

INSURANCE BROKERS CODE OF PRACTICE
CODE COMPLIANCE COMMITTEE

Our impact

Annual review 2019–20

OCTOBER 2020





Our vision

We support insurance brokers to achieve good practice and appropriate behaviour in service and advice to their clients.



Our mission

We independently monitor compliance and provide guidance to stakeholders about the Insurance Brokers Code of Practice to enhance professionalism and maintain high standards of practice and appropriate behaviour and service in the insurance broking industry.

Message from the Chair

The year on which we report has truly been like no other. And as the new year continues, the signs are that there will be no return to the sort of “normal” which suggests “as it was before”.

It has been a year of significant disruption, challenge and change for society, the world over.

For insurance brokers in Australia, their clients and the insurance industry as a whole, the COVID-19 pandemic presented and presents a significant threat to the future health and livelihoods of all people including millions of Australians.

Code-subscribing insurance brokers are presented with extraordinary operational challenges. Who, in their wildest imagination, could have created a “risk model” equivalent to this reality? And we enter this new era posing “If insurance is the answer, what is the question?”

In addition, for insurance brokers in Australia, a tsunami of new laws and regulations enacted as part of the response to the Financial Services Royal Commission has been overshadowed when the corporate targets of the laws suddenly faced questions about how they might survive the effects of COVID-19.

Were it not for unprecedented government intervention, many business sectors would have gone under.

The memory of the devastating bushfires, storms and floods which again ravaged many parts of Australia was suppressed by COVID-19 but only momentarily. As I write this report, the reality of another fire season is looming.

The underlying cause of fires and loss can be debated but their impact and reality cannot.

Again, this year, and perhaps worse than last year, the severe weather events will be with us. Australia will be impacted once again. Brokers and insurers will work tirelessly to help affected clients and communities recover to the extent possible, where they can rebuild their lives.

And all this against the background of an insurance industry challenged as never before to measure risk, offer solutions for all in need, price it and remain suitably solvent in unpredictable time.

Australia needs an insurance broking industry in which it can have confidence, which is able to reinstate and indemnify, which acts fairly... and which is strong in every sense.

The Code

Whilst these events pose a unique set of difficulties for Code subscribers, they also highlight the vital role of the Insurance Brokers Code of Practice (the Code) in guiding subscribers’ decision making for managing their business and servicing their clients, and the importance of the Insurance Brokers Code Compliance Committee (the Committee) in holding subscribers accountable to their responsibilities under the Code.

The obligations built into the Code are particularly relevant in challenging times, not least Service Standard 9 to respond to catastrophes and disasters in a timely, professional, practical and compassionate manner in conjunction with any industry-wide response. The Committee recognises that Code subscribers and their clients face unprecedented challenges as a result of the pandemic, particularly as many brokers are small businesses. We also acknowledge the issues raised by the National Insurance Brokers Association (NIBA) regarding the difficult economic situation facing the insurance broking industry as a whole due to COVID-19.

" ... we express our concern that the Code review process has not been sufficiently transparent ... "

The Code review

It is, in these circumstances particularly appropriate, to remind ourselves that the Code was and is a voluntary initiative of NIBA and its members. Its aim was and is to provide a service which goes beyond the dictates of law, regulation and external compliance regimes.

As NIBA Chief Executive Officer Dallas Booth says *"The Code aims to ... further increase community confidence in insurance brokers"*.

The Code itself

- makes it clear that the Code obligations are designed to *"promote better and more professional, informed and effective relationships between insurance brokers and their customers..."*, and
- speaks of the *"need (to) enhance and maintain public confidence in insurance brokers and insurance intermediaries"*.

Amongst all the stakeholders and the Committee, there is no dispute or debate about this overriding objective. If it was otherwise, one wonders why we would have a Code at all?

Again, consistent with this overriding objective, it is vital for the Code to "live", to stay up to date with change and learnings from many sources, thus the absolute necessity for regular, independent and professionally constructed Code reviews.

This Code commenced on *1 January 2014* and the Committee held its inaugural meeting on *24 February 2014*. The Code states "NIBA will arrange for the Code to be reviewed every three years", assuming that the review should have commenced in 2017.

NIBA announced that it will commence its review of the Code in *July 2018*.

