

Insurance Brokers Code of Practice Code Compliance Committee

ANNUAL REPORT 2014–2015

October 2015

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About this report

This report assesses insurance brokers' compliance with the 2014 Insurance Brokers Code of Practice and covers the work undertaken by the Insurance Brokers Code Compliance Committee during the period 1 July 2014 to 30 June 2015. Data has been collated from monitoring the activities of the 342 insurance brokers that subscribed to the Code in 2014–15, and consists of the outcomes of an Own Motion Inquiry, the 2014 Annual Compliance Statement and investigations into alleged code breaches.

This report also reviews the Code Compliance Committee's monitoring activities from 1 July 2014 to 30 June 2015, and shares its experience of good industry practice – as well as the initiatives of Code Subscribers – to improve standards of practice and service in the Australian insurance broking industry.

FOREWORD

In this initial period, our first official year of operation, the Code Compliance Committee focused on our core mission: to establish an independent, transparent and effective Code monitoring service for the Australian insurance broking industry.

We began by establishing a strong governance structure that aligns our activities with the powers and functions set out under our Charter. These governance arrangements affirm our independence and ensure our operations are transparent and accessible.

In consultation with the National Insurance Brokers Association (NIBA), we also developed Code monitoring and enforcement frameworks, which are informed by a risk model to identify emerging risks for industry. An investigations manual, developed this year, documents our Code enforcement procedures to provide consistent and transparent decision-making.

We established our Annual Compliance Statement program, consulting with NIBA and subscribers to develop an effective mechanism for self-assessing Code compliance. The fact that more than two-thirds of participants reported no Code breaches this year most certainly demonstrates that more work needs to be done to encourage a positive culture of self-reporting that reflects a true position of industry performance.

This year's Own Motion Inquiry was also an important litmus test for subscribers' commitment to the 2014 Code and its standards, specifically to promote the Code. We are pleased to report that Code Subscribers have systematically improved the visibility and accessibility of Code and dispute resolution information for their clients.

An industry proactively engaged with its Code is better placed to contribute to an efficient, resilient financial services regulatory system. Throughout the year we engaged with insurance brokers to raise awareness of both the Code and our role, presenting at several NIBA workshops and conferences.

We also promoted the strengthened consumer protection offered under the 2014 Code to consumer representatives, and extended consumer advocacy training to community lawyers in all states.

We would like to thank the National Insurance Brokers Association, in particular its Chief Executive Officer Dallas Booth, for his ongoing support and valuable assistance in engaging with the industry.

These achievements would not have been possible without the support of our dedicated Secretariat. Under the leadership of Dr June Smith, the FOS Code team continued to improve the efficiency of our operations through a new digital 'Board Pad' service, enhanced Code database and secure online portal, which will streamline our exchange of Code compliance information in the coming year.

On 1 July 2015, June assumed the role of Lead Ombudsman (Investments and Advice) at the Financial Ombudsman Service Australia. The Committee would like to thank June for her outstanding contribution to our work and wish her every success in her new position. We look forward to continuing to work with Code Subscribers, their clients, consumer representatives and industry in 2015–16 to achieve service standards Australians can trust.



Michael Gill
Chairperson
Insurance Brokers
Code Compliance Committee



Dr June Smith
General Manager
Code Compliance & Monitoring
Financial Ombudsman Service Australia

Introduction of the new Code Compliance Committee at the 2014 NIBA Convention in Adelaide.

Consumer Advocate luncheon in Melbourne. Representatives from consumer groups met with executive members of NIBA and the Committee to discuss consumer concerns about insurance broking, the Code and insurance in general.

Committee meetings with ASIC representatives and CEO of NIBA to discuss industry issues.

Developed a cohesive relationship with external and internal stakeholders and FOS staff.

<h1>342</h1> <p>insurance brokers subscribed to the Code</p>	<h1>5</h1> <p>significant Code breaches were self-reported by three Code Subscribers (page 15)</p>
<h1>33%</h1> <p>of participating brokers self-reported Code breaches</p>	<h1>466</h1> <p>Code breaches were self-reported by participating brokers</p>
<h1>▼ 3%</h1> <p>from the previous year (page 36)</p>	<h1>20%</h1> <p>of self-reported breaches related to the provision of an insurance broking service (page 12)</p>
<h1>60%</h1> <p>of participating brokers self-reported 321 complaints handled by their internal dispute resolution process</p>	<h1>64%</h1> <p>of complaints were resolved within 21 days or less</p>
<h1>▲ 4%</h1> <p>from the previous year (page 43)</p>	<h1>34%</h1> <p>of complaints related to service issues (page 17)</p>

Analysed 126 Annual Compliance Statements

See page 10 →

Investigated ten alleged Code breaches

See page 23 →

Reviewed compliance with Code promotion obligations

See page 21 →

Built a guidance library for stakeholders

See page 24 →

Developed a Code monitoring framework and risk assessment model

See page 10 →

Took part in 15 Code training sessions and presentations

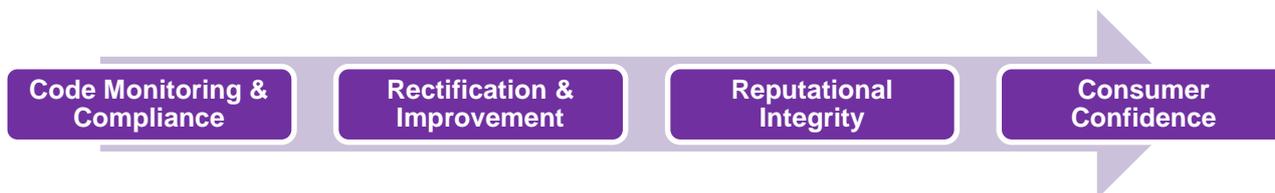
See page 28 →

Hosted 2 consumer advocate luncheons

See page 28 →

ABOUT THE CODE

The 2014 Insurance Brokers Code of Practice sets standards of good industry practice for the 342 insurance brokers that have agreed to follow its standards when dealing with current and prospective individual and small business clients.



The Code outlines 12 key service standards that apply to all insurance broking services delivered to individuals and small businesses across Australia by Code Subscribers:

The 2014 Code's 12 key service standards

1. We will comply with all relevant law.
2. We will transparently manage any conflicts of interest that may arise.
3. We will clearly tell you if we do not act for you.
4. We will clearly tell you about the scope of our covered services.
5. We will discharge our duties diligently, competently, fairly and with honesty and integrity.
6. We will clearly tell you how our covered services are paid for before we provide them and answer any questions you have.
7. We will handle any money received in accordance with relevant law and any agreement with you.
8. We will ensure that we and our representatives are competent and adequately trained to provide the relevant services and will maintain this competence.
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 that meets the Code Complaints and Dispute process standards.
11. We will support NIBA in promoting the Code and make information on the Code (including how to make a complaint) and our Covered Services readily available to you.
12. We will not engage in activity or inactivity that is reasonably likely to bring the insurance broking profession into disrepute.

By subscribing to the Code, insurance brokers have committed to continuously improve the standards of practice and service in their sector, promote informed decision-making about their services, and act fairly and reasonably in delivering those services. The Code is owned and published by the National Insurance Brokers Association (NIBA) and forms an important part of the broader national consumer protection framework and financial services regulatory system.

Code Subscribers as at 30 June 2015 are listed in [Appendix A](#).

ABOUT THE CODE COMPLIANCE COMMITTEE

The Code Compliance Committee is an independent compliance monitoring body established under section 3 of the Insurance Brokers Code Compliance Committee Charter.

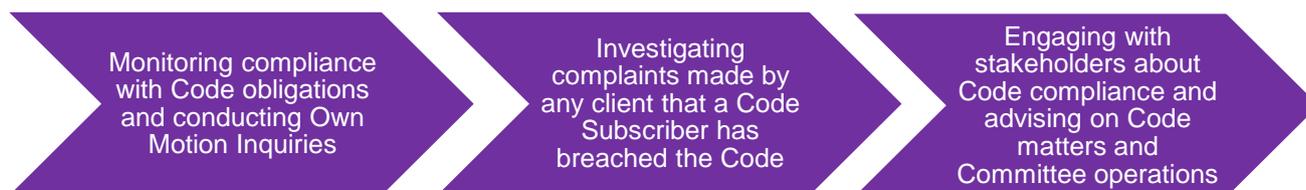
The Committee was formally approved by NIBA on 5 September 2014 and members of the Committee met four times during 2014–15.

The Committee's vision is to promote compliance with the Code and to help Code Subscribers meet and exceed the Code's standards of good industry practice. It supports the Code's principles and commitments by promoting the Code's benefits and seeking to influence positive changes in industry behaviour. The Committee's work is based on five key principles:

1. **Independence** in our operations, governance and decision-making.
2. **Accountability** in undertaking our functions for the benefit of the insurance broking industry & its clients.
3. **Transparency** through open management with our stakeholders.
4. **Fairness** in our deliberations and processes.
5. **Accessibility** to our Code monitoring and investigation services.

The Committee's compliance functions

The Committee's Code monitoring and compliance activities are structured along three core streams:



This approach allows the Committee to be strategic in assisting the industry to identify issues and emerging risks, while also dealing with individual instances of Code breaches.

Secretariat

The Financial Ombudsman Service Australia Code team (FOS Code) provides Code monitoring and administration services to the Committee and NIBA by agreement.

COMMITTEE MEMBERS



Michael Gill

Independent Chairperson

LLB (Sydney) FAICD

Solicitor of the Supreme Court of New South Wales, Solicitor of the High Court of Australia, Solicitor and Barrister of the Supreme Court of Victoria

Appointed: 1 January 2014

Term expires: 31 December 2015

Michael has practised at DLA Piper (and its predecessors) since 1968, mainly as a specialist insurance lawyer and in management roles within the firm.

He is recognised as one of the leading lawyers in the field. For many years he was the principal lawyer for NIBA and many of its members. He was instrumental in the drafting of the original Code of Practice. He has represented insurance brokers in professional indemnity, regulatory and compliance matters.

Michael is also passionate about work in the not-for-profit sector. Within the firm he assists with pro bono activities on the Community Investment Committee and is an Ambassador for New Perimeter, which provides long-term, high-impact pro bono legal support in less developed and post-conflict countries.

Outside the firm, Michael is a Board member of the James Milson Nursing Home & Retirement Village.

Michael was President of AIDA (the International Insurance Law Association), member of the National Board of AILA, Independent Chair of the Code Compliance Committee for the General Insurance Industry, President of the Law Council of Australia and the Law Society of New South Wales, founding Chairman of the Australian Insurance Law Association, inaugural Chairman of the Motor Accidents Authority, and Chairman of the Solicitors Mutual Indemnity Fund.



Julia M Davis

Consumer Representative

BA, JD, LL.M., GradDip (Law)

Appointed: 1 January 2014

Term expires: 31 December 2015

Julia is an admitted solicitor in NSW and Policy and Communication Officer at the Financial Rights Legal Centre in NSW, a community legal centre that specialises in helping consumers understand and enforce their legal rights. She has developed and managed several important initiatives for the centre, and drafted the Centre's submissions to government inquiries and independent reviews.

She has vocational experience in the private sector as well as experience as a consumer advocate, having worked for several law firms in Sydney and Florida (USA). She is passionate about helping disadvantaged consumers.

Julia completed a Masters in Law with Distinction at the London School of Economics. Prior to this, she graduated with honours from the University of Florida in 2010, and was subsequently admitted as a lawyer in Florida, USA.



Stephen Lardner

Industry Representative

B.Comm ACA FAIM FAICD QPIB

Appointed: 1 January 2014

Term expires: 31 December 2016

Stephen is a professional business manager and leader with a strong background in insurance and accounting, with widely diversified skills and business relationships in the insurance and financial services industries. He has over 30 years' experience in executive and non-executive directorships, primarily in the Insurance Industry. He has held directorships for numerous client businesses, and has experience as a director or advisor for various industry associations and affinity groups.

He was a NIBA Director, completing a two-year term as President, and has chaired the Finance Committee and Conference Committee for the association.

He has established strong professional and community links and has well established networks in the insurance industry (underwriting and broking) in Australia.



John J T Phillips

Alternate Industry Representative

FAIM

Appointed: 1 January 2014

Term expires: 31 December 2016

John is current director of J & R Phillips Services Pty Ltd providing consultancy services to insurance brokers, claims providers and insurance underwriters. He has wide experience in the insurance broking industry, including having been CEO of Steadfast Group Limited for 12 years.

In 2014–15, the Committee formally met four times, and had numerous informal meetings via telephone conference and meetings with NIBA.

Dates of formal Committee meetings: 14 September 2014, Adelaide
19 November 2014, Sydney
11 March 2015, Melbourne
18 May 2015, Sydney

SECRETARIAT STAFF



Dr June Smith
General Manager
Code Compliance and Monitoring
BA (Hons) LLB, PhD
Appointed: July 2011 – June 2015

June is a specialist in integrity, governance and self-regulatory frameworks, and a lawyer with a PhD in applied ethics and organisational decision-making within financial services organisations. During the reporting year June held a number of external appointments in addition to her role as General Manager, including Chair of the Financial Planning Association of Australia's Conduct Review Commission, Chair of the Code Compliance Monitoring Committee - Australian Travel Agents Scheme, Member of Racing Victoria's Racing Appeals and Disciplinary Board, Advisory Member, Member Compliance Committee – Financial Consumer Rights Council of Victoria, and Victoria University Alumni Ambassador.

