the Code? (Client)” page 6.

“Code”

means this version of the Code.

“Code Administrator”

means FOS or such other entity appointed by NIBA from time to time for this role.

“Code Compliance Committee”

means the independent committee of that name operating under the Code Procedures that monitors compliance with and administration of the Code.

“Code Member”

has the meaning given to it in the section “Who does the Code apply to and from when? (Code Members)” page 6.

“Code Objectives”

has the meaning given to it in the section “What does the Code do for you? (Code Objectives)” page 4-5.

“Code Principles”

has the meaning given to it in the section “How is the Code applied? (Code Principles)” page 7.

“Code Procedures”

means the code procedures determined by the NIBA Board to apply in relation to the administration of the Code.

“Complaint”

means an expression of dissatisfaction made to us by you related to our products or services, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected.

“Covered Services”

has the meaning given to it in the section “What Services are covered by the Code? (Code Services)” page 6.

“Dispute”

means where you tell us you are dissatisfied with our decision on a Complaint or you or we ask to treat the Complaint as a dispute.

“FOS”

means the Financial Ombudsman Service Limited, which administers the Code for NIBA.

“FOS Terms of Reference”

means the terms of reference issued by FOS available at TBA.

“Insurance Services”

has the meaning given to it in the section “Insurance Services” page 6.

“NIBA”

means The National Insurance Brokers’ Association of Australia (NIBA) (ACN 006 093 849) (www.niba.com.au), which is the voice of the insurance broking industry in Australia.

“Personal Advisory Service”

is when we provide you with advice based on our consideration of whether certain insurance or other products are suitable for your personal needs, objectives or financial situation or not.

“Representative(s)”

means anyone who acts on behalf of a Code Member in providing the Covered Services.

“you” and “your”

has the same meaning as “Client”.

“we”, “our” and “us”

has the same meaning as “Code Member”.

◀ ADDITIONAL INFORMATION ▶

About NIBA

Since its incorporation in 1982 NIBA has been a driving force for change in the Australian insurance broking industry, setting higher standards of professionalism and education for insurance brokers, establishing professional qualifications (Qualified Practising Insurance Broker – QPIB) and providing ongoing training and support for insurance brokers through NIBA College.

NIBA represents 500 member firms and more than 2000 individual Qualified Practising Insurance Brokers (QPIBs) throughout Australia.

Brokers handle more than 80% of the commercial insurance transacted in Australia, and play a major role in insurance distribution, handling an estimated \$16 billion in premiums annually and placing around half of Australia's total insurance business. Insurance brokers also place substantial insurance business into overseas markets for large and special risks.

NIBA has developed the Insurance Brokers Code of Practice for NIBA members and others that wish to meet the high standards set by the Code.

The Code applies to a broad range of customers and services and seeks to promote a higher standard of service for customers of insurance brokers and more informed and effective relationships between them and others involved in the insurance industry.

The Code is administered for NIBA by the Financial Ombudsman Service Limited (FOS) (Code Administrator).

There is also an independent Code Compliance Committee that monitors Code compliance and oversees administration of the Code.

National Insurance Brokers Association of Australia

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Why do you need to use an insurance broker?

An insurance broker can help you:

- to assess and manage your risks, and provide advice on insurance solutions appropriate for your needs;
- to arrange, acquire and maintain insurance; and
- act as your advocate in settlement of any claim that may be made by you under your insurance.

In the majority of cases, an insurance broker usually acts on your behalf as your agent. In some situations the insurance broker may act for insurers

Insurance brokers can offer you a variety of services, such as:

- assistance with selecting and arranging appropriate, tailored insurance policies and packages;
- detailed technical expertise including knowledge of insurance markets, prices, terms and conditions, benefits and pitfalls of the wide range of insurance policies available on the market;
- assistance in interpreting, arranging and completing insurance documentation;
- experience in predicting, managing and reducing risks;
- experience with claims and settlements; and
- assistance with services related to insurance such as premium funding, risk management reviews.

The Code is designed to set standards relating to the role of an insurance broker when acting for customers as well as when an insurance broker may act for an insurer or play a role in relation to services associated with its insurance services.

NIBA has created Need a Broker (**www.needabroker.com.au**; tel: **1300 53 10 73**), which can assist consumers to locate an insurance broker in their geographical area who may be able to assist them with insurance broking services.



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