For our part, we have met with NIBA and the independent Code reviewer, Marigold Magnaye, on six occasions since June 2017 to discuss the review. We have also written to NIBA no fewer than seven times over the same period, to provide our feedback on potential Code improvements and to seek updates on the progress of the review.

While NIBA has acknowledged our concerns about the delays and lack of transparency, we are yet to receive a formal Terms of Reference for the review, or a timeline for the release of the updated Code.

Despite ongoing stakeholder consultation since that time, NIBA appears no closer to completing the review and providing insurance brokers, consumer groups and other stakeholders with an updated and improved Code. The Committee has witnessed over this time, a serious erosion of consumer confidence in NIBA and the industry. By consumer, I restrict my comment to those who are the intended beneficiaries of the Code and those who represent them.

We appreciate that the review has taken place in parallel with a number of challenging events, including the Financial Services Royal Commission, Treasury's review of the enforceability of financial services codes and the COVID-19 pandemic.

Notwithstanding this, we express our concern that the Code review process has not been sufficiently transparent, including a general lack of communication with stakeholders and specifically the reasons for the ongoing delays. After all this time, there has still been no invitation for stakeholder or public submissions to the Code review.

We consider it vital for the review to include continuous, appropriate engagement with key stakeholders about the proposed language in the revised Code, and for all stakeholder responses to be made public. This process and its transparency will better ensure that when the final Code is drafted, the compromises and their reasons are disclosed and clear.

For a revised Code to be released without sufficient feedback from the consumer sector, particularly after a review process that has taken nearly three years since its announcement by NIBA, would, we believe, severely dent consumer confidence in NIBA and the insurance broking industry. We urge NIBA to make the completion of the Code review a priority, and to commit publicly to a schedule that includes adequate time for all stakeholders to comment on any new draft version of the Code.

Welcome to our new Code subscribers

We were pleased to welcome 181 new subscribers to the Code on 1 December 2019, when all insurance broking firms under the Steadfast umbrella group became members of NIBA. While some Steadfast brokers were already Code subscribers, the influx of new Code-subscribing brokers has seen subscriber ranks swell to over 460 members – an increase of 59%. Given the timeframe, the Steadfast brokers were not required to complete the 2019 Annual Compliance Statement and, as such, the findings in this Annual Review are based on data from 286 Code subscribers.

A culture of self-reporting

" ... we are concerned to see almost half of all Code subscribers continuing to report nil breaches ... "

Self-reporting Code breaches to the Committee is one of the best ways a Code subscriber can demonstrate their commitment to achieving a healthy compliance culture and achieving the best possible outcome for their clients. The Committee was pleased to note a 10% increase in the number of breaches self-reported by Code subscribers in 2019 compared to the previous year.

Yet, we are concerned to see almost half of all Code subscribers continuing to report nil breaches, including three of the largest insurance brokers. This raises serious questions about the adequacy of these subscribers' breach detection and reporting mechanisms, the robustness of their compliance frameworks and, perhaps most importantly, their willingness to implement an organisational culture that encourages breach reporting as a way of learning from the outcome and preventing a recurrence.

The number of self-reported complaints also rose in 2019, increasing by 23% since 2018. A quarter of all complaints related to small business insurance products and the level of service received was the most common issue of complaint. Disappointingly, the number of complaints resolved within 21 days fell 4% over the same period, highlighting the need for Code subscribers to implement the recommendations outlined in the Committee's own motion inquiry report on [Improving Complaints Handling Timeframes](#), which we published in October 2019.

We expect Code subscribers to make a concerted effort to improve their timeframes for handling client complaints during 2020 and we look forward to seeing the results reflected in the next ACS.

As previously mentioned, the Committee believes that the industry can further improve breach and complaints reporting.

Looking ahead: a shifting focus

" ... our activities will focus on both technical legal based compliance as well as appropriate behaviour ... "

As was made clear in the Report of the Royal Commission, compliance with law and regulation is no guarantee of a fair outcome. Law can strive to deliver consistency. It is not a vehicle for recognising particular circumstances or needs.

Sadly, we have seen in recent time the success of bad corporate culture in defeating laws which strive for fairness. As was said a few years ago “when it is culture that corrupts us [...], laws will be understood only as arbitrary impositions and obstacles to avoid”, and “equally, when technology does not recognize the great ethical principles, it ends up considering any practice legitimate”.