On 1 July 2015 June commenced in the role as Lead Ombudsman (Investments and Advice) with the Financial Ombudsman Service Australia.



Daniela Kirchlind
Compliance Manager
B.Comm, Grad Dip (Finance and Investment)
Appointed: October 2009 – current

Daniela has a background in dispute resolution and broad insurance industry experience in Australia, England and Germany.

In addition to her Compliance Management role, she manages compliance for the Customer Owned Banking Code of Practice.



Sally Davis
General Manager
Code Compliance and Monitoring
B.Comm, LLB, Grad Dip (Arts)
Appointed: September 2015 – current

Sally has been appointed as General Manager of Code Compliance and Monitoring at the Financial Ombudsman Service Australia (FOS) effective on 1 September 2015. The appointment has been made on the recommendation of a selection committee comprising Mr Doogan, Independent Chair of the Code Compliance Monitoring Committee (Banks), Dr Sue-Anne Wallace, Independent Chair of the Code Compliance Committee (Customer Owned Banking Institutions), and Mr Shane Tregillis, Chief Ombudsman, FOS.

Sally has previously worked as Senior Manager of Systemic Issues at FOS and has worked at FOS and its predecessor schemes for almost 15 years. Sally is an accredited mediator and holds a Bachelor of Commerce and a Bachelor of Laws degree from the University of Melbourne and a Graduate Diploma (Arts) from Monash University.

Sally brings to this position extensive experience in financial services, as well as good relationships with regulators, industry and consumer groups from her work as Senior Manager of Systemic Issues at FOS.

CODE MONITORING ACTIVITIES

The Committee's Code monitoring program provides insurance brokers with an effective mechanism for self-assessing their Code compliance, monitoring and reporting frameworks, while providing us with robust data on Code compliance among subscribers.

In 2014–15, Code monitoring activities assisted Code Subscribers to review their procedures and processes to achieve compliance with the revised Code's obligations. This included Code Subscribers' participation in the following activities:

- 126 Code Subscribers (37%) took part in the 2014 Annual Compliance Statement (ACS) program, and
- 101 Code Subscribers (28%) took part in the Own Motion Inquiry into service standard 11 of the revised Code ('Promotion of Code').

ANNUAL COMPLIANCE STATEMENTS OUTCOME

The aggregated breach data in this section reflects the outcomes of Code Subscribers' internal Code monitoring activities during 2014, in accordance with their Code monitoring obligations. This data is collected from Code Subscribers via the Annual Compliance Statement (ACS) program.

2014 ACS program

The ACS is a self-assessment tool that helps Code Subscribers review their compliance with Code obligations every year. It forms part of the monitoring role of the Committee as established under section 3 of the Code Compliance Committee Charter.¹

The 2014 ACS was developed in consultation with NIBA and a selection of Code Subscribers to achieve a consistent compliance monitoring approach and assessed:

- how effectively Code Subscribers complied with Code obligations during the reporting year
- the robustness of subscribers' Code compliance monitoring frameworks
- how effectively Code Subscribers monitored their compliance against Code obligations
- instances of non-compliance and how they were remedied
- emerging or significant risk to Code Subscribers' compliance with Code obligations, and
- areas of good industry practice that can be shared with the sector.

The reporting period was changed from the financial year to the calendar year (1 January to 31 December) to align with the introduction of the revised Code on 1 January 2014.

The Committee sought no information on Code breaches between 1 July 2013 and 31 December 2013 as this period coincided with the transition to the revised Code and new governance structure.

¹ The Insurance Brokers Code of Practice Committee Deed and Charter are available at https://www.niba.com.au/resource/NIBA_CCC_Deed_300614.pdf

A total of 126 (37%) Code Subscribers (see **Table 1**) were selected to participate in the 2014 ACS program.

Table 1: Size and location of participating Code Subscribers in the 2014 ACS program

	NSW	NT	QLD	SA	Tas	Vic	WA	Total
small organisations ²	36	1	14	5	4	30	22	112
medium organisations ³	2	0	1	1	0	2	2	8
large organisations ⁴	3	0	0	0	0	2	1	6
Total	41	1	15	6	4	34	25	126

Most Code Subscribers (84%) reported that they completed the 2014 ACS within two hours, with 42% completing it in less than one hour. They noted that classifying and categorising breaches and complaints and aligning them to the ACS's pre-defined format were the most time consuming tasks. Code Subscribers appreciated the support provided by 'frequently asked questions' and guidance notes.

See pages 13 to 20 for an analysis of the aggregated data drawn from the 2014 ACS program.

The ACS gathers two distinct breach data sets: 'breaches' and 'significant breaches'. A **breach** is defined as a failure to comply with the obligations of the Code regarding the provision of an insurance broking service. This differs from a **significant breach** of Code obligations, which is determined by reference to a number of factors including:

- similar breaches of this nature that have occurred within the Code Subscriber's organisation
- the number of clients affected
- the adequacy of organisational arrangements to ensure compliance with the Code
- the extent of clients' detriment
- remedial actions and costs incurred, and
- the duration over which the breach occurred.

The Committee has been collecting significant breach data from Code Subscribers via its ACS program since 2012. The nature and extent of the significant breaches identified is an important indicator of Code compliance as, by definition, these breaches have the most impact on clients. Often these breaches, together with remedial actions taken by Code Subscribers, have been previously reported to the Australian Securities and Investments Commission (ASIC). The role of the Committee is not to duplicate this regulatory action but to work with Code Subscribers to ensure they comply with relevant Code obligations.

² Up to 30 full-time equivalent staff.

³ Between 31 and 100 full-time equivalent staff.

⁴ More than 100 full-time equivalent staff.

The aggregated breach and complaints data only represents 37% of Code Subscribers, but provides an indication of areas of concern. In future years the Committee will endeavour to capture data from all Code Subscribers via an online portal.

Some 67% of the participating Code Subscribers reported no breaches of the Code in 2014, 3% more than in the previous reporting period (see [Appendix F](#)). The Committee will continue to assist Code Subscribers with their compliance processes and encourage positive breach reporting to ensure that it reflects a true position of their performance.

Self-reported Code breaches

Key findings

- 33% of the participating insurance brokers self-reported Code breach activity (in comparison to 36% in 2013), reporting a total of 466 Code breaches.
- Four Code Subscribers collectively accounted for 308 Code breaches, 67% of the total breaches reported in 2014. One Code Subscriber alone reported 188 Code breaches, mainly relating to renewals not being sent out 14 days prior to expiry date.
- 20% of the reported breaches related to the provision of an insurance broking service, in particular service standard 5. Reported breaches included failure by the insurance broker to either communicate promptly with the client, or pass on information/documents to the client promptly (including Product Disclosure Statements and Financial Service Guides). It was reported that strict internal guidelines are imposed by the company on timeframes that staff must adhere to, and where these have not been complied with the breach of the Code has been recorded.
- 8% of the reported breaches related to training (service standard 8) which included that staff and authorised representatives did not attend to clients in a manner that satisfied the company's obligation in discharging its duties as a licence holder ensuring the client's best interests. The correction of such incidents involved further training, staff meetings, updated process manuals, performance management programs and disciplinary processes.
- Most breaches reported were identified through quality assurance programs.
- 13 breaches were identified as a result of client complaint investigations.

Self-reported Code breaches by category

Chart 1 identifies the total number of self-reported Code breaches across four broad categories of Code obligation. These breaches are compared to the number of breaches reported in the same categories for the previous two reporting years. The chart shows that most instances of non-compliance with Code obligations related to:

General: 61% of Code breaches

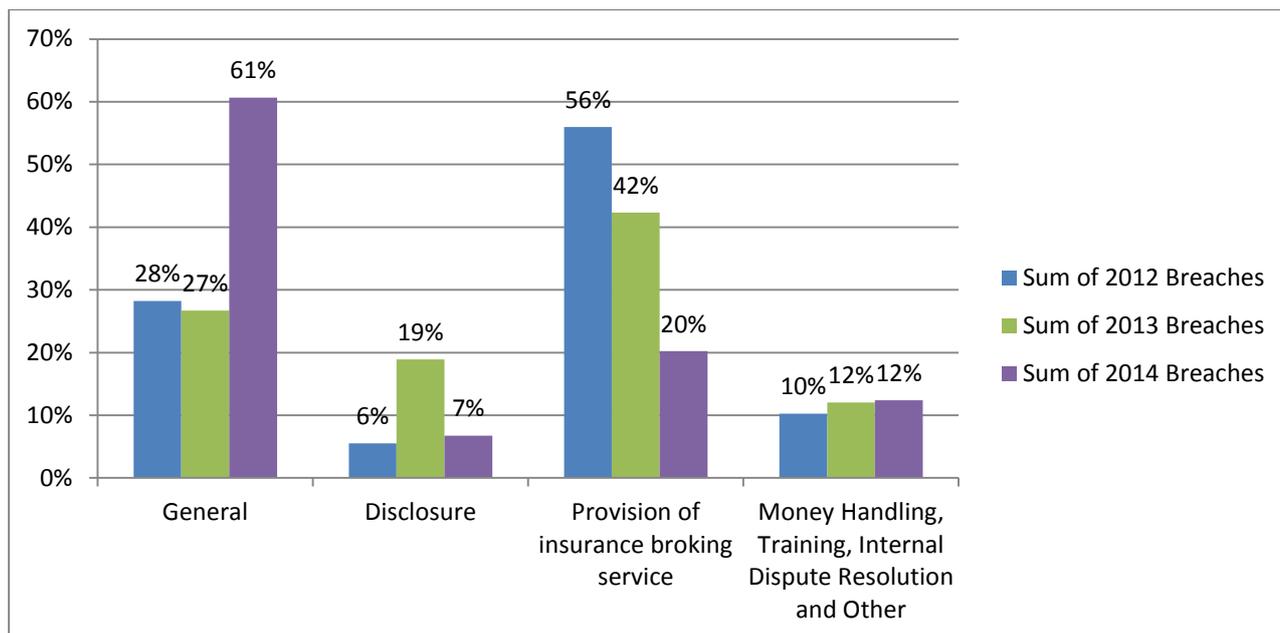
(includes service standard 1 'comply with all relevant law and service standard 12 'do not bring insurance broking profession into disrepute'), and

Provision of insurance broking service: 20% of Code breaches

(includes service standard 5 'discharge duties diligently, competently, fairly and with honesty and integrity' and service standard 9 'respond to catastrophes and disasters').

Together these represented 81% of the total number of Code breaches reported.

Chart 1: Self-reported breaches by Code category 2012–14



Self-reported Code breaches by section

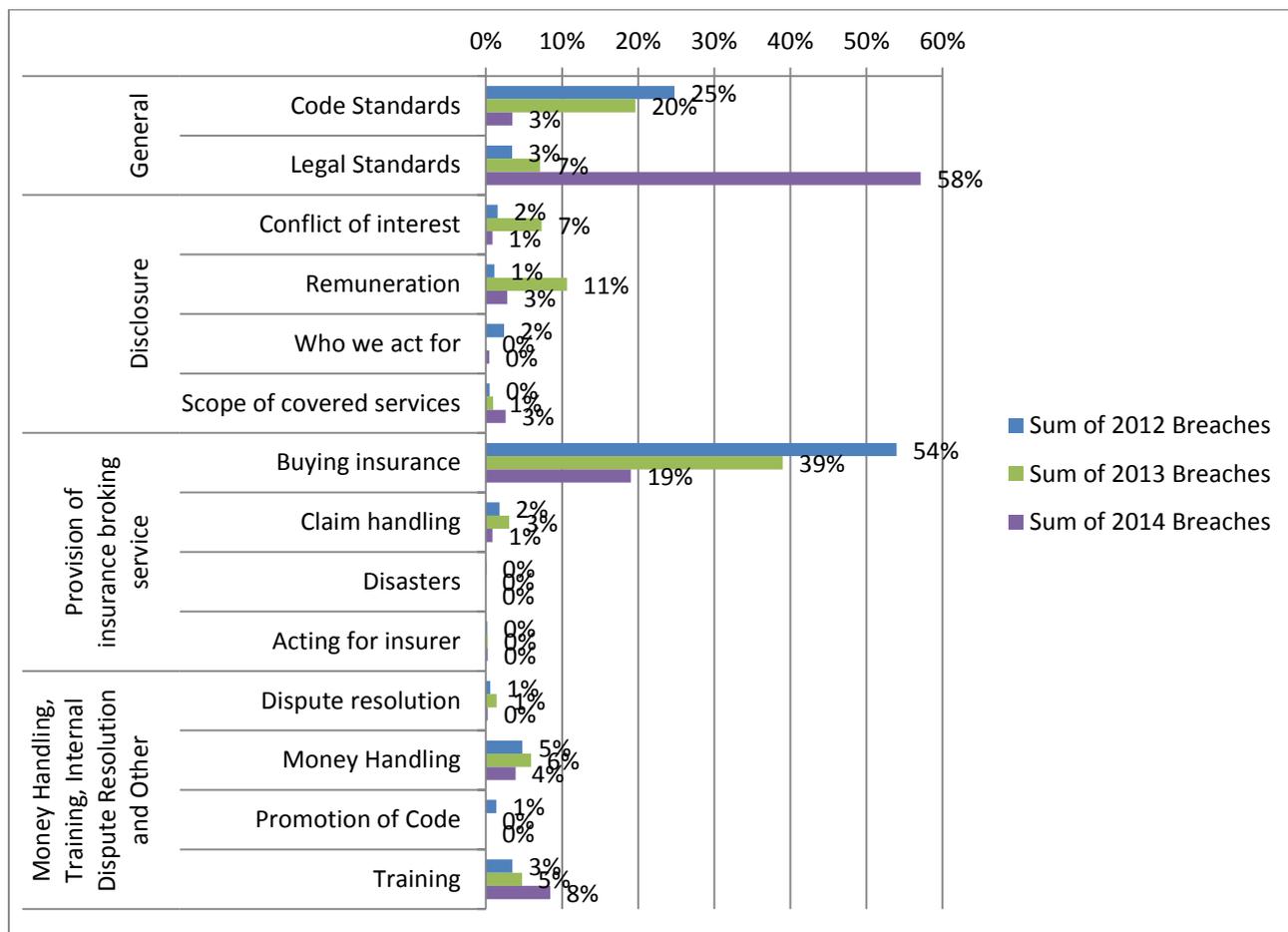
Chart 2 on page 14 examines major areas of non-compliance by Code section in 2014, comparing these results with those from the previous two reporting years. The main services standards involved in breaches are as follows:

