

Contents

1	Forward - Vision Statement and Code Approach from NIBA President.....	3
2	What is the Insurance Brokers Code of Practice?	3
3	How the Code works	4
3.1	Who does the Code apply to?	4
3.2	When does the Code commence?	4
3.3	What the Code applies to?	4
4	Our Commitment	4
4.1	Code Principles	4
4.2	Subscriber Commitments	5
5	Engaging Your Broker	5
5.1	Understanding Our Role.....	5
5.2	Terms of Engagement.....	6
6	Performing Services	6
6.1	Communications.....	6
6.2	Behaviour	6
6.3	Who We Act For	7
7	Making a Claim & Renewing Your Insurance Cover	7
7.1	Communication.....	7
7.2	Policy Renewal	7
8	Disclosing what we earn.....	7
8.1	Disclosing Remuneration	7
8.2	Contingent and Preferential Remuneration.....	8
8.3	Non-Monetary Remuneration	8
8.4	Services Provided to Insurers and others	8
9	Employees, Agents and Representatives	9
9.1	Our Responsibility	9
9.2	Promoting the Code	9
10	When Things Go Wrong.....	10
10.1	Making a Complaint.....	10
10.2	Handling your Complaint	10
10.3	Responding to your Complaint	10
10.4	Timeframes for handling your complaint	10
11	Supporting clients experiencing vulnerability	11
11.1	Identifying vulnerable clients	11
11.2	Supporting vulnerable clients	11
12	Enforcement of the Code: Insurance Brokers Code Compliance Committee.....	12
12.1	Responsibilities of the IBCCC	12
12.2	Reporting Breaches of the Code	12
12.3	Imposing Sanctions	12

12.4	Working with the IBCCC.....	13
13	Commitment to the Code	13
13.1	Promoting the Code	13
13.2	Reviewing and Improving	13

1 **Forward - Vision Statement and Code Approach from NIBA President**

This Code is an initiative of the National Insurance Brokers Association of Australia ABN 006 093 849 (**NIBA**). For well over 30 years NIBA has been the respected voice of the insurance broking profession in Australia.

NIBA has been a driving force for change in the Australian insurance broking industry, setting higher standards for professionalism and education for insurance brokers, promoting our industry-standard Qualified Practising Insurance Broker – QPIB – and requiring Continuing Professional Development from all members.

NIBA represents around 450 member firms and over 4,500 individual Qualified Practising Insurance Brokers operating throughout Australia.

NIBA is committed to ongoing endeavours to promote and maintain high levels of professionalism and integrity in insurance broking in Australia. The purpose of this Code of Practice, therefore, continues to be –

BUILDING PROFESSIONAL COMPETENCE AND CONSUMER CONFIDENCE

Dianne Phelan
President, 2021 - 2023
National Insurance Brokers Association of Australia

2 **What is the Insurance Brokers Code of Practice?**

The 2021 Insurance Brokers Code of Practice (**the Code**) sets out standards of conduct for all Members of the National Insurance Brokers Association (**NIBA**) and non-members who have subscribed to the Code.

The Code provides additional safeguards for clients that are not set out in the law. In some areas, the Code sets higher standards than those required by law. No part of the Code limits or is intended to limit a client's rights under the law.

The Code represents the commitment of Subscribers to clients, prospective clients, and other parties with whom Subscribers interact in performing services.

The Code serves to guide Subscribers and consumers on what to expect throughout the client journey. It sets out the principles that shape the way Subscribers behave, deal with people, and make decisions.

This version of the Code was developed following close consultation with key stakeholders including consumer groups, regulatory bodies and the broader intermediated insurance industry,

The Code was launched on 1 January 2022, with the Code taking effect on 1 September 2022. Given the significant updates to the Code, this period allows Subscribers time to understand and implement the new obligations within their organisations.

The Code is accompanied by Subscriber and consumer information intended to provide guidance on certain topics referred to in the Code, including outlining Subscriber best practice as well as helping consumers understand their rights under the Code.

Consistent with the commitment of NIBA and Subscribers to continuous improvement, this Code will be reviewed every 3 years.