The Committee continues to be mindful of our obligation to meet the Australian Securities and Investment Commission’s (ASIC) standards for robust monitoring of an industry code¹, and to this end, our work in monitoring compliance with the Code and guiding subscribers towards good practice continues.

As we embark upon the 2020–21 reporting year, our activities will focus on both technical legal based compliance as well as appropriate behaviour (including the role of culture, how can we achieve more fairness, and what all this means for a Code).

This combination of concerns responds pro-actively to the issues raised by the Royal Commission, which found that problems were often caused by the underlying behaviour of financial services entities rather than by existing laws and regulations. This is challenging territory, not only for the industry but equally for regulators and others, including compliance professionals. It is a significant change of focus that may not be easy. I sense we are all feeling our way a little.

Steps to achieving this:

- First, the Committee needs to better understand current and emerging behaviours. This involves not only understanding how Code subscribers behave; it also requires us to identify behaviours that may be causing concern for consumers and stakeholders.
- Second, we need to identify and promote ‘appropriate’ behaviours throughout the broking industry. These must align with the directions and changes that the industry generally, and Code subscribers in particular, are seeking for themselves.
- Third, we badly need the best measures available to tell us whether we are actually achieving better outcomes or wasting time and money.

¹ See ASIC Regulatory Code [RG183](#)

The Royal Commission has provided an opportunity to change the way we all think about the conduct of financial services providers. After all, each one of us is a consumer.

It is no longer acceptable to look at legal compliance alone. The Committee plans, within the framework of the Code, to use this opportunity to examine and engage with insurance broker behaviour and guide the industry wherever possible to achieve good practice. Of course, this is a huge issue for the Code review.

We encourage Code subscribers themselves to play a role in this by identifying instances of good and bad behaviour that the Committee can de-identify and share with other Code subscribers as case studies. This will be of particular value to the Code's newest subscribers.

Contacting our consumer constituency

In addition to its general work program, the Committee increased its engagement with all stakeholders, both industry and consumer bodies, to be pro-active concerning recommendations arising out of the Royal Commission and the Code review, its focus being the added value of the Code and better identifying and communicating with the intended beneficiaries of the Code.

We increased communication with all stakeholders sharing observations and insights on Code monitoring activities, including the development of a Code and Committee specific website (www.insurancebrokerscode.com.au). The website includes a consumer specific page and a link to '[Report a concern](#)' regarding an alleged breach of the Code.

In particular, the Committee is looking to further embrace its engagement with the small business sector, including discussions with the Australian Small Business and Family Enterprise Ombudsman (ASBFEO), given that insurance brokers focus on the small business sector.

Acknowledgments

I would like to thank my Committee colleagues, Julia Davis and David Duffield, along with their respective alternates Drew Macrae and John Phillips, for their invaluable industry and consumer insight and their positive contributions to Committee work during the year.

I also take this opportunity to express my gratitude to the Code team at the Australian Financial Complaints Authority (AFCA), ably led by Sally Davis (General Manager, Code Compliance and Monitoring) and Daniela Kirchlindé (Code Compliance and Operations Manager). The team has continued to provide vital assistance and expert guidance to the Committee, and I thank them for their hard work and commitment.

In closing, I would like to thank AFCA Chief Executive Officer, David Locke, and AFCA Lead Ombudsman, John Price, for their support of the Committee's efforts this year.

My main takes from our data are:

- Three of the largest Code subscribers reported nil breaches during the year; almost half of all Code subscribers reported nil Code breaches.
- Growth in self-reported complaints over five years: (60% self-reported in 2019; 52% in 2015).
- 43% of all Code breaches related to non-compliance with client service standards for buying insurance.