- **Service standard 1** *'We will comply with all relevant law'* – 58% of Code breaches, of which 41% were reported by one Code Subscriber.
- **Service standard 5** *'We will discharge our duties diligently, competently, fairly and with honesty and integrity ... when you are buying insurance and we act on your behalf'* – 20% of Code breaches.
- **Service standard 8** *'We will ensure that we and our representatives are competent and adequately trained to provide the relevant service and will maintain this competence'* – 8% of Code breaches.

For examples for self-reported Code breaches and their remediation in 2014, see [Appendix C](#).

For a full comparative analysis table of all self-reported Code breach data from 2012 to 2014, see [Appendix B](#).

Chart 2: Self-reported breaches by Code section 2012–14



The spike in Code breaches relating to ‘complying with all relevant law’ is based on the number of breaches self-reported by mainly two Code Subscribers:

- One Code Subscriber self-reported 186 instances relating to failure of renewals being sent out 14 days prior to the expiry date. This was caused by the unexpected loss of highly trained staff and extended staff leave due to personal circumstances. The incidents were categorised as approximately 62% retail products and 38% wholesale products. The retail entries are based on the requirements of the law and the wholesale entries relate to the Code Subscriber’s own services standards. All clients had their terms forwarded to them prior to their expiry dates, some were outside the 14 days for the retail clients. The renewals were immediately finalised and no clients were disadvantaged in any way with the late forwarding of the documentation.
- One Code Subscriber self-reported 32 breaches affecting only one client. Some instances had multiple breaches within the one event. Breaches represented failure to comply with obligations under the *Corporations Act* (e.g. failure to provide a Financial Services Guide and Product Disclosure Statement, failure to provide the remuneration dollar disclosures and communicating promptly with the client).

Self-reported significant breaches

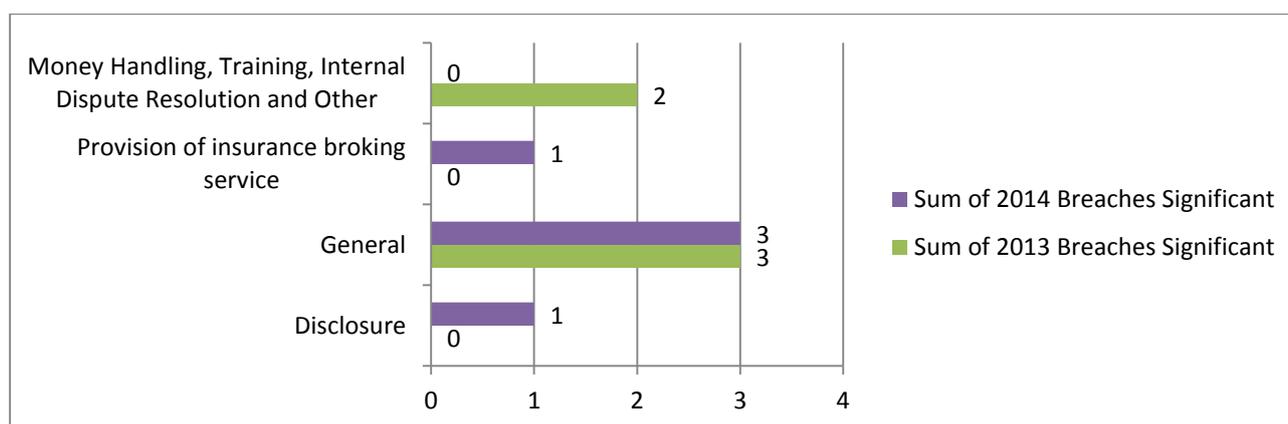
Five significant breaches were reported in 2014 by three Code Subscribers. [Appendix D](#) contains information on these breaches, including the status of remedial actions.

These significant breaches are represented by Code category in **Chart 3** and cover Code obligations regarding:

- **service standard 1** 'Comply with the law'
- **service standard 3** 'Disclosure if we do not act for you'
- **service standard 5** 'Act diligently, honestly and with integrity'
- **service standard 7** 'Appropriate money handling', and
- **service standard 12** 'Not bringing profession into disrepute'.

It is pleasing to note that remedial actions to address all Code breaches have either been completed or are currently being undertaken with a completion date being monitored by the Secretariat.

Chart 3: Self-reported significant breaches by Code category 2013–2014



Code Subscribers' compliance initiatives

Individual Code Subscribers introduced several initiatives to improve Code monitoring programs and reporting processes in 2014. These have strengthened compliance risk assessment processes and further embedded compliance requirements within their businesses and across the industry.

To strengthen monitoring programs and frameworks, Code Subscribers provided the following examples of activities undertaken:

- periodic reviews of their company's policies, procedures and systems
- remedial actions to resolve breaches and prevent them from reoccurring
- use of external auditors to complete reviews
- use of reviews to assess the effectiveness of their breach reporting and recording processes

- weekly or monthly meetings to review reports and better manage and prevent Code breaches
- requests for more frequent reports from broking staff
- increased supervision and monitoring of brokers, including reviewing client files
- enhanced staff training and incentives to improve their monitoring and reporting frameworks
- additional compliance training sessions for staff and authorised representatives, and
- further training through staff meetings, email, process manual updates and individual counselling for brokers.

Internal Dispute Resolution complaints

Key findings

- Note: the figures *in brackets ()* represent comparison figures for the 2013 period.
- 60% (56%) of the participating insurance brokers self-reported a total of 321 (335) complaints handled by their internal dispute resolution process.
- 40% (44%) of the participating insurance brokers reported no complaints.
- The major service/product areas for client complaints in 2014 concerned small business (23%), home building (9%) and personal motor vehicle (9%). 23% of complaints were not categorised.
- 34% of complaints related to service issues reflecting the high number of Code breaches reported in this area. 23% of complaint issues were not identified.
- 23% (27%) of complaints were resolved within 21 days, and 41% (43%) were either resolved on the spot (19%) or resolved within five days (22%).
- The category 'resolved on the spot' was new in 2014.
- 11% (15%) of complaints were not resolved within the required 45 day period.
- 28% of complaints were resolved as an apology, explanation and/or acknowledgement of feedback. This category was also introduced in 2014.
- 21% (34%) of complaints were resolved in favour of the client and 14% (27%) of complaints were resolved as mutual agreement.

The 2014 ACS requested the following aggregated complaints handling data recorded by Code Subscribers as part of their internal dispute resolution (IDR) systems:

- service/product area
- issues involved
- resolution outcomes, and
- timeframes to resolve disputes.

The Committee considered this information when it assessed Code Subscribers' compliance with the obligations under service standard 10 of the Code:

We will ensure that we have an internal complaints and disputes handling process that meets the Code Complaints and Dispute process standards:

- *General Standards*
- *Usual process for resolving a complaint from start to finish*
 - *Making a complaint to us*
 - *Dispute*
 - *Referral of dispute to Financial Ombudsman Service Australia (FOS)*
- *Binding orders and sanctions*

The aggregate results collated from this data are outlined in **Chart 4** to **Chart 7** on pages 19 to 20.

For a full comparative analysis table of all self-reported complaints data from 2012 to 2014, see [Appendix E](#).

Issues attracting client complaints

Effectively handling clients' complaints in a professional and timely manner – including analysing their root causes – is important to maintaining the traditional leadership role of the industry in providing insurance broking services.

Most Code Subscribers provided valuable comments and information in addition to the number of complaints. However, the Committee is concerned about the high number of complaints not identifying the product/service (23%) or issue (23%) involved.

Based on additional comments provided, the following areas attracted a significant number of complaints:

Small business insurance products

- Delay in claim settlement.
- Delay in providing policy number and certificate of currency.
- Client's emails were not responded to within 24 hours.
- Requests for amendment of insurance cover were not attended to promptly.
- Renewal terms were not discussed with the client prior to arranging cover.

Other insurance products

- Complaints received under this category comprised commercial hull policies, equine insurance, property & liability insurance, landlord insurance, marine insurance and vessel insurance.

Home Building insurance products

- Processing error caused delay in claim settlement.
- Delay in provision of documents.
- Incorrectly charged premium.

Service standards

- Delay in claim settlements.
- Slow response to client.
- Late refund payment.
- Level of client service did not meet client's expectations.
- Client did not receive renewal terms and policy subsequently lapsed.
- Lack of service.

Personal Motor Vehicle insurance products

- Client not happy with repairer.

Dispute resolution times

While Code Subscribers resolved most client complaints within 45 days, 11% of complaints took more than 45 days to resolve.

Code Subscribers cited a variety of reasons for this, including the client taking time to provide further information and the complexity of the complaint:

- Clients not accepting conciliation offers while considering whether to take court action or access free dispute resolution service.
- Matter was referred to and determined by FOS.
- Insurance broker arranged lengthy mediation/negotiation process with client.
- Complaint register 'date closed' field was marked as closed when the insurance broker was satisfied the complaint was actioned, finalised, discussed at monthly meetings and any resultant issues remedied. In future the 'date closed' will reflect the date the client was satisfied the complaint was finalised. This will mean most will be under 45 days unless ongoing for any significant reason.
- Some timeframes more than 45 days due to ongoing correspondence with the client.
- Matter was referred to the underwriter's internal dispute resolution process as it involved a claim which took time to assess and conciliate.
- Client did not provide the necessary information and documentation to substantiate the claim.
- The insurance broker was active while negotiating the matter, however, the nature of the matter and the client's responsiveness determined the timeframe.