3 How the Code works

3.1 Who does the Code apply to?

- (a) The Code applies to all members of the National Insurance Brokers Association. Non-members may adopt the Code with approval from NIBA (Subscribers, we, our, us).
- (b) Existing Subscribers to the 2014 Code must formally adopt the Code by 1 September 2022.
- (c) A list of Subscribers who have adopted the Code will appear on the NIBA website: www.niba.com.au

3.2 When does the Code commence?

- (a) The Code applies to all activities and dealings that take place after 1 September 2022. Activity prior to 1 September 2022 will be managed under the 2014 Code

3.3 What the Code applies to?

- (a) The Code applies to all services and activities a Subscriber engages in when arranging or advising on general insurance products or alternative risk transfer solutions on behalf of a client. This includes services and advice relating to claims handling, premium funding and risk management (Covered Services).
- (b) The Code also applies to a Subscriber's interactions and dealings with their clients (Retail or Wholesale¹), prospective clients, and other parties with whom the Subscriber interacts in performing services for their clients.
- (c) The Code does not apply where a Subscriber is arranging or advising on:
 - (i) Insurance, reinsurance or alternative risk transfer solutions for an insurer or reinsurer;
 - (ii) Health insurance products issued by a private health insurer; and
 - (iii) Life insurance products issued by a life insurer

4 Our Commitment

4.1 Code Principles

The Code is underpinned by a set of guiding principles outlined below (**Code Principles**). As Subscribers to the Code, we commit to the Code Principles and will work to embed them, and the standards expressed in the Code in our organisational culture.

- (a) Professional commitment
 - (i) We will ensure we and our staff maintain and improve our competency through relevant qualifications, continued education, and training.
 - (ii) We will promote and uphold the ethical standards of this profession, including promoting the Code and the Code Principles within and outside our organisations.
- (b) Ethical Behaviour

¹ As defined in the *Corporations Act 2001 (Cth)*

- (i) We, our staff, and representatives will act honestly and with integrity in all dealings.
 - (ii) We will comply with all relevant laws and obligations.
 - (iii) We will not engage in any conduct with the intent to avoid or limit our obligations under the Code.
- (c) Transparency and accountability
- (i) We will communicate with clients and prospective clients in a clear and timely manner.
 - (ii) We will assist regulators and other enforcement agencies (such as the Australian Financial Complaints Authority, and the Insurance Brokers Code Compliance Committee) to the best of our ability.
 - (iii) We will hold each other accountable for the promotion and implementation of the Code, and for observing Code obligations.

4.2 Subscriber Commitments

- (a) We commit to act in accordance with the Code Principles when we:
- (i) perform services for our clients;
 - (ii) engage with prospective clients;
 - (iii) interact with other insurance brokers, whether they are Subscribers or not;
 - (iv) deal with insurers and other members of the insurance industry; and
 - (v) respond to or assist regulators or other enforcement bodies.
- (b) By adopting the Code, we acknowledge:
- (i) we have entered into an agreement with NIBA to comply with the Code;
 - (ii) if a Subscriber breaches its obligations under the Code, the Insurance Broker Code Compliance Committee may impose sanctions on it as set out in Section 12 of the Code;
 - (iii) we may be sanctioned by the NIBA Code of Conduct Tribunal under Section 12.3(E) of the Code;
 - (iv) a Subscriber is in breach of the Code if its employees, representatives, or agents breach the Code when they are acting on the Subscriber's behalf;
 - (v) that the Code is designed to work with the laws that cover Subscriber conduct and go beyond standards required at law. The Code does not and is not intended to limit a client's rights at law;
 - (vi) that there may be other codes that apply to services provided by a Subscriber (for example, the General Insurance Code of Practice). When other codes apply to services being performed by us, we will comply with the higher of the code standards that apply in performing those specific services.

5 Engaging Your Broker

5.1 Understanding Our Role

- (a) When we receive an enquiry about our services from a prospective client, before we agree to act for the prospective client, we will clearly state:

- (i) what services we are authorised to provide;
- (ii) who we are acting for when responding to questions from a prospective client;
- (iii) the extent of the services we are able to provide, including any limits on the insurance products we can arrange for you. For example, there may be limits due to our competency, insurers we can access, and timeframes available;
- (iv) that we are bound by the Code and provide a copy upon request; and
- (v) if we cannot advise them or act on their behalf due to a conflict of interest. We will immediately notify a prospective client upon identifying such a conflict.

5.2 Terms of Engagement

- (a) If a prospective client agrees to engage us, we will provide them with a document setting out the terms of engaging us before we begin to act on their behalf. If a prospective client wishes to take immediate steps on their behalf, we will provide a document setting out the terms of engaging as soon as it is practical to do so.
- (b) The terms of engagement will provide information including:
 - (i) the scope of the agreed services required;
 - (ii) whether we will provide advice based on personal circumstances or not;
 - (iii) how we intend to seek quotations from insurance companies on your behalf; and
 - (iv) the remuneration we will earn by arranging insurance policies and/or providing advice on insurance cover. Remuneration details are outlined further in Section 8 below.
- (c) We recognise that regulatory requirements for the provision and disclosure of information can mean prospective clients and clients receive a lot of information when they engage us and when we provide them with advice. We will work towards ensuring that we provide clear information so that a prospective client or client understands the services they will receive.