- Four Code subscribers were responsible for more than two-thirds (67%) of Service Standard 4 (Scope of covered services) breaches.
- Code subscribers named manual error and a failure to follow processes and procedures as the two main root causes for Code breaches. By contrast, Code subscribers continued to attribute very few breaches (1%) to insufficient training of their staff and representatives as set out in Service Standard 8 of the Code.
- A total of 10,255 clients were reported as having been impacted by Code breaches, with an overall financial impact of just over \$1.2 million.
- Code subscribers received 1,292 complaints that were handled via their internal dispute resolution processes – an increase of 23% over the 1,049 complaints received in 2018.
- Most complaints (307) were about small business insurance, which represented 24% of all self-reported complaints for the year, up from 21% in 2018. Four Code subscribers self-reported a total of 72 complaints about small business policies.
- Home building insurance complaints relating to home building policies fell to 8%. This has been one of the most complained about products in recent years, representing, on average, around 15% of all complaints since 2016.
- Service was the most common issue of complaint, as has been the case each year since 2015. More than half (53%) of all complaints related to service levels in 2019:
 - › claims (36% of all complaints), and
 - › service generally (17% of all complaints).
- Complaints handling timeframes continue to increase. As noted above, the Committee highlighted this issue in the Own Motion Inquiry report, [Improving Complaints Handling Timeframes](#),² published in October 2019. There were 4% fewer complaints resolved within 21 days in 2019 than in 2018.
- In 17% of complaints, the client and the broker reached a mutual agreement about the outcome.
- 6% of complaints were escalated to external dispute resolution. Some of these were referred to the Committee following determinations by AFCA for consideration of possible Code breach.
- Code subscribers accounted for less than 0.5% of the complaints received by AFCA.

I look forward to working with all our stakeholders in 2020–21.

I commend to you our Annual Review.



Michael Gill
Independent Chair
Insurance Brokers Code Compliance Committee

² This report was published in response to the complaints data submitted as part of the 2018 ACS.

2019 data trends at a glance



467

CODE SUBSCRIBERS
[59% MORE THAN 2018]



2,006

SELF-REPORTED BREACHES
[10% MORE THAN 2018]



1,292

SELF-REPORTED COMPLAINTS
[23% MORE THAN 2018]



19%

GROWTH IN SELF-REPORTED
BREACHES OVER FIVE YEARS
[51% SELF-REPORTED IN 2019
COMPARED TO 32% IN 2015]



8%

GROWTH IN SELF-REPORTED
COMPLAINTS OVER FIVE YEARS
[60% SELF-REPORTED IN 2019
COMPARED TO 52% IN 2015]



<50%

CATEGORY E SUBSCRIBERS
SELF-REPORTING BREACHES
AND COMPLAINTS
[41% SELF-REPORTED BREACHES;
47% SELF-REPORTED COMPLAINTS]

Code breaches



OF ALL CODE BREACHES FROM 2017 TO 2019 RELATED
TO SERVICE STANDARD 5 'BUYING INSURANCE'
[51% IN 2017, 49% IN 2018 AND 43% IN 2019]



OF ALL CODE BREACHES FROM 2017 TO 2019 RELATED
TO SERVICE STANDARD 1 'LEGAL OBLIGATIONS'
[23% IN 2017, 24% IN 2018 AND 23% IN 2019]

Complaints



OF COMPLAINTS WERE
ESCALATED TO EXTERNAL
DISPUTE RESOLUTION



OF ALL COMPLAINTS RECEIVED
BY AFCA IN 2019-20 RELATED
TO GENERAL INSURANCE
BROKERS

A snapshot of the insurance broking industry

Twice a year, APRA collects and publishes data from general insurance intermediaries in its Intermediated General Insurance Statistics report. The report provides an overview of intermediated general insurance placed with APRA-authorised general insurers, Lloyd's underwriters and unauthorised foreign insurers (referred to as "insurers") for a six-month period.

APRA defines general insurance intermediaries as current Australian Financial Services Licence (AFSL) holders who are authorised to deal in general insurance products. This includes insurance brokers subscribing to the Code, insurance brokers not subscribing to the Code and other intermediaries such as underwriting agencies.

Where are brokers placing their client's business?

APRA data collected for the six months to 30 June 2020, and published at the end of September 2020,³ showed that there were 1,662 intermediaries licensed to conduct general insurance business. Of these:

- 776 placed client's business directly with insurers
- 25 placed client's business through other Australian intermediaries
- 861 did not place any business during the six-month reporting period.



Of the 776 intermediaries that placed business directly with insurers:

- 741 placed business with APRA-authorised general insurers
- 277 placed business with Lloyd's underwriters
- 82 placed business with unauthorised foreign insurers⁴
- **467 (60%)** are subscribers to the Insurance Brokers Code of Practice.