Chart 4: Percentage of complaints by service/product involved 2013–14⁵

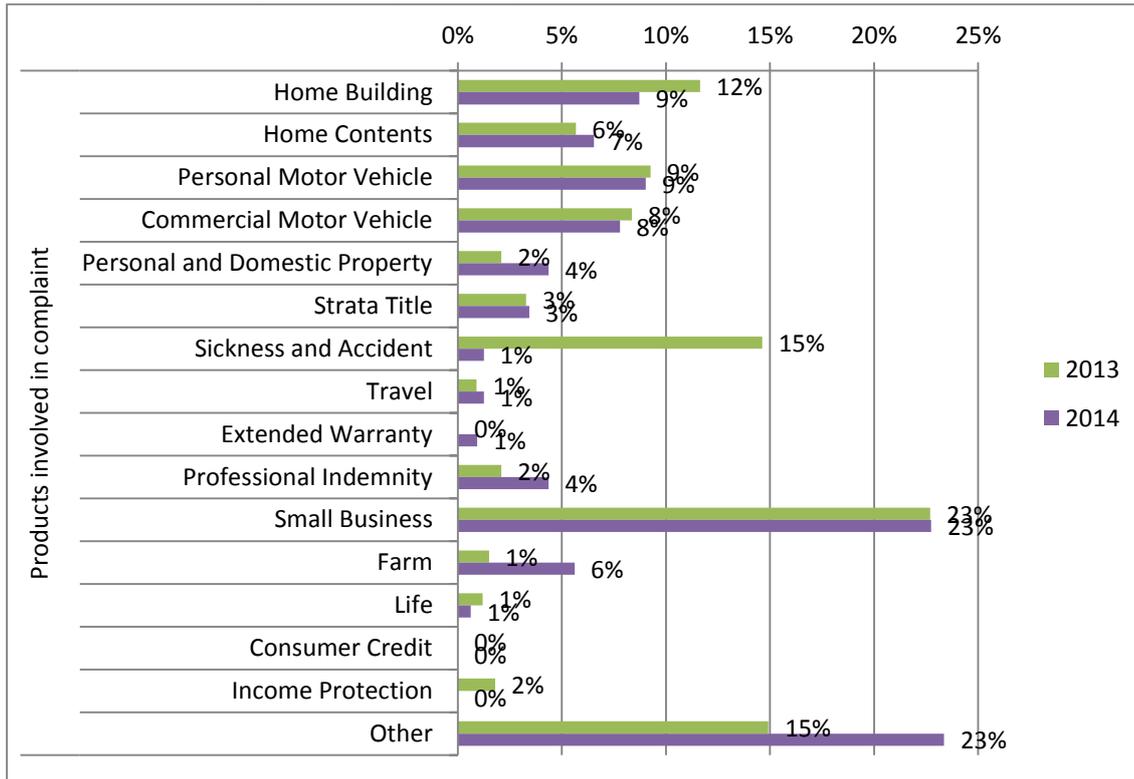
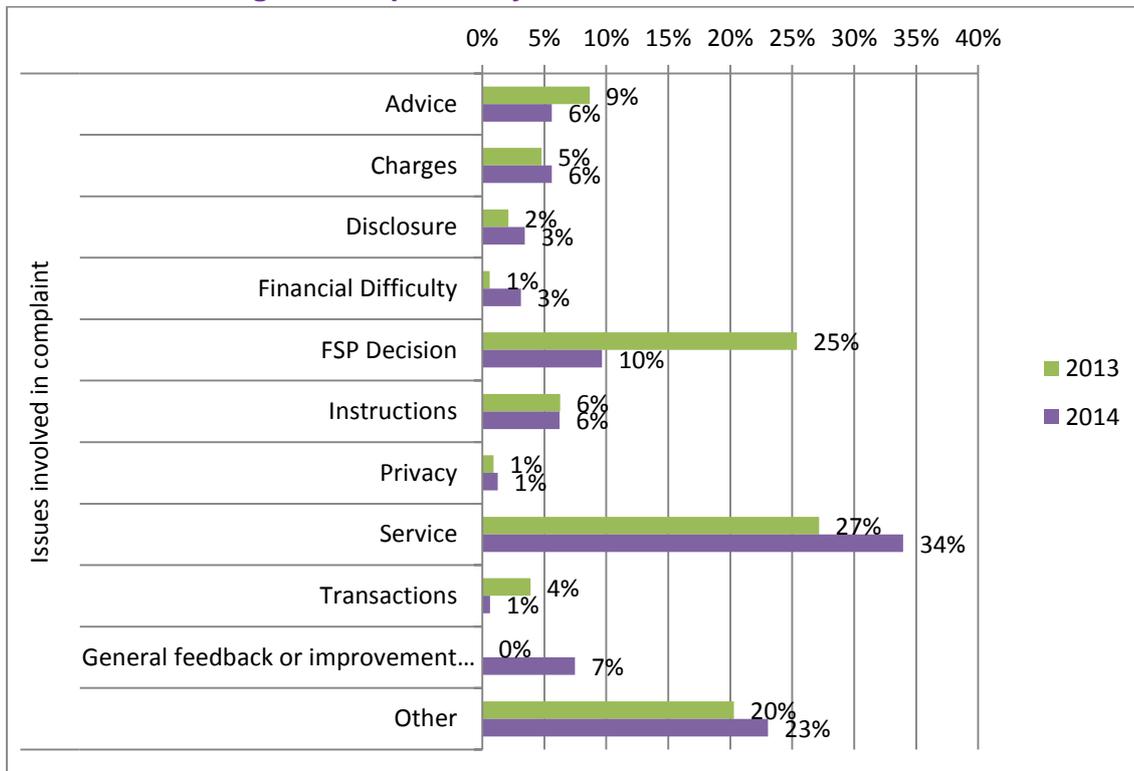


Chart 5: Percentage of complaints by issues involved 2013–14⁶



⁵ 'Other' represents the number of complaints that were noted by the Institution in the total number of complaints, but not further identified regarding the service or products involved.

⁶ 'Other' represents the number of complaints that were noted by the Institution in the total number of complaints, but not further identified regarding the issues involved.

Chart 6: Percentage of complaints by outcome 2013–14⁷

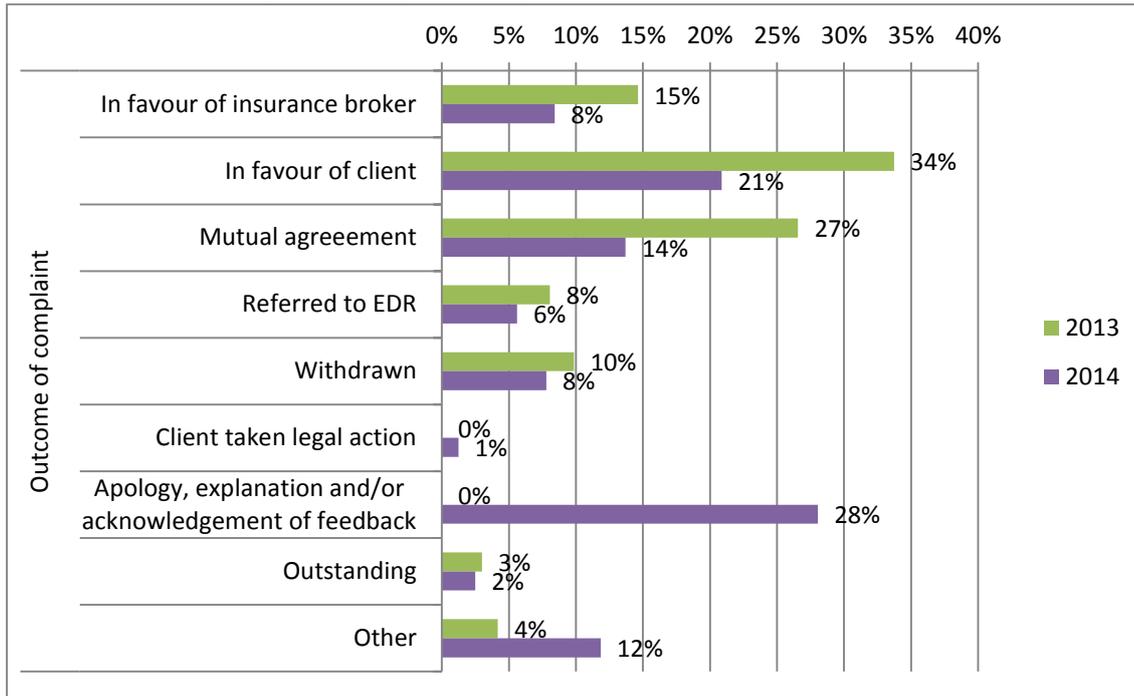
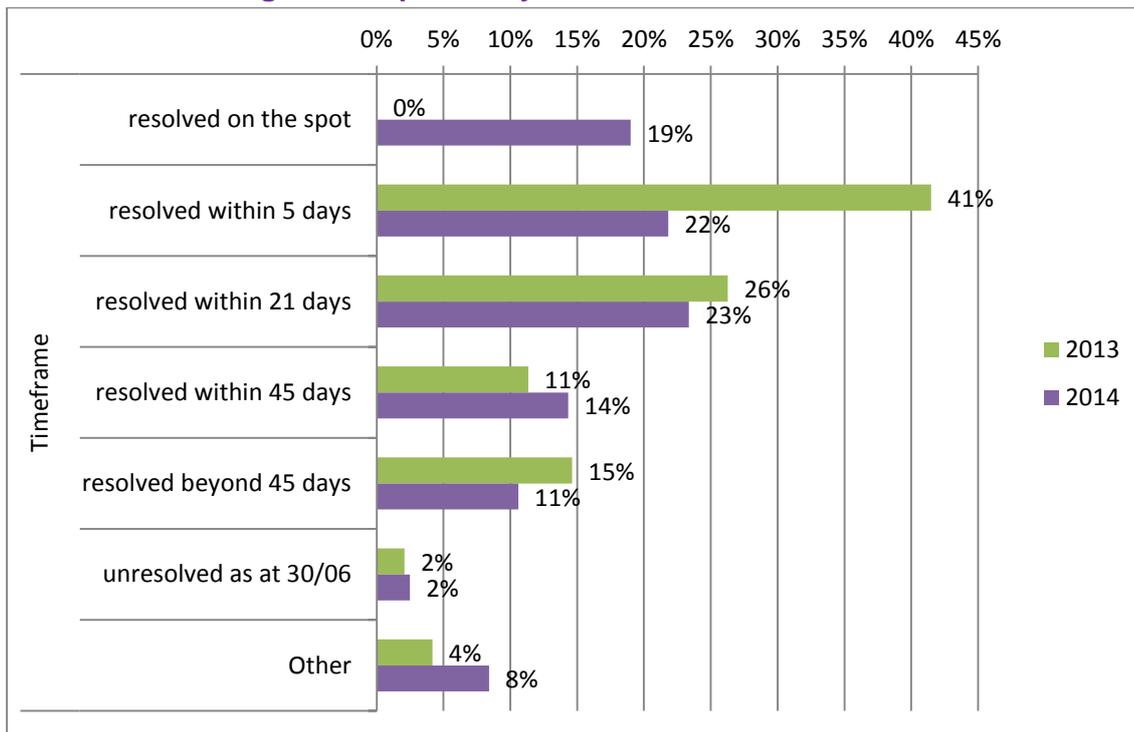


Chart 7: Percentage of complaints by resolution 2013–14⁸



⁷ 'Other' represents the number of complaints that were noted by the Institution in the total number of complaints, but not further identified regarding the outcome.

⁸ 'Other' represents the number of complaints that were noted by the Institution in the total number of complaints, but not further identified regarding the timeframe.

OWN MOTION INQUIRY: CODE PROMOTION

The Committee's inquiry examined whether Code Subscribers are meeting their obligation under service standard 11 of the Code to support NIBA in promoting the Code and making information on the Code (including how to make a complaint) and the Covered Services available to clients.

It specifically reviewed the accessibility⁹ and visibility¹⁰ of Code, Internal Dispute Resolution (IDR) and External Dispute Resolution (EDR) information on Code Subscribers' websites and compared it to findings of the previous inquiry in 2012.¹¹ The follow-up inquiry was conducted from June to August 2014, reviewing 104 Code Subscriber websites that had not been subject to the 2012 inquiry. Code Subscribers were randomly selected from across Australia.

The inquiry found that overall, Code Subscribers have systematically improved the visibility and accessibility of Code and dispute resolution information. The largest area of improvement was Code information (40% increase). An increasing number of Code Subscribers (compared to the 2012 inquiry) had at least mentioned the Code on their websites.

The Committee noted that there were three criteria that scored a percentage below 50%, representing areas of improvement:

- a copy or link to the Code
- a specific nominated complaint contact, and
- dispute resolution information on a separate 'Dispute/Complaints' page.

Table 2: Key findings – comparison between 2012 and 2014 inquiry

Category	Key Findings	2012	2014	Analysis
Code Information	Websites made reference and/or provided information about the Code.	25%	65%	40% improvement
	Websites contained a copy or link to the Code.	3%	44%	41% improvement
IDR Information	Websites provided some information on internal dispute resolution (IDR), albeit some of this information is limited.	71%	80%	9% improvement
	Websites displayed IDR information on a separate Disputes page.	11%	37%	26% improvement
	Websites nominated a specific complaint contact.	26%	32%	6% improvement

⁹ For the purpose of this inquiry, accessibility refers to the 'ways' and 'means' of sourcing information on the Code, IDR and EDR from the website of a Code Subscriber.

¹⁰ For the purposes of this inquiry, visibility refers to the degree to which information on the Code, IDR and EDR is perceptible to the reader when viewing the website of a Code Subscriber.

¹¹ Copy available at http://www.fos.org.au/custom/files/docs/visibilityandaccessreport_june_2012.pdf

EDR Information	Websites provided some information on the approved external dispute resolution (EDR) scheme they subscribe to.	70%	84%	14% improvement
	Websites provide a direct website link to the approved EDR scheme they subscribe to.	45%	62%	17% improvement

Based on the findings of the inquiry, the Committee created a checklist which outlines ways in which a Code Subscriber can improve the accessibility and visibility of their website-based Code, IDR and EDR information. The checklist can be found in **Table 3** below:

Table 3: How to display Code, IDR and EDR information on your website

<input type="checkbox"/> Display information about the Code on the 'About Us' or 'Home' page of the website.
<input type="checkbox"/> Code information should include the 12 service standards of the Code and the benefits and rights under the Code.
<input type="checkbox"/> Code information should present clear and concise guidance on where and how to raise a Code breach concern.
<input type="checkbox"/> Code information should include a direct link to the FOS website to lodge a Code breach concern.
<input type="checkbox"/> Provide a link to a copy of the Code and a link to NIBA's website.
<input type="checkbox"/> Provide information about IDR and EDR procedures on a separate 'Complaints' page or a prominent link from the 'Home' or 'Contact Us' page.
<input type="checkbox"/> IDR information should present clear and concise guidance on where and how to make a complaint or how to raise a Code breach concern.
<input type="checkbox"/> IDR information should either include the contact details of a specific complaints person or an online complaint form, which should be different to a general feedback form.
<input type="checkbox"/> EDR information should be disclosed together with IDR information.
<input type="checkbox"/> EDR information should include a direct link to the website of the relevant EDR scheme.
<input type="checkbox"/> Check the search function (if available on the website) to ensure that simple searches on the Code and complaints handling provide results.
<input type="checkbox"/> Consider advertising access to translating services where required.
<input type="checkbox"/> Review website against the standards outlined by World Wide Web Consortium's (W3C) Web Content Accessibility Guidelines (WCAG) 2.0 . W3C have developed international standards and guidance for website development including in the area of accessibility.