6 Performing Services

6.1 Communications

- (a) We will communicate with you in a timely manner using clear and concise language and in plain English, subject to regulatory disclosure requirements.
- (b) When providing advice, we will take steps to help you understand the advice we have provided including the costs, key risks and benefits associated with any products we recommend.

6.2 Behaviour

- (a) We will provide services, interact with clients and those we deal with in the insurance industry in accordance with the Code Principles.
- (b) We will not tolerate bullying or harassment by our employees, agents or representatives, and we will take appropriate action to discipline and/or prevent such behaviour occurring in the course of performing services.
- (c) We will take steps to ensure our services are accessible to clients with special needs and introduce training for employees to support clients who experience vulnerability.

6.3 Who We Act For

- (a) When a client (you, your) engages us as insurance brokers and risk advisers, we have a duty to act on your behalf and in your best interests.
- (b) We may, at times act for insurers during the course of an insurance transaction, for example by arranging insurance and submitting claims electronically. While engaged by you, we will not act for an insurer or another party where doing so would be contrary to your best interests.
- (c) We will have policies and procedures in place so that we can identify and avoid instances where we may act contrary to your best interests.
- (d) Where there may be a conflict of interest, we may only continue to act on your behalf with your express written consent.

7 Making a Claim & Renewing Your Insurance Cover

7.1 Communication

- (a) We will keep you informed in a timely manner regarding the progress of your claim.
- (b) When we receive an insurer's response to a submitted claim, we will notify you of the outcome as soon as it is reasonably practical to do so.
- (c) If your claim is unreasonably denied by the insurer, we will act as claims advocates on your behalf to try to get your claim paid.
- (d) We will advise you if the insurer seeks to negotiate a settlement of your claim.
- (e) We will seek your instructions before agreeing to any settlement or compromise of your claim.
- (f) If the insurer declines to pay your claim, we will explain the reasons for the insurer's decision and outline what steps can be taken to escalate the issue further, if any.

7.2 Policy Renewal

- (a) We will contact you prior to your insurance cover expiry date to:
 - (i) review your needs;
 - (ii) ascertain whether your circumstances remain the same or have changed; and
 - (iii) discuss any changes to your insurance cover required due to any change in circumstances.
- (b) We will take appropriate, professional and timely steps to seek insurance cover terms and conditions and advise you of options available (if any) for your consideration.

8 Disclosing what we earn

8.1 Disclosing Remuneration

- (a) If you are a Retail Client² and we are acting for you and on your behalf, when we advise you about your insurance options, we will provide you with information about any remuneration (including commissions) or other benefits we will or expect to receive as a result of providing Covered Services. See Section 3 for more information on Covered Services.
- (b) This information must include:
 - (i) the amount of commission we will or expect to receive in providing Covered Services;

² As defined in the Corporations Act 2001. This will be further explained in the Guidance documents.

- (ii) any non-monetary remunerations we receive from insurers as a result of providing Covered Services;
 - (iii) any fees payable by you in relation to our services to you; and
 - (iv) whether we intend to keep any portion of the commission or service fee if the policy is cancelled before it is due to expire.
- (c) This information will be provided at the same time and by the same means as our advice to you.³

8.2 Contingent and Preferential Remuneration

- (a) When acting on your behalf we will not receive any contingent remuneration including volume-based commissions or profit-sharing arrangements or preferential remuneration such as (override commissions) from an insurer.
- (b) The above does not apply when we are acting on behalf of an insurer or in relation to Covered Services effected under a binder arrangement

8.3 Non-Monetary Remuneration

- (a) When we are acting for you and on your behalf, we may receive non-monetary remuneration, including:
 - (i) access to technology platforms and IT support;
 - (ii) education and training
 - (iii) membership services provided by insurance broker networks
 - (iv) event sponsorship; and
 - (v) marketing assistance.
- (b) We will not accept any non-monetary remuneration in exchange for Covered Services where doing so could reasonably be expected to influence the advice we provide.

8.4 Services Provided to Insurers and others

- (a) From time to time we enter into arrangements with insurers and others to provide services and support in order to promote the efficient operation of the insurance market. Excluded Services.
- (b) Excluded Services means services provided to an insurer or another organisation and paid for by the insurer or the other organisation including:

³ To avoid doubt, it is intended this will apply when Covered Services are provided under a personal advice or a general advice model.