How much premium are brokers invoicing?

Between 1 July and 31 December 2019⁵, intermediaries invoiced \$12,983m in premium. Of this:

- \$10,659m was placed with APRA-authorised general insurers
- \$1,598m was placed with Lloyd's underwriters
- \$726m was placed with unauthorised foreign insurers.

Statistics show that almost half of all insurance policies in Australia are placed by intermediaries. Of the \$21,877m of gross written premium for direct business written by APRA-authorised general insurers, intermediaries placed 49%.

³ <https://www.apra.gov.au/intermediated-general-insurance-statistics> December 2019.

⁴ APRA defines unauthorised foreign insurers as foreign domiciled insurers and are not authorised by APRA to carry on insurance business in Australia except under limited exemption arrangements.

⁵ Business placed by intermediaries is typically invoiced after the policy is effective. The premium effective for a six month period includes premium that is invoiced in the following six month period. As such, premium effective is published with a six month lag compared to premium invoiced and will be available in the next period. This is also the case with the proportion of APRA-authorised insurer gross written premium placed by intermediaries.

Code subscribers compliance with the Code

Overall, Code subscribers showed ongoing commitment to the requirements of the Code. Whilst much of our reporting tends to focus on what has gone wrong or where there is room for improvement. We are always mindful of the broader context in which these issues arise for our consideration.

Code subscribers and their thousands of staff with roles which involve Code requirements deal with thousands of clients and millions of transaction activities each year. We willingly acknowledge that the various methods of Code monitoring suggest that, overwhelmingly, Code complying service is the norm.

That should not surprise.

Nor it is a reason to underrate or dismiss the failures. The failures, being failures, always attract what seems to be an unbalanced proportion of attention.

Failures need to be identified and understood and called out if the Code is to succeed in its several objectives including the ongoing education of its subscribers.

The increasing willingness of Code subscribers to voluntarily self-report (still more to be done) is a testament to the success of the Code and the subscribers' ownership of the Code.

The number of breaches increased

In 2019, Code subscribers⁶ self-reported 2,006 breaches of the Code – a 10% increase over the 1,821 self-reported breaches the previous year.

For the second year, Code subscribers were required to provide detailed information about every Code breach incident, as opposed to just 'significant' Code breaches. This reporting requirement included details about the number of clients that were impacted by the breach, as well as the total dollar financial impact of the breach on the client.

 **2,006**
SELF-REPORTED CODE BREACHES
↑ UP FROM 1,821 IN 2018-19

In an effort to help Code subscribers improve the consistency and accuracy of their detailed breach data, the Committee's Annual Compliance Statement (ACS) Information Sheet included, for the first time in 2019, examples of how to classify some of the most common breaches.

Code subscribers were also provided with a spreadsheet to capture the detailed breach information. Feedback from Code subscribers, along with improvements to the quality of information they reported, suggests that both of these resources were beneficial in helping subscribers to become more familiar with their breach reporting obligations.

⁶ For the purposes of this report, the term 'Code subscribers' does not include the 181 broking firms under the Steadfast Group umbrella who became Code subscribers on 1 December 2019. These brokers were not required to complete an Annual Compliance Statement for the 2019 reporting period.

Another change to this year's ACS reporting process was the division of Code subscribers into five categories of business size rather than four, based on the number of full-time equivalent (FTE) staff. Code subscribers are now categorised as follows:

- **Category A** – Code subscribers with more than 100 FTE staff
- **Category B** – Code subscribers with 51–100 FTE staff
- **Category C** – Code subscribers with 31–50 FTE staff
- **Category D** – Code subscribers with 21–30 FTE staff
- **Category E** – Code subscribers with 0–20 FTE staff.

In 2019, the highest proportion of self-reported Code breaches (27%) came from the smallest group of Code subscribers, those in Category E. At the other end of the spectrum, the largest category of Code subscribers, Category A, accounted for 23% of all self-reported Code breaches in 2019, which was similar to Code subscribers in Category C. Code subscribers in Category D accounted for 19% of self-reported breaches, while those in Category B self-reported just 8% of the total number of Code breaches for the year.⁷

Whilst self-reporting a high number of Code breaches might suggest that a Code subscriber has a positive breach reporting culture, which we encourage, it might also indicate a need to review the reporting structure and framework and the effectiveness of benchmarks.