A full copy of the report is available via the FOS website at <http://www.fos.org.au/custom/files/docs/insurance-brokers-code-of-practice-website-review-march-2015.pdf>.

INVESTIGATIONS

The Code empowers the Committee to investigate and determine any complaint that an insurance broker has breached the Code. The Committee can also initiate its own investigations into Code breaches.

The Committee's investigations aim to identify the cause of alleged Code breaches; whether there are broader compliance issues evident from the complaint; and the effectiveness of Code Subscribers' remedial actions to minimise the impact of breaches on clients.

While the Committee cannot consider claims for compensation and loss, we can initiate Code investigations without needing a complaint to act as a trigger. These investigations are mainly used to identify and assess:

- Whether non-compliant behaviour identified through complaint investigations is systemic, either within a Code Subscriber or the sector in general.
- The presence of non-compliant behaviour that may not have been identified by the Code Subscriber's internal compliance monitoring systems or ACS.
- Emerging Code compliance risks that may affect a number of Code Subscribers and their clients.

Table 4: For Code Subscribers: how to respond to a review of an alleged Code breach

Following a review of an alleged Code breach, the Committee expects Code Subscribers to:

- Positively engage with the Committee.
- Thoroughly review the incident to assess if it constitutes a breach of the Code.
- Report the breach in your breach register (if a breach of the Code has occurred).
- Report the breach to executive management.
- Identify all clients potentially affected by the events.
- Assess if the breach is systemic and/or significant.
- Take remedial action to address the cause of non-compliance.
- Review and enhance processes and procedures.
- Train staff.

INVESTIGATIONS: CASE WORK

In 2014–15 the Committee received two direct complaints and undertook eight Own Motions Investigations, seven following referrals from FOS and one following an ASIC press release. The subsequent investigations are summarised below according to the service standards under consideration for each case.

<p>Standard 5: Act diligently, honestly and with integrity (buying insurance)</p>	<p>A premium funder informed the insurance broker it intended to cancel a policy in six days' time. The broker failed to pass on this information to its client in sufficient time, and the policy subsequently lapsed, causing the client to suffer a loss for uninsured stolen tools.</p> <p>FOS determined the complaint in favour of the client. Full settlement of the claim by the insurance broker was ordered. The matter was also referred to the Committee which undertook an Own Motion Investigation into the alleged Code breach. Following the incident another insurance broker acquired the business and assumed responsibility. Subsequent to discussions with the Committee this broker has:</p> <ul style="list-style-type: none">• Confirmed the events represented a Code breach, and will report it in its ACS.• Provided additional staff training to enhance standards and requirements.• Improved processes and implemented stricter compliance procedures to address the cause of the breach and prevent a reoccurrence. <p>A client provided her insurance broker with valuations of jewellery items covered under her insurance policy. A change of insurance provider resulted in a reduced level of cover, but the broker failed to inform the client. She subsequently suffered a loss for stolen jewellery and was not fully covered.</p> <p>FOS closed the matter by recommendation in favour of the client and full settlement of the claim by the insurance broker, and referred the matter to the Committee which undertook an Own Motion Investigation into the alleged Code breach. Following discussions with the Committee the broker has:</p> <ul style="list-style-type: none">• Confirmed the events represent a Code breach, which will be reported in its ACS.• Conducted an onsite audit, resulting in eight key findings and recommendations – all have been implemented.• Reported the matter to executive management and meetings of the internal compliance group.• Included the breach as a case study in staff training.
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Standard 5: Act diligently, honestly and with integrity (buying insurance)	<p>An insurer failed to respond to a client's request to explain why it had increased his insurance premiums. He followed up with a request for insurance schedules and advice on its commission structure. Again the insurer failed to provide a reasonable response.</p> <p>The client lodged his complaint regarding an alleged Code breach with the Committee via email. The matter was outside the Committee's jurisdiction as neither the insurer nor the underwriting agency were Code Subscribers.</p>
	<p>An insurance broker arranged insurance for a Strata Title Body Corporate. When the policy was due for renewal, the broker sought several quotes and placed the insurance with another insurer. The broker claims it sent the necessary documentation to the Body Corporate, which paid the premium thereby accepting cover.</p> <p>When the Body Corporate lodged a claim, it realised that the excess was higher under the new insurer. It complained that the broker changed insurers without its knowledge and did not discuss the difference in cover before placing the insurance with the new insurer.</p> <p>FOS conciliated the complaint in favour of the client and full settlement of the excess by the insurance broker, and referred the matter to the Committee which undertook an Own Motion Investigation into the alleged Code breach. The investigation is in progress.</p>

Standard 5: Act diligently, honestly and with integrity (claims handling)	<p>An authorised representative, acting as an insurance broker for their owner's corporation in relation to strata insurance, arranged a claim settlement for an insured unit owner despite the corporation's explicit request to investigate the claim.</p> <p>FOS referred the matter to the Committee which undertook an Own Motion Investigation into the alleged Code breach. The investigation is in progress.</p>
	<p>The client lodged a claim for fire damage to his commercial business. The insurer paid only 50% of the total cost of repairs based on the assessor's belief that the claim was fraudulent. The client was not happy with the settlement amount and lodged a dispute with FOS.</p> <p>The Ombudsman Determination found substantially in the financial services provider's favour but had some concerns regarding the assessor's conduct. The matter was outside the Committee's jurisdiction as the financial services provider was an underwriting agency and not a Code Subscriber.</p>

<p>Standard 1: Comply with law</p> <p>Standard 7: Money handling</p> <p>Standard 12: Uphold professionalism</p>	<p>ASIC reported that an insurance broker’s authorised representative was permanently banned from providing financial services after an investigation found he engaged in dishonest conduct in the use of client funds.</p> <p>In response, the Committee conducted an Own Motion Investigation and asked the broker to:</p> <ul style="list-style-type: none"> • confirm if it considered the events represented a Code breach and if so, whether they constituted a serious or significant breach • explain its process for identifying and assessing non-compliance with the Code and how they had applied this process to this matter, and • detail any remedial actions and process improvements it had initiated following these events. <p>The Committee closed the matter on the basis that the event appeared to be isolated and the insurance broker handled it appropriately by:</p> <ul style="list-style-type: none"> • identifying all clients potentially affected by the events and confirming that none of them had been adversely affected • reporting this matter to ASIC and the police • recording a significant breach of service standards 1,7 and 12 • reviewing its money handling procedures, and • providing refresher training to relevant staff.
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<p>Standard 10: Internal complaints and dispute handling process</p>	<p>An uninsured third party was driving a friend’s car when it was damaged by a vehicle owned by the client of the insurance broker. However, the broker acted as claims administrator for the client and was not the client’s or the third party’s insurer. The client offered to pay for the repairs to the vehicle, however, the third party was unhappy about the wording of the release form the client requested he sign.</p> <p>The matter was declined by FOS as the dispute fell outside its Terms of Reference. The case was referred to the Committee as the insurance broker allegedly told the third party it did not have a complaints department. In the same email in which it provided this information, the third party was given the contact details of the relevant person in relation to making a complaint.</p> <p>Following a review, it was determined that the broker did have a complaints handling process for its clients. Given the circumstances the third party was not a client of the insurance broker. The Committee closed the matter as outside its Terms of Reference.</p>
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<p>Standard 2: Conflict of interest</p>	<p>Four parties were involved in arranging an applicant's farm policy: the insurer, an underwriting agency, the insurance broker and an authorised representative of the insurance broker. Under this policy, a cyclone-damaged shed was repaired based on an assessment made by a claim assessor, but these repairs were considered unsatisfactory by the applicant and an independent assessment by the shed building company.</p>
<p>Standard 3: Who we act for</p>	
<p>Standard 5: Act diligently, honestly and with integrity (claims handling)</p>	<p>The applicant made numerous allegations, including that the insurance broker:</p> <ul style="list-style-type: none"> failed to declare his financial interest in the underwriter made misleading and deceptive statements consistently told the applicant there was nothing more that could be done and that the case should be closed failed to provide its internal dispute resolution response within 45 days incorrectly advised that the policy was written as an indemnity policy rather than the 'repair & reinstate' policy, and failed to disclose the pre-existing storm damage, the existence of the claim and the ongoing dispute when it switched to a new insurer on renewal.
<p>Standard 10: Internal complaints and disputes handling process</p>	<p>Following discussions with the Committee the broker has:</p> <ul style="list-style-type: none"> confirmed the events represent a Code breach, which will be reported in its ACS. confirmed that it will review its financial service guide and how it can more efficiently disclose its financial and shareholding interest to its clients review its internal dispute resolution guidelines, and include the breach as a case study in staff training.

<p>Standard 5: Act diligently, honestly & with integrity (claims handling)</p>	<p>The insurance broker allegedly breached obligations under the Code regarding the handling of two claims, in particular acting diligently and fairly with integrity, acting with competence, the effective handling of disputes and bringing the insurance broking profession into disrepute.</p>
<p>Standard 8: Staff training</p>	
<p>Standard 10: Internal complaints & disputes handling process</p>	<p>The client lodged their complaint regarding the alleged Code breach with the Committee via email. The matter was closed by the Committee when the client did not provide the Committee with a privacy authority and further details about the matter to enable the Committee to discuss the matter with the insurance broker.</p>
<p>Standard 12: Uphold professionalism</p>	

ENGAGING WITH STAKEHOLDERS

In 2014–15, the Committee continued to engage with stakeholders to influence positive changes in industry behaviour, share our experience of Code compliance and highlight areas of good industry practice.

Stakeholder liaison

The Committee and FOS Code attended stakeholder liaison meetings during the year with regulators, Code Subscribers, consumer and small business representatives, NIBA and other insurance broking cluster groups. Issues discussed included obligations under the revised Code, training and Code monitoring and compliance. The Committee supported Code awareness by presenting at a variety of workshops including the NIBA Tier 1 workshops, the NIBA Conference in Adelaide in September 2014 and the NIBA Vic Industry Expo and Luncheon in Melbourne in May.

In particular, the Committee hosted the following luncheons

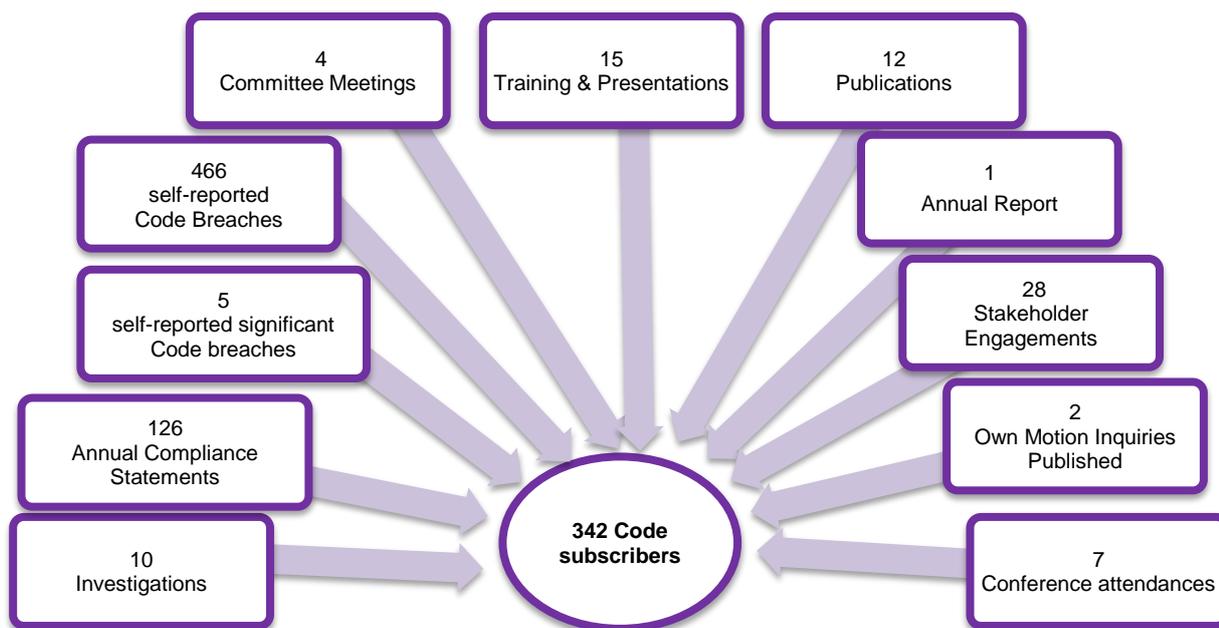
<i>Date</i>	<i>Place</i>	<i>Representative(s) from</i>
19 November 2014	Sydney	Financial Rights Legal Centre
11 March 2015	Melbourne	Consumer Action Law Centre Kildonan Uniting Care Consumer Federation of Australia National Insurance Brokers Association
18 May 2015	Sydney	Australian Securities and Investments Commission

Publications

The NIBA website (www.niba.com.au/codeofpractice/overview.cfm) and the FOS website (www.fos.org.au/about-us/codes-of-practice/) provide details on the Committee's role and functions, reports on our work program, and the obligations of the Code. FOS Code published:

- six articles in the *NIBA Gazette* (July 2014, August 2014, September 2014, November 2014, March 2015 and April 2015 editions)
- an improved guide to codes of practice in conjunction with the Telecommunications Ombudsman and Energy and Water Ombudsman Victoria
- an updated *Code Toolkit*, a handy pocket-sized reference guide for financial counsellors
- articles in *The Circular*, FOS's online magazine (August 2014, November 2014, January 2015 and April 2015 editions)
- case studies involving insurance broking matters in *The Insurance & Risk Professional*
- its Own Motion Inquiry: *Code Training Report* in December 2014¹², and
- its Own Motion Inquiry: *Code Promotion Report* in March 2015 (see pages 21 to 22).