- i. access to broker owned and operated technology;
 - ii. access to broker owned intellectual property, including broker insurance wordings;
 - iii. insurer consulting services;
 - iv. data and analytic services;
 - v. risk control and engineering services;
 - vi. product development services;
 - vii. binder and cover holder activities outside arranging or advising on general insurance products for insured clients.
- (c) Arrangements for the provision of Excluded Services are commercial in nature, and the obligations relating to disclosing what we earn do not apply to those arrangements.

9 Employees, Agents and Representatives

9.1 Our Responsibility

- (a) We are responsible for ensuring that our employees, agents and representatives comply with the Code when they are acting on our behalf.

9.2 Promoting the Code

- (a) We will do the following to promote compliance with the Code:
- (i) only allow our employees, agents and representatives to provide services that match their expertise;
 - (ii) require all our employees, agents and representatives to receive appropriate education and training:
 - (A) to provide their services competently;
 - (B) on the Code at least once every year;
 - (iii) develop policies and procedures for our organisation that reflects the Code in the way we provide services, and deal with others;
 - (iv) include obligations in our agreements with agents and representatives:
 - (A) to comply with the Code Principles and other provisions of the Code relevant to the services they are providing
 - (B) to report on breaches or potential breaches of the Code within five (5) days of discovery;
 - (C) to report to us immediately upon receiving a complaint about a breach of the Code.
 - (v) At least annually review the extent to which employees, agents and representatives are complying with the Code and take steps to improve compliance within our organisation where appropriate.

10 **When Things Go Wrong**

10.1 **Making a Complaint**

- (a) We will make available free internal and external dispute resolution processes.
- (b) If you are unhappy about any aspect of the services performed for you or an interaction with our employee, agent or representative, you should make a complaint to us in the first instance (Complaint).
- (c) We will publish, and make readily available, information about our internal dispute resolution processes and our external dispute resolution processes.

10.2 **Handling your Complaint**

- (a) Your Complaint will be handled by a person with the appropriate authority, knowledge and experience. Unless compelling reasons exist, the person whose conduct you are complaining about will not handle your Complaint.
- (b) We will keep you informed about the progress of your Complaint and provide you with contact details for the person responsible for handling your complaint.
- (c) Complaints first made after 1 September 2022 will be handled in accordance with Section 10 of the Code, regardless of when services are provided.

10.3 **Responding to your Complaint**

- (a) When we have completed our investigation, we will provide you with a written response, which will include:
 - (i) the outcome of our investigation of your Complaint;
 - (ii) the reasons for our decisions;
 - (iii) your right to take your Complaint to our external dispute resolution provider; and
 - (iv) information on how you can take your Complaint to the Australian Financial Complaints Authority (AFCA) if you are not satisfied with our response
- (b) If it is identified that we have made a mistake in handling your Complaint, we will take action to correct the mistake.

10.4 **Timeframes for handling your complaint**

- (a) If we resolve your Complaint to your satisfaction within five (5) business days, we will not provide you with a written response unless:
 - (i) you request a written response; or
 - (ii) the Complaint is about:
 - (A) hardship;
 - (B) a declined insurance claim; or
 - (C) the value of an insurance claim.
- (b) We will resolve your Complaint within thirty (30) calendar days from the date we receive your Complaint.
- (c) If we cannot make a decision within this timeframe, prior to the deadline, we will:
 - (i) contact you in writing and provide reasons for the delay;
 - (ii) if you are a Retail Client, inform you of your right to take your Complaint to the Australian Financial Complaints Authority;

- (iii) inform you of your right to report alleged breaches of the Code to the Insurance Brokers Code Compliance Committee – see Section 12 about reporting alleged breaches of the Code.

11 Supporting clients experiencing vulnerability

11.1 Identifying vulnerable clients

- (a) We are committed to supporting clients who may be experiencing vulnerability.
- (b) A person's vulnerability may be due to a range of factors including;
 - (i) age;
 - (ii) disability;
 - (iii) mental health conditions;
 - (iv) physical health conditions;
 - (v) family and domestic violence;
 - (vi) language and/or literacy barriers;
 - (vii) cultural background;
 - (viii) Aboriginal or Torres Strait Islander status;
 - (ix) remote location; or
 - (x) financial distress
- (c) We encourage you to communicate with us if you are experiencing vulnerability as we may not become aware of your circumstances if you do not disclose them to us.