Category A Code subscribers continue to have the strongest self-reporting culture, with 85% of these organisations reporting Code breaches in 2019 – an increase of 13% over 2018.⁸

⁷ See Appendix H Table 15

⁸ See Appendix F Table 8

⁹ See Appendix H Table 16

¹⁰ See Appendix G Table 14

¹¹ See Appendices G and H for details

Of concern, however, three of the largest Code subscribers reported nil breaches during the year.⁹ While slightly more Code subscribers overall self-reported Code breaches in 2019 than the previous year (51% compared to 43%), the fact that almost half of all Code subscribers are reporting nil Code breaches remains an ongoing concern to the Committee.¹⁰

The top five breach areas for 2019¹¹

In 2019, 43% of all Code breaches related to non-compliance of Service Standard 5 which sets standards of client service to buying insurance, including acting diligently, competently, fairly and with honesty and integrity. Twenty Code subscribers self-reported more than 10 breaches of their 'buying insurance' obligations. Of these, four self-reported more than 50 breaches each, including one (a Category D subscriber) who self-reported 111 breaches, which accounted for 13% of all Service Standard 5 breaches in 2019.

This is the third consecutive year that the Code's 'buying insurance' service standards have been the subject of the highest number of breaches. Given that Service Standard 5 is by far the longest and most detailed section of the Code, this is not unexpected. The Committee acknowledges that the Code may benefit by the inclusion of more sub-sections and provide more detailed breach categories for Service Standard 5 in the Breach Data Detail Report section of the ACS questionnaire following NIBA's current review of the Code.

Non-compliance with the law, covered in Service Standard 1, accounted for almost a quarter (23%) of all self-reported breaches in 2019, making this the second most breached Code area. Nine Code subscribers self-reported more than 10 breaches each, with one of these (a Category C subscriber) self-reporting 122 breaches.

Scope of covered services, dealt with in Service Standard 4, was the third most breached area of the Code, representing 13% of all self-reported breaches. Four Code subscribers were responsible for more than two-thirds (67%) of the Standard 4 breaches, with one of those four (a Category D subscriber) self-reporting 37% of them.

A failure to comply with the required standards around handling money placed into designated trust accounts (Service Standard 7) caused 7% of all self-reported breaches, making this the fourth most breached area of the Code. One Category A subscriber was responsible for more than a quarter of these breaches, self-reporting a total of 38 for the year.

The fifth most breached Code standard in 2019 was Service Standard 12, which is designed to ensure that Code subscribers do not bring the insurance broking profession into disrepute. This standard was the subject of 5% of all breaches. Two Code subscribers (one Category C and one Category E) self-reported almost a third of the 100 Code breaches of Service Standard 12.

Breach categorisation needs closer scrutiny

The Committee has noted that some breaches are still not being correctly categorised. This is despite providing Code subscribers with additional guidance on how to categorise Code breaches under the respective Service Standards prior to the release of the 2019 ACS. Code subscribers are strongly encouraged to examine the quality and consistency of their self-reported breach data and information, with a view to ensuring that each breach is assessed against the relevant Code standard or standards.

Code breach causes continue to raise questions about the adequacy of Code competency and training frameworks

As was the case in 2018, Code subscribers named manual error and a failure to follow processes and procedures as the two main root causes for Code breaches in 2019.¹² These failures led to non-compliance most often in the areas of buying insurance and legal standards. By contrast, Code subscribers continued to attribute very few breaches (1%) to insufficient training of their staff and representatives as set out in Service Standard 8 of the Code.

The Committee remains concerned that Code subscribers appear to be failing to recognise the inherent contradiction in this, and the questions it raises about the effectiveness of their Code competency and training frameworks.

Code subscribers may well believe they are fulfilling their obligations under the Code to ensure that their staff and representatives are competent and adequately trained; however, if that were truly the case, the result would be fewer self-reported breaches attributed to people-related causes, particularly the failure to follow processes and procedures.