¹² This Own Motion Inquiry was completed in 2013–14; the subsequent report was published in this reporting period and is available at: <http://www.fos.org.au/custom/files/docs/ibccc-report-own-motion-inquiry-code-training.pdf>



2015–16: FUTURE OUTLOOK

We worked with Code Subscribers throughout 2014–15 to improve standards of practice and service, share experiences of Code compliance and raise awareness of the Code. We are now well placed to deepen our stakeholders’ understanding of Committee operations and the value of Code compliance.

Code monitoring and transition

We will continue to work with industry to ensure positive and consistent self-reporting of Code breach activity, including through a risk assessment model developed to align Code monitoring activities with industry and other risk factors. This model will include a benchmarking feature for Code Subscribers to assess their performance against industry standards.

Code Subscribers will also have improved access to information as part of the ACS and Own Motion Inquiries via a secure online portal. This information might include a synopsis report on the outcomes of the ACS, providing each individual Code Subscriber with insights into its compliance performance in comparison to other industry participants.

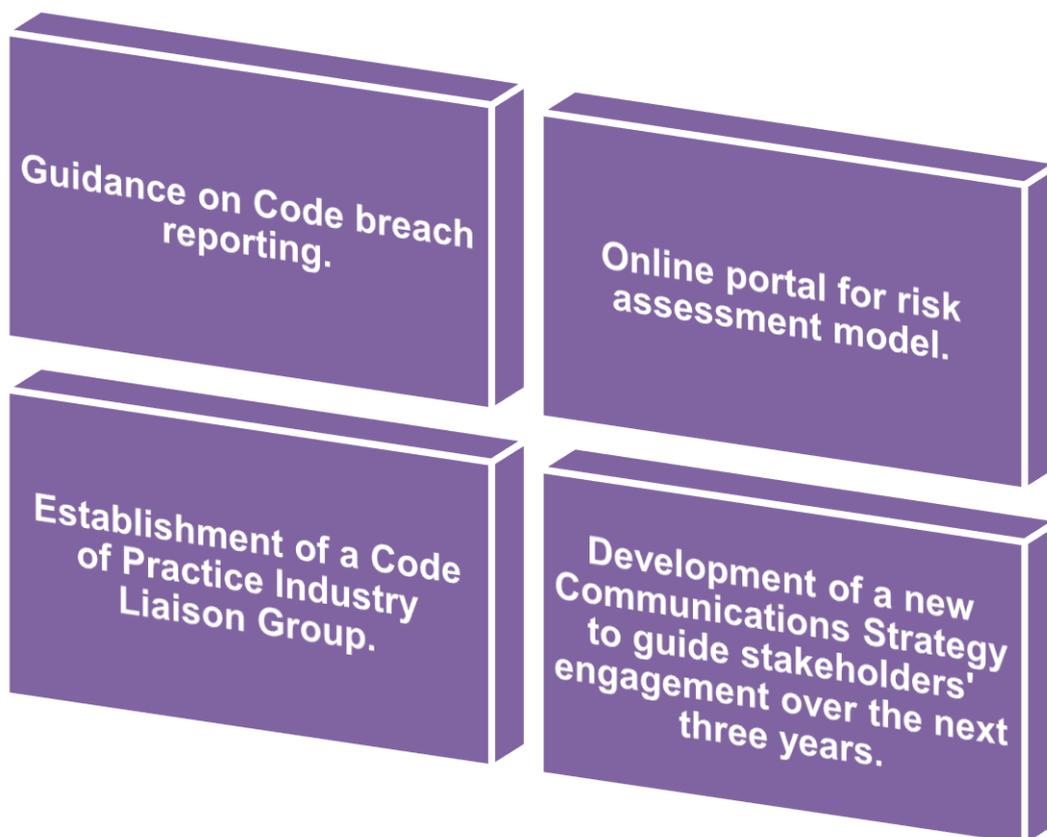
Investigations

We will implement a quality assurance process to ensure consistency, quality and continuous improvement of the Code function, including a review of the effectiveness and timeliness of Committee decision-making processes and procedures. The Committee is developing guidance on the classification and enforcement of Code breach activity to ensure consistency and transparency of Committee decision-making, including the building of a guidance library for stakeholders about Committee operations and decisions.

Communication and engagement strategy

We are reviewing the information about the Code Compliance Committee on the FOS website to meet plain English benchmarks and stakeholder requirements. We are also developing a 'brand identity' to maintain and enhance awareness of our operations and to reflect a common understanding of the roles of the Committee and the Secretariat.

The Committee will continue to provide consumer advocacy training and outreach programs with our partner organisations, including hosting consumer advocate luncheons in Melbourne and Sydney.



APPENDIX A: Code Subscribers as at 30 June 2015¹³

Abico Insurance Brokers Pty Ltd	Austbrokers Phillips Pty Ltd
ACE-IRM Insurance Broking Group	Austbrokers Premier Pty Ltd
ACI Broking (VIC) Pty Ltd	Austbrokers Ris Pty Ltd
ACI Broking (WA) Pty Ltd	Austbrokers Southern Pty Ltd
ACI Broking Services Pty Limited	Austbrokers SPT Pty Ltd
ACM Insurance Brokers Pty Ltd	Austbrokers Sydney Pty Ltd
ACME Insurance Brokers	Austcover Pty Ltd
ACN 054 261 371 Pty Ltd	Austgroup Insurance Brokers
Action Insurance Brokers Pty Ltd	Austinsurance Broking Group Pty Ltd
Adroit Insurance Group Pty Ltd	Austral Anglo Pty Ltd
AFA Insurance Brokers	Austral Insurance Brokers Pty Ltd
Affinity Risk Partners (Brokers) Pty Ltd	Australasia Insurance Brokers Pty Ltd (AAIB)
Agririsk Services Pty Ltd	Australian Income Protection Pty Ltd
AHL Insurance Brokers Pty Ltd	Australian Reliance Pty Ltd
AIIB Pty Ltd	Ausure Pty Ltd
AIS Insurance Brokers Pty Ltd	Aviation Insurance Brokers of Australia
Allegiant Irs Pty Ltd	AWIB Pty Ltd
Alliance Insurance Broking Services Pty Ltd	Ballarat Insurance Brokers Pty Ltd
Allsafe Insurance Brokers Pty Ltd	Barrenjoey Lifestyle Pty Ltd
AMACIS Pty Ltd	Barrie MacDonald & Associates
Andrew Young & Associates Pty Ltd	Barry Stowe Insurance Brokers
Andrews Insurance Services Pty Ltd	Bass Insurance Brokers Pty Ltd
Aon Risk Services Australia Limited	Bayside Brokers Pty Ltd
Apollo Risk Services Pty Ltd	Bellrock Broking Pty Limited
Ardrossan Insurance Brokers Pty Ltd	Berkrey Insurance Consultants Pty Ltd
Arena Underwriting Pty Ltd	Bestmark Pty Ltd
Armbro Insurance Brokers Pty Ltd	BJS Body Corporate Insurance Brokers Pty Ltd
Arrowsmith & Petruccelli Insurance Brokers Pty Ltd	BJS Insurance Broker (Gippsland) Pty Ltd
Arthur J Gallagher (Aus) Pty Ltd	BJS Insurance Brokers Pty Ltd
Arthur J. Gallagher & Co (Aus) Limited	Blackburn (Insurance Brokers) Pty Ltd
Asset Insurance Brokers Pty Ltd	BMG Aviation Pty Ltd
Assurity Pty Ltd	Bolderston & Associates Insurance Brokers
ATC Insurance Solutions Pty Ltd	Bourchier Nominees Pty Ltd ATF The Coastal Unit Trust
Atia Insurance Services Limited	Bovill Risk & Insurance Consultants Pty Ltd
Atlantic Insurance Brokers Pty Ltd	Brecknock Insurance Brokers (VIC) Pty Ltd
Aughtersons Insurance Brokers Pty Ltd	Brecknock Insurance Brokers Pty Ltd
Austbrokers AEI Pty Ltd	Brett Grant & Associates Pty Ltd
Austbrokers CE McDonald Pty Ltd	Bricher Insurance Brokers
Austbrokers Central Coast Pty Ltd	Brokers National
Austbrokers City State	Brookvale Insurance Brokers Pty Ltd
Austbrokers Coast to Coast	Bruce Chiene Pty Ltd

¹³ The decrease in the number of Code Subscribers from 361 to 342 (as at 30 June 2015) follows a series of mergers and acquisitions within the industry over the last 12 months. For information about Code subscription please contact NIBA directly at niba@niba.com.au or Tel (02) 9964 9400.

Austbrokers Dalby Pty Ltd
 Austbrokers HCI
 Cambridge Insurance Brokers
 Camneldo Pty Ltd
 Capital Innovation Insurance Group Pty Ltd
 Capital Insurance (Broking) Group Pty Ltd
 Capital Insurance Brokers Pty Ltd
 Capricorn Insurance Services Pty Ltd
 Carriers Insurance Brokers Pty Ltd
 Cartwright Insurance Brokers Pty Ltd
 Central Insurance Brokers
 Centrewest Insurance Brokers
 Cerberos Brokers Pty Ltd
 City Rural Insurance Brokers Pty Ltd
 Citycover (Aust) Pty Ltd
 CKA Risk Solutions Pty Ltd
 CN Botting & Associates (Broking) Pty Ltd
 Commercial Reality Insurance Brokers Pty Ltd
 Compass Insurance Brokers (Tas) Pty Ltd
 Comsure Insurance Brokers Pty Ltd
 Corporate Insurance Brokers Pty Ltd
 Corporate Underwriting Agencies Pty Ltd
 Country Mile Insurance Brokers
 Countrywide Tolstrup Financial Services Group P/ L
 Coverforce IUS Pty Limited
 Coverforce Pty Ltd
 Coversafe Insurance Brokers Pty Ltd
 Cowden (NSW) Pty Ltd
 Cowden (SA) Pty Ltd
 Cowden (VIC) Pty Ltd
 Cowden Limited
 Darling Downs Insurance Brokers Pty Ltd
 Davelcorp Insurance Brokers Pty Ltd
 De Conno & Blanco Insurance Brokers
 Delaney Kelly Golding Pty Ltd
 Dennis Foster Insurance Brokers Pty Ltd
 DIB Insurance Brokers Pty Ltd
 Direct Insurance Brokers Pty Ltd
 Domina General Insurance Brokers Pty Ltd
 Don Hutton Insurance Brokers Pty Ltd
 Donnelly Insurance Brokers Pty Ltd
 Dove Insurance Brokers Pty Ltd
 Drakco Insurance Brokers Pty Ltd
 Driessen Insurance Brokers Pty Ltd
 Eagle Insurance Brokers Pty Ltd
 Bruce Park Pty Ltd
 Caip Services Pty Ltd
 East West Insurance Brokers Pty Ltd
 Edgewise Insurance Brokers Pty Ltd
 EIB Insurance Brokers Pty Ltd
 Elite General Insurance Services Pty Ltd
 Elkington Bishop Molineaux Insurance Brokers Pty Ltd
 Emjay Insurance Brokers Pty Ltd
 Endeavour Insurance Broking Group Pty Ltd
 Enrizen Pty Ltd
 FD Beck & Sons Pty Ltd
 Finance And Insurance (Brokers) Australia
 Finn Foster & Associates Pty Ltd
 Finsura Insurance Broking (Australia) Pty Ltd
 Fitzpatrick & Company Insurance Brokers
 FP Insurance Brokers
 Fraser and Associates Insurance Brokers Pty Ltd
 Gale Insurance Brokers Pty Ltd
 Gary Morton Insurance Brokers Pty Ltd
 Ginn & Penny Pty Ltd
 Glenowar Pty Ltd
 Goulburn Insurance Brokers Pty Limited
 Gow-Gates Ins Brokers (Australasia) Pty Ltd
 Gow-Gates Insurance Brokers Pty Ltd
 Grampians Insurance Brokers Pty Ltd
 Grange Insurance Solutions Pty Ltd
 Great Wall Insurance Services Pty Ltd
 Greater National Limited
 Griffiths Goodall Insurance Brokers Pty Ltd
 GSA Insurance Brokers Pty Ltd
 Guardian Insurance Brokers Pty Ltd
 Hann Insurance Brokers Pty Ltd
 Hawksford Insurance Brokers
 HIB Insurance Brokers Pty Ltd
 Hiscock Insurance Brokers Pty Ltd
 HK Insurance Brokers Pty Ltd
 Holland Insurance Brokers (Qld) Pty Ltd
 Honan Insurance Group Pty Ltd
 HW Wood Australia Pty Ltd
 Ian Bell Insurance Brokers Pty Ltd
 IBL Limited
 IC Frith & Associates (SA) Pty Ltd
 IC Frith & Associates (WA)
 ICF (Australia) Pty Ltd
 IJD Insurance Brokers Pty Ltd