11.2 Supporting vulnerable clients

- (a) If you tell us, or we identify, that due to a vulnerability you need additional support or assistance, we will work with you and try to find a suitable way to proceed. We will do this as early as practicable whilst at all times respecting your right to privacy and self-advocacy
- (b) If you tell us, or we identify, that you require support from a third-party (e.g., a lawyer, interpreter, or friend) we will make reasonable accommodations to allow for this.
- (c) We will endeavour to make sure our processes are flexible enough to recognise the authority of your support person.
- (d) We will have internal policies and training appropriate to our employees' roles to help them:
 - (i) understand and recognise vulnerabilities
 - (ii) understand support options available to vulnerable persons and to what extent we can support you;
 - (iii) take account of your particular needs or vulnerability; and
 - (iv) engage with you with sensitivity, dignity, respect and compassion — this may include arranging additional support, for example referring you to people, or services, with specialist training and experience.

12 Enforcement of the Code: Insurance Brokers Code Compliance Committee

We have established an independent code monitoring body, the Insurance Broking Code Compliance Committee (**IBCCC**), to monitor our compliance with this Code.

12.1 Responsibilities of the IBCCC

- (a) The IBCCC's constitution, functions, and power are set out in its Charter.
- (b) In addition to its powers to enforce the Code, the IBCCC is responsible for:
 - (i) providing guidance to the insurance broking industry about how to comply with the Code;
 - (ii) identifying areas for improvement of insurance broking practices;
 - (iii) monitoring the efficacy of the Code through investigations, analysis of data, and stakeholder engagement;
 - (iv) providing reports to the NIBA Board and the public regarding industry data and consolidated analysis on Code compliance;
 - (v) publishing breach decisions on a de-identified basis; and
 - (vi) advising the Australian Securities and Investments Commission of decisions it deems appropriate or of the behaviour of a Subscriber that may be warranted.

12.2 Reporting Breaches of the Code

- (a) Anyone can report alleged breaches of the Code to the IBCCC.
- (b) The IBCCC will review the allegations reported and make a decision about whether the Code has been breached.
- (c) The IBCCC will advise the person reporting the breach and the relevant Subscriber of its decision and reasons in writing.

12.3 Imposing Sanctions

- (a) The IBCCC has the power to impose sanctions on a Subscriber for breaching the Code.
- (b) When determining any sanction to be imposed, the IBCCC will consider:
 - (i) the appropriateness of the sanction;
 - (ii) the extent to which the Subscriber has made efforts to or has remedied the breach;
 - (iii) the loss or damage experienced by the client as a result of the breach; and
 - (iv) any other relevant factors.
- (c) The IBCCC may impose any one or more of the sanctions below on a Subscriber if it determines the Subscriber has breached the Code.
- (d) The IBCCC may direct a Subscriber found to be in breach of the Code to:
 - (i) take specific steps to rectify the breach within a timeframe;
 - (ii) undertake a Code compliance audit at the Subscriber's cost;
 - (iii) publish corrective advertising;
 - (iv) undertake to receive additional training or certification within a timeframe.
- (e) The IBCCC may also sanction a Subscriber by:

- (i) publishing the fact that a named Subscriber has breached the Code and details of the breach;
- (ii) advising the Australian Securities and Investments Commission of the breach;
- (iii) requesting the NIBA Board refer the matter to the NIBA Code of Conduct Tribunal for the purposes of determining any further sanction to be applied to the Subscriber under Rule 6.3 of the NIBA Rules and Regulations.

12.4 Working with the IBCCC

- (a) NIBA will arrange for the IBCCC to be reasonably resourced to enable it to carry out its responsibilities in an effective way.
- (b) Both NIBA and Subscribers will cooperate with the IBCCC in its review of our compliance with the Code and its investigations of any breaches of the Code.

13 Commitment to the Code

13.1 Promoting the Code

- (a) We will work with NIBA to promote the Code to clients, prospective clients, and to insurance brokers that have not yet adopted the Code.
- (b) We will promote the Code to our clients and prospective clients by:
 - (i) providing every client with a copy of the Code, either hard copy or electronically prior to or at the point we are engaged by the client;
 - (ii) referring to the Code on our company website and in other promotional material;
- (c) We will promote the Code within our organisation by:
 - (i) including Code training materials as part of new employee induction materials;
 - (ii) endeavouring to embed the Code Principles in our organisational goals and objectives, and decision making;
 - (iii) having a governance process in place to report to our Board or Executive Management on our compliance with the Code;
 - (iv) supporting NIBA initiatives aimed at improving insurance broker competency, professionalism, and embedding the Code in the industry.

13.2 Reviewing and Improving

- (a) NIBA will:
 - (i) arrange for the Code to be independently reviewed at least every [3] years from the date the Code comes into effect;
 - (ii) take steps to make available multi-lingual versions of the Code to improve client accessibility;
 - (iii) develop guides to improve consumer understanding about the Code; and
 - (iv) develop non-binding best practice guides to help Subscribers meet their obligations under the Code.