Despite the Committee's advice on this matter in last year's Annual Review, it appears that many Code subscribers are still not adequately assessing the efficacy of their training programs, nor sufficiently monitoring the capability and compliance outcomes for their staff and representatives.

Code subscribers who are self-reporting a high number of breaches due to manual error or a failure to follow the correct processes and procedures should review their training and oversight arrangements as a matter of urgency.

This should be viewed by subscribers as a critical element of their own risk management procedures and errors and omissions mitigation strategy.

¹² See Appendix I Table 18

Impact of breaches¹³

As part of their breach reporting, Code subscribers were asked to provide the number of clients that were impacted by the breach or breaches, as well as the total dollar financial impact of the breach on the client.¹⁴

A total of 10,255 clients were reported as having been impacted by Code breaches, with an overall financial impact of just over \$1.2 million.

Breaches relating to legal standards affected slightly more than half of the total number of impacted clients, while breaches relating to buying insurance affected just under a third of all impacted clients. This was also the case in 2018.

Not unexpectedly, breaches of the Code's standards designed to safeguard and ensure the responsible management of clients' funds – buying insurance, money handling and claims handling – were the most financially detrimental to clients. Indeed, the total financial impact of breaches of these three standards was \$1.18 million, or just under 97% of the \$1.2 million total.

There were two breaches with a financial impact of over \$300,000 each. In the first breach, four clients were impacted when a representative was found to have misappropriated clients' funds over an extended period. The representative had taken funds from a payment and then used other clients' return premium refunds to pay for the misappropriated funds. The matter was reported to ASIC and the police. The Code subscriber restored the policies that should have been in place and undertook a full review of every client who was affected to ensure that full and correct cover was in place. The matter was also referred to the Professional Indemnity insurer.

In the second breach, one client was impacted when a representative did not follow process and procedure by failing to disclose defects on a property to the insurer prior to coming on risk. A subsequent claim was denied by the insurer who stated that if they had known about the defects prior to coming on risk, their position would have been different. The matter was resolved by mutual agreement between the parties involved. The Code subscriber improved process and procedures and provided additional training to staff.¹⁵

Most other breaches that had a high financial impact affected just one client, including two breaches that each had a financial impact of over \$200,000, and four breaches that each had a financial impact of more than \$100,000.

The number of complaints increased

In 2019, Code subscribers received 1,292 complaints that were handled via their internal dispute resolution processes – an increase of 23% over the 1,049 complaints received in 2018. Complaints were self-reported by 60% of all Code subscribers, indicating that 108 Code subscribers self-reported nil complaints in 2019.¹⁶

Category A subscribers saw an uptick in the number of self-reported complaints in 2019 accounting for 43% of all complaints compared to the previous year where they accounted for 29% of all self-reported complaints. Category A subscribers represented the highest proportion of self-reported complaints by size of Code subscriber.¹⁷

 **1,292**
COMPLAINTS
↑ UP FROM 1,049 IN 2018-19

¹³ See Appendix I Table 19

¹⁴ These numbers are indicative only. They reflect incidents which in some cases would represent more than one breach and not all Code subscribers provided conclusive information for each category.

¹⁵ More examples of Code breaches can be found in Appendix J.

¹⁶ See Appendix K Table 21

¹⁷ See Appendix L Table 23

Most complaints involved small business insurance products¹⁸

There were complaints relating to all insurance products in 2019, with the exception of life insurance. The product at the centre of most complaints was small business insurance, which represented 24% of all self-reported complaints for the year, up from 21% in 2018. Four Code subscribers self-reported 72 out of the 307 complaints relating to small business policies.

Motor vehicle insurance products were the subject of 18% of complaints, split evenly between personal motor vehicle insurance and commercial motor vehicle insurance (each representing 9% of complaints). For personal motor vehicle insurance, one Category A subscriber self-reported 18 complaints, while for commercial motor vehicle insurance, six Code subscribers self-reported a total of 47 complaints, representing 40% of all complaints of this product type.

Home building insurance has been one of the most complained about products in recent years, representing, on average, around 15% of all complaints since 2016. In 2019, however, complaints relating to home building policies fell to 8%. A single Category E Code subscriber self-reported 11% of all home building insurance complaints.