IMC Insurance Brokers
 Indemnity Corporation Pty Ltd
 Insurance Advisernet Australia Pty Limited
 Insurance Advisory Service (NSW) Pty Ltd
 Insurance Aid General Brokers Partnership Pty Ltd
 Insurance Brokers of NSW Pty Ltd
 Insurance House Pty Ltd
 Insurance Logic Pty Ltd
 Insurance Marketing Group of Aust Pty Ltd (IMGA)
 Insurance Solutions Corporation Pty Ltd
 Insurance Solutions Tasmania Pty Ltd
 Insure That Insurance Broking Pty Limited
 Insurex Pty Ltd
 Insurics Pty Ltd
 Intercharge Pty Ltd
 Interlink Insurance Brokers
 Interpacific Insurance Brokers Pty Ltd
 Interrisk Australia Pty Ltd
 Intersure Pty Ltd
 IPS Insurance Brokers
 IRT Insurance Pty Ltd
 IUG Services Pty Ltd
 Jardine Lloyd Thompson Pty Ltd
 JHR Corporate Risk Services Pty Ltd
 JMD Ross Insurance Brokers Pty Ltd
 Joe Vella Insurance Brokers Pty Ltd
 Johansen Insurance Brokers Pty Ltd
 Johnson Pacific Pty Ltd
 KE Skilton & Associates Pty Ltd
 Kelly & Coe Insurance Brokers Pty Ltd
 Ken Tame & Associates Pty Ltd
 Kinnane Insurance Brokers Pty Ltd
 KJ Risk Group Pty Ltd
 Knightcorp Insurance Brokers
 Knights Guard Pty Ltd
 Lanyon Partners Insurance Brokers Pty Ltd
 LEA Insurance Brokers Pty Ltd
 Leed Insurance Group Pty Ltd
 Link Insurance Brokers
 Lockton Companies Australia Pty Ltd
 Logan Insurance Brokers Pty Ltd
 Logan Livestock Insurance Agency Pty Ltd
 LTM Group Pty Ltd
 M & S Insurance (Brokers) Services Pty Ltd
 Macey Insurance Brokers Pty Ltd
 Mackellar Insurance Brokers Pty Ltd
 Macquarie Insurance Brokers (Australia) Pty Ltd
 Made Easy Financial Group Pty Ltd
 Malcolm Hutson & Associates Pty Ltd
 Management & Risk Insurance Brokers
 Mandurah Insurance Brokers Pty Ltd
 Markey Group Pty Ltd
 Marsh Advantage Insurance Pty Ltd
 Marsh and McLennan Agency Pty Ltd
 Marsh Pty Ltd
 Masefield Holdings Pty Ltd
 Maxton Insurance Brokers
 MCA Insurance Brokers Pty Ltd
 McCormick Harris & Associates Pty Ltd
 McKenzie Ross & Co Pty Ltd
 McKillop Insurance Brokers Pty Ltd
 McNair Hurlle Latrobe Insurance Brokers Pty Ltd
 McNaughton Gardiner Insurance Brokers Pty Ltd
 MD Insurance Brokers Pty Ltd
 MFP Insurance Brokers
 MGA Insurance Brokers Pty Ltd
 Midas Insurance Brokers Pty Ltd
 Midland Insurance Brokers Australia Pty Ltd
 Mienham Pty Ltd
 Milne Alexander Pty Ltd
 Moran Insurance Brokers Pty Ltd
 Multi Secure Insurance Solutions Pty Ltd
 Mutual Brokers Pty Ltd
 NAS Insurance Brokers
 National Corporate Broking Pty Ltd
 National Credit Insurance Brokers of Australia Pty Ltd
 Nationwide Insurance Brokers Pty Ltd
 Nexus (Aust) Pty Ltd
 North Coast Insurance Brokers Pty Ltd
 North Queensland Insurance Brokers Pty Ltd
 Northern Tablelands Insurance Brokers Pty Limited
 Northlake Holdings Pty Ltd
 NSP Insurance Brokers Pty Ltd
 Oceanic Marine Risks Pty. Ltd
 Oracle Group (WA) Pty Ltd
 O'Regan Group Pty Ltd

O'Sullivan Insurance Brokers Pty Ltd
 Ovens Valley Insurance Brokers Pty Ltd
 Oxley Insurance Brokers Pty Ltd
 P. I. Direct Insurance Brokers Pty Ltd
 Parmia Pty Ltd
 Paul Donnelly Insurance Brokers Pty Ltd
 Perryman O'Grady Philpott Pty Ltd
 Peter L Brown & Associates Pty Ltd
 Philp Newby & Owen Pty Ltd
 Piranha Insurance Brokers Pty Ltd
 PMH Insurance Brokers Pty Ltd
 Pollard Insurance Brokers
 Poole & Partners Investment Services Pty Ltd
 Professional Insurance Brokers (McKinnon)
 Professional Insurance Brokers (NSW) Pty Ltd
 Professional Insurance Brokers (Vic) Pty Ltd
 Professional Services Corporation Pty Ltd
 PSB Insurance Brokers Pty Ltd
 PSC Connect Pty Ltd
 PSC Insurance Brokers (Aust) Pty Ltd
 PSC Insurance Pty Ltd
 PSC Share Nominees Pty Ltd
 Regional Insurance Brokers
 Reliance Insurance Brokers Pty Ltd
 Richard Oliver Underwriting Managers Pty Ltd
 Richard Ray & Associates Pty Ltd
 Risk Insure Pty Ltd
 Risk Solutions International Pty Ltd
 Rivers Insurance Brokers Pty Ltd
 RJ Vaughan and Monaghan Pty Ltd
 Roderick Insurance Brokers Pty Ltd
 RSM Group Pty Ltd
 Safeguard Insurance Brokers Pty Ltd
 Safeguard Insurance Solutions Pty Ltd
 Sarre Insurance Broking Services
 Sawtell & Salisbury Pty Ltd
 SBS Insurance Brokers
 Scott & Broad Pty Ltd
 Scott Winton Nominees Pty Ltd
 Seamac Insurance Brokers Pty Ltd
 Sear & Associates Insurance Brokers Pty Ltd
 Shadforth Insurance Brokers Pty Ltd
 Sherbourne Insurance Services Pty Ltd
 Shortland Insurance Brokers Pty Ltd
 Simplex Insurance Solutions Pty Ltd
 SMS Insurance Pty Ltd As Trustee For the Sms Unit Trust
 South Coast Insurance Brokers WA Pty Ltd
 SRG Group Pty Ltd
 Steadfast Eastern Insurance Brokers Pty Ltd
 Steadfast Taswide Insurance Brokers Pty Ltd
 Steel Pacific Insurance Brokers
 Stening Simpson (International) Pty Ltd
 Sterling Insurance Pty Ltd
 Stewards' Insurance Services Pty Ltd
 Strathearn Insurance Brokers
 Teamcare Pty Ltd
 Terrace Insurance Brokers Pty Ltd
 Thomas Insurance Brokers Pty Ltd
 Trans-West Insurance Brokers Pty Ltd
 Trident Insurance Group Pty Ltd
 Triple Bsn Pty Ltd
 Tucker McNeil Pty Limited
 Tudor Insurance Australia (Insurance Brokers) Pty Ltd
 Tymar (WA) Pty Ltd
 United Insurance Group Pty Ltd
 Unity Insurance Brokers
 Warren Saunders Insurance Brokers (Aust) Pty Ltd
 Watkins Insurance Brokers
 Webmere Pty Ltd
 Webster Hyde Heath Insurance Brokers Pty Ltd
 Westcourt General Insurance Brokers Pty Ltd
 Western United Financial Services Pty Ltd
 Westlawn Insurance Brokers Pty Ltd
 Westminster Broking House Pty Ltd
 Whitbread Associates Pty Ltd
 Wilkinson Insurance Brokers Pty Ltd
 William Inglis & Son Limited
 Willis Australia Limited
 Willis Employee Benefits Pty Ltd
 Willis Temby Insurance Brokers (WA) Pty Ltd
 Winley Insurance Group
 WRI Insurance Brokers Pty Ltd
 Wymark Sirius Insurance Brokers Pty Ltd
 Your Insurance Broker

Table 5: Code Subscribers by State and size of operation¹⁴

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Total
large organisation (more than 100 fte ¹⁵ staff)		7		2			2	1	12
medium organisation (31 to 100 fte staff)		6		1	2	1	9	4	23
small organisation (up to 30 fte staff)	2	101	1	45	22	5	84	47	307
Total	2	114	1	48	24	6	95	52	342

¹⁴ Organisations are counted by Australian Financial Service License.

¹⁵ fte = full time equivalent.

APPENDIX B: Comparative table of self-reported Code breaches

Category			Breaches 2012 ¹⁶	Breaches 2013 ¹⁷	Breaches 2014 ¹⁸
<i>reporting period</i>			01/07/2011- 30/06/2012	01/07/2012- 30/06/2013	01/01/2014- 31/12/2014
	2007 Code sections	2014 Code sections	2007 Code	2007 Code	2014 Code
General			28%	27%	61%
Code standards	5.1, 5.2a, 5.2b, 8.1a	12.	25%	20%	3%
Legal standards	5.2c, 8.1b	1.	3%	7%	58%
Disclosure			6%	19%	7%
Conflict of interest	9.2	2.	2%	7%	1%
Who we act for	6.1, 7.2, 8.1c	3.	2%	0%	0%
Scope of covered services	12.1, 13.1	4.	0%	1%	3%
Remuneration	10.2, 10.3, 10.4, 10.5	6.	1%	11%	3%
Provision of insurance broking service			54%	42%	20%
Buying insurance	7.1a-h, 18.2a-b	5.	54%	39%	19%
Claim handling	14.1a-c, 14.2a-c	5.	2%	3%	1%
Disasters	15.2, 15.3	9.	0%	0%	0%
Money handling, Training, IDR and Other			10%	12%	12%
Money Handling	11	7.	5%	6%	4%
Training	18.1, 8.2, 8.3	8.	3%	5%	8%
Dispute resolution	1.2d, 16.1a-d, 16.2, 16.3, 16.4a- b, 16.5, 8.4	10.	1%	1%	0%
Promotion of Code	18.2c	11.	1%	0%	0%
Percentage of brokers self-reporting breaches			34%	36%	33%
Number of brokers providing ACS			438	91	126

¹⁶ In 2012, all Code Subscribers were requested to complete the ACS.

¹⁷ In 2013, 91 Code Subscribers, representing 25% of total Code Subscribers, were selected to participate in the ACS program. The selection process was weighted according to business size and location to generate breach data percentages that are indicative of the overall industry position.

¹⁸ In 2014, 126 Code Subscribers, representing 37% of total Code Subscribers, were selected to participate in the ACS program. The selection process was weighted according to business size and location to generate breach data percentages that are indicative of the overall industry position.

APPENDIX C: Examples of self-reported Code breaches in 2014

<i>Breach details</i>	<i>Remediation actions</i>
Standard 1 – Legal Standards	
Delay in updating the Privacy Policy Statement.	Alerted by regular compliance review and implemented adjustment immediately.
One instance of breaching the <i>Privacy Act 1988</i> where information was incorrectly provided to a third party.	A letter of apology was provided.
Legal Standards Breach – failed to lodge ASIC returns on time due to change of auditor.	Appointed new auditor and await ASIC approval of the same. Working with ASIC to resolve this situation.
Privacy breaches where a client received another client's documents.	Each time this happened the issue was discussed directly with the staff member and with the entire staff reminding them of their privacy obligations.
Standard 2 – Conflict of Interest	
Potential conflict of interest with a client. Fee from a third party questioned.	Insurance broker elected to stop taking the fee. Client is satisfied. Review of management of the conflict which should have been more immediate and transparent.
Standard 3 – Who we act for	
One minor breach of our underwriting authority was identified and reported to the Underwriter.	The breach has been actioned and measures have been taken to ensure that the breach is not repeated.
Standard 5 – Provision of insurance broking services	
Delay in updating the FSG to changed terms and conditions.	Alerted by regular compliance review and implemented adjustment immediately.
Insurance broker was advising insurers of premiums not paid over 90 days as part of its monthly remittance.	Procedures changed to weekly.
Employee failed to follow renewal process. As a result, client insurance not renewed and potentially breaching insurance legislation.	Resolved this positively with the client, there were no financial ramifications. Employee is now on a Performance Improvement Plan and insurance broker changed review process.
Processing Error – increase in excess not noted on client's renewal notice. Client had a claim.	Insurance broker paid the difference in the excess and advised the client of the error and the renewal coverage summary was amended to show the correct excess.
Client asked for Business Interruption indemnity period to be increased from 12 to 18 months, this was done but the indemnity limit was not increased respectively.	This was picked up with a claim but the existing cover was sufficient for the claim. The cover was amended and increased.
New vehicle was left off Motor Fleet and a claim happened to the vehicle.	The insurer honoured the claim due to the Automatic additions and deletions extension on the policy.
Breaches in respect of our legal obligation to inform/offer renewal to the client 14 days prior to expiry.	Breaches were immediately rectified once discovery was made. Internal policy and procedure in respect of renewal handling was reviewed to ensure appropriate timeframes for the renewal process in its entirety are in place to meet the legal requirements.

Breach details	Remediation actions
Old versions of PDSs sent to insured.	PDSs were kept on Sharepoint for use. Became aware impossible to keep updated. Therefore adopted new company policy for checking current PDS.
Old FSG sent to insured.	Staff member kept FSG versions on desktop and away from office meeting where new FSG advised. Staff do not keep FSG versions on desktop and refer to Sharepoint.
Beaches were mainly policies not renewed within the correct time limits due in the main to the insured not responding to insurance broker's contact.	Insurance broker instigated stricter follow up procedures and counselled the appropriate staff.
Insurance broker did not lodge claim in a timely manner, The broker was a little reluctant to deal with the client as he had changed brokers but wanted his previous broker to sort everything out.	The claim has been sorted out and closed.
Claims Handling – lost a claim form submitted by insured – no paper-based or electronic record found so not sure if it was not sent, just not received or destroyed in error.	Client completed secondary form and claim was lodged immediately. Apologised and undertook staff retraining to ensure claim lodgement process is adhered to.
The 186 instances relating to office not being able to send out renewals 14 days prior to the expiry date due to shortage of staff due to unexpected circumstances. These are categorised as approximately 115 retail products and 71 wholesale products.	Insurance broker is of firm belief that at no time did clients suffer lack of service or advice. Workload was shifted to existing staff following consultation with staff during this adjustment period while new staff were being sourced.
Complaint about service not completing a client's request in a timely manner.	Staff member was advised about the issue and it was discussed with the entire staff group.
Not having the client complete the "Unauthorised Foreign Insurers Declaration" – 17 breaches. Insurance broker tried a couple of different processes which did not work.	Now one person is responsible for sending out these forms and following up their return. That person is in administration and not broking. There has never been a problem with the insurance broker neglecting to advise that the Insurer was not registered with APRA, the problem has been following up the return of the signed form.
Buying insurance overwhelming relate to a failure by the insurance broker to either communicate promptly with the client, or pass on information/documents to the client promptly.	Strict internal guidelines are imposed by the Licensee on timeframes that insurance brokers/staff must adhere to, and where these have not been complied with the breach of the Code has been recorded. Every breach instance has been assessed by the Licensee in accordance with the significant breach factors provided by ASIC and the Licensee has determined that no significant breaches were identified during the reporting period.
Instances where the client agreed to accept communication via email, where the staff involved did not use the correct email protocols which automatically attach a copy of the insurance broker's important notices to the email. Because they did not follow these procedures, the important notice attachment was missed being sent to the client.	All were rectified and the staff involved were counselled about the need to follow procedure.

Breach details	Remediation actions
Instance where the invoice was processed incorrectly showing the incorrect underwriter details which resulted in the monies being paid to the incorrect underwriter before the error was discovered.	The policy had been arranged correctly and there was no risk of a gap in cover for the client however the importance of correct processing was reiterated to all staff.
Standard 6 – Remuneration	
Remuneration – FSG not provided to client within five days of initial contact, thus the client may not receive full information as to how we are remunerated.	Weekly compliance report, internal peer audits and weekly sales transaction reports are run to ensure that any issues can be highlighted and addressed in an appropriate timeframe. Review of internal new business policy and procedures points out the required timeframe to send FSG and new email template created for an efficient sending method. Breach also raised in monthly staff meeting and documented in meeting minutes
There has been one or two times a retail client has been quoted without disclosure of commission earnings.	These are rectified and resent to the Insured.
Standard 7 – Money handling	
Banking not taken to bank by the next working day.	Review of procedures.
Client direct credited premium to insurance broker's trading account.	Matter corrected.
Breach of obligation under section 912A of the <i>Corporations Act 2001</i> . Client money not banked by end of next business day after it was collected.	Breach Notified to ASIC. ASIC was satisfied processes have been changed and preventative measures are in place so that breach is not repeated. Breach was not significant.
Money Handling – one incident where funds were not returned to client within 7 days. Funds received from client and were still within insurer's credit terms when the insured cancelled the policy in its entirety, thus the system automatically showed the funds had been received back from the insurer and not returned to client within 7 days.	Weekly review of report ADP104 showed funds were owed to the client and immediately addressed.
There was a complaint made against the insurance broker's claims services for an amalgamation of clients regarding delays in reconciling bank accounts and identifying any funds due back to the clients.	This was promptly handled and corrected. After informing the clients no further action was required.
The wrong cheque deposit book was used which resulted in two cheques being erroneously deposited in the General A/c instead of the Trust A/c.	As soon as this came to the insurance broker's attention, the error was immediately rectified and to avoid a repeat of this error, the deposit books are now clearly marked.
Insurance Broker handled client monies in excess of \$100,000 where the insurance broker's procedures state that if a client refund is in excess of this amount it will arrange for the Insurer to refund the client directly.	Staff involved have been reminded of obligations and there has been no recurrence.
Cheque banking not being completed in the required 24 hours.	Staff involved has been reminded of obligations and there has been no recurrence.
Standard 8 – Training	
Authorised Representatives did not meet their professional development obligation in 2014.	None of them had failed to reach in the past, and have since attended to their obligation in a consistent manner in 2015.

Breach details	Remediation actions
Staff not properly maintaining files.	Staff was disciplined and the file keeping was rectified but no client suffered any financial detriment.
Identified that not all staff had undertaken training on the new Code.	Procured an e-learning module for all staff from NIBA and gave staff an extension of time within which to undertake the training to the end of March 2015. This now appears to have been rectified.

APPENDIX D: Significant self-reported Code breaches in 2014

Code standard	Issue	Exposure	Outcome
<p>Standard 1: <i>Comply with the law</i></p> <p>Standard 5: <i>Act diligently, honestly and with integrity</i></p> <p>Standard 12: <i>Not bringing profession into disrepute</i></p>	<p>Poor client service by former authorised representative.</p> <p>Subsequent investigation indicated lack of insurance cover provided to clients and manipulations of insurer's documents.</p>	<p>Identified as significant breach as it involved \$50,000 exposure.</p> <p>Currently only one client has been identified.</p>	<p>This matter was reported to ASIC and the individual was being formally investigated leading to termination of his appointment.</p> <p>Further work was performed to ensure no other clients were impacted by the lack of services from this authorised representative.</p> <p>Breach reported to ASIC in accordance with AFS Licensing obligation.</p>
<p>Standard 1: <i>Comply with the law</i></p> <p>Standard 7: <i>Appropriate money handling</i></p> <p>Standard 12: <i>Not bringing profession into disrepute</i></p>	<p>Former branch manager issued unlawful invoices and covering letters to clients under his private company outside the insurance broker's books.</p> <p>The private company did not hold an AFS license, and the former branch manager was not authorised to charge separate fees under his employment agreement.</p>	<p>Identified eight clients to be affected involving \$80,000.</p>	<p>Insurance broker undertook comprehensive internal investigation.</p> <p>Significant Breach notified to ASIC within 10 days.</p> <p>Insurance broker notified its Professional Indemnity insurer.</p> <p>Former branch manager made admissions.</p> <p>Insurance Broker submitted Fraud Report to police and informed affected clients.</p>
<p>Standard 3: <i>Disclosure of who we act for</i></p>	<p>Binder insurance note not included on Winbeat Invoices.</p>		<p>This has been corrected.</p>
<p>Standard 5: <i>Act diligently, honestly and with integrity</i></p>	<p>Failure to get Renewal notices out to clients in required time due to the restructure of company.</p>		<p>This problem was only in the early days and no longer is an issue.</p>
<p>Standard 1: <i>Comply with the law</i></p>	<p>The FS70 pertaining to annual financial audit was not lodged on time.</p>	<p>Delay on accounting and auditor part. No financial loss suffered except payment of late fee for lodgement.</p>	<p>Personnel have been advised on timeframe expectations and audit for 2014–15 year will be booked earlier than previous year. Only one instance this has occurred.</p>

APPENDIX E: Comparative table of self-reported complaints

	Category	Complaints 2013 ¹⁹		Complaints 2014 ²⁰	
		01/07/2012-30/06/2013		01/01/2014-31/12/2014	
Products involved in complaint	Home Building	39	12%	28	9%
	Home Contents	19	6%	21	7%
	Personal Motor Vehicle	31	9%	29	9%
	Commercial Motor Vehicle	28	8%	25	8%
	Personal and Domestic Property	7	2%	14	4%
	Strata Title	11	3%	11	3%
	Sickness and Accident	49	15%	4	1%
	Travel	3	1%	4	1%
	Extended Warranty	0	0%	3	1%
	Professional Indemnity	7	2%	14	4%
	Small Business	76	23%	73	23%
	Farm	5	1%	18	6%
	Life	4	1%	2	1%
	Consumer Credit	0	0%	0	0%
	Income Protection	6	2%	0	0%
	Other ²¹	50	15%	75	23%
Issues involved in complaint	Advice	29	9%	18	6%
	Charges	16	5%	18	6%
	Disclosure	7	2%	11	3%
	Financial Difficulty	2	1%	10	3%
	Financial Service Provider Decision	85	25%	31	10%
	Instructions	21	6%	20	6%
	Privacy	3	1%	4	1%
	Service	91	27%	109	34%
	Transactions	13	4%	2	1%
	General feedback or improved suggestion ²²	n/a	n/a	24	7%
	Other	68	20%	74	23%
Outcome of complaint	In favour of insurance broker	49	15%	27	8%
	In favour of client	113	34%	67	21%

¹⁹ In 2013, 91 Code Subscribers, representing 25% of total Code Subscribers, were selected to participate in the ACS program. The selection process was weighted according to business size and location to generate breach data percentages that are indicative of the overall industry position.

²⁰ In 2014, 126 Code Subscribers, representing 37% of total Code Subscribers, were selected to participate in the ACS program. The selection process was weighted according to business size and location to generate breach data percentages that are indicative of the overall industry position.

²¹ 'Other' represents the number of complaints that were identified by the Code Subscriber in the total number of complaints, but not specified further.

²² New category introduced in the 2014 ACS.

	Mutual agreement	89	27%	44	14%
	Referred to External Dispute Resolution	27	8%	18	6%
	Withdrawn	33	10%	25	8%
	Client taken legal action	0	0%	4	1%
	Apology, explanation and/or acknowledgement of feedback ²³	n/a	n/a	90	28%
	Outstanding	10	3%	8	2%
	Other	14	4%	38	12%
Timeframe	resolved on the spot ²⁴	n/a	n/a	61	19%
	resolved within 5 days	139	41%	70	22%
	resolved within 21 days	88	26%	75	23%
	resolved within 45 days	38	11%	46	14%
	resolved beyond 45 days	49	15%	34	11%
	Other	21	6%	35	10%
Total number of self-reported complaints		335		321	
Total number of self-reported complaints involving breaches of the Code		54	17%	13	4%
Number of Code Subscribers participating in the ACS program that self-reported complaints		51	56%	76	60%

²³ New category introduced in the 2014 ACS.

²⁴ New category introduced in the 2014 ACS.

APPENDIX F: Additional tables – complaints and breach data

Table 6: Complaints and breaches by size of Code Subscriber

In % of total	Complaints			Breaches		
	2012 ²⁵	2013 ²⁶	2014 ²⁷	2012	2013	2014
reported by Code subscribers with						
• more than 100 employees FTE ²⁸	16%	34%	16%	15%	17%	4%
• 31–100 employees FTE	18%	13%	24%	3%	17%	7%
• up to 30 employees FTE	66%	34%	60%	82%	66%	89%

Table 7: Number of Code Subscribers reporting complaints for 2012–2014

Number of reported complaints	Code Subscribers completing ACS		
	2012	2013	2014
Nil	64%	44%	40%
Between 1 to 10	33%	48%	48%
Between 11 to 20	1%	4%	4%
Between 21 to 50	1%	3%	2%
Between 51 to 100	0%	1%	0%
Over 100	0%	0%	0%

Table 8: Number of Code Subscribers reporting Code breaches for 2012–2014

Number of reported breaches	Code Subscribers completing ACS		
	2012	2013	2014
Nil	65%	64%	67%
Between 1 to 10	28%	24%	24%
Between 11 to 20	4%	6%	1%
Between 21 to 50	2%	4%	2%
Between 51 to 100	0%	2%	1%
Over 100	1%	0%	1%

²⁵ In 2012, all Code Subscribers participated in the ACS program.

²⁶ In 2013, 91 selected Code members, representing 25% of all Code Subscribers, were requested to participate in the ACS program. The selection process was weighted according to business size and location to generate breach data percentages that are indicative of the overall industry position.

²⁷ In 2014, 126 Code Subscribers, representing 37% of all Code Subscribers, were selected to participate in the ACS program. The selection process was weighted according to business size and location to generate breach data percentages that are indicative of the overall industry position.

²⁸ Full Time Equivalent.