Some insurance products were the subject of an increased number of complaints in 2019. These included residential strata title insurance (up from 5% in 2018 to 7% in 2019), professional indemnity insurance, and home contents insurance (both up from 3% in 2018 to 4% in 2019).

For 26% of complaints, Code subscribers did not specify the insurance product involved, categorising the complaint instead as relating to 'other' products. In some cases, this was because the complaint was considered to be related to a specialised product, with examples including workers compensation, management liability, freight forwarders liability, or wholesale products such as fidelity, cyber, media liability or equine liability. In other cases, complaints that were categorised against 'other' products should have been

categorised as small business products, as there are many variations to business policies. There were also instances where Code subscribers categorised complaints against 'other' products that might not be considered to be covered under the Code.

More than 50 per cent of complaints were about service levels

Service was the most common issue of complaint, as has been the case each year since 2015. More than half (53%) of all complaints related to service levels in 2019, particularly in the area of claims (36% of all complaints) but also service generally (17% of all complaints). Between them, three subscribers self-reported 133 complaints about service levels relating to claims, including one Category A subscriber who self-reported 76 complaints involving this issue.

The remaining issues of complaint were spread across areas such as advice, instructions, charges and transactions.

The high number of complaints related to the level of service received during the claims process is also reflected in the 43% of self-reported breaches of the services-related provisions in Service Standard 5 of the Code. Surprisingly, however, only 3% of self-reported breaches related to the claims-handling provisions of the same Code Standard. This may be because the client, when complaining about the level of service received during the claims process, initially raises the matter with the insurance broker, when in fact the complaint is about a delay or settlement issue caused by the insurer which is often beyond the broker's control.

In such situations, Code subscribers should nonetheless assist their clients with any issue about a claim or complaint by providing accurate advice in a timely and efficient manner. This may be by way of regular contact, seeking alternative options, explaining the reason for any delay and advising the client about what the insurer requires from them in order to settle the claim.

¹⁸ See Appendices K and L

Complaint resolution timeframes slightly increased but better outcome for clients

Disappointingly complaints handling timeframes continue to increase, even after the Committee highlighted this issue in our Own Motion Inquiry (OMI) report, [Improving Complaints Handling Timeframes](#),¹⁹ published in October 2019. There were 4% fewer complaints resolved within 21 days in 2019 than in 2018. This is now an unacceptable trend, and further emphasises the need for Code subscribers to consider and implement the recommendations set out in the OMI report. The Committee expects Code subscribers to take on board the report's findings and recommendations, with a view to reporting a much higher number of complaints resolved within the required timeframe as part of the 2020 ACS.

More positively for clients, the number of complaints resolved in their favour increased to 27% in 2019 (up from 18% in 2018). Conversely, the number of complaints resolved in favour of the insurance broker fell from 15% to 11% over the same period. For 17% of complaints, the client and the broker reached a mutual agreement about the outcome. This may be an indication of a successful internal dispute resolution (IDR) framework, which is mutually beneficial for both client and broker. The client is provided with an effective settlement solution and the broker avoids external dispute resolution (EDR) fees which would occur if the matter would be escalated to the Australian Financial Complaints Authority (AFCA).

Brokers have far fewer complaints escalated to AFCA than other financial service providers

As was the case in 2018, Code subscribers self-reported that 6% of complaints were escalated to EDR. Some of these were referred to the Committee following determinations by AFCA. The Committee uses these referrals as a trigger to investigate potential Code breaches. Subscribers who have a complaint lodged with AFCA are encouraged to review their processes and procedures to determine whether other clients may have cause to complain about the same issue. If so, this could indicate a breach of the Code.

Of all the complaints received by AFCA in the 12 months to 30 June 2020 (see Table below), those relating to general insurance brokers accounted for less than 0.5%. Over a quarter of those complaints were lodged by small businesses, which tallies with the 24% of complaints about small business insurance that Code subscribers self-reported in the ACS for the same period.

Of the 8,000-plus complaints to AFCA about the treatment of clients experiencing financial difficulty none were directed at insurance brokers, and 13 of the 4,769 complaints relating to COVID-19.

AFCA external dispute resolution data: 1 July 2019 to 30 June 2020

	AFCA TOTAL ²⁰	GENERAL INSURANCE BROKERS ²¹
Number of complaints received	80,546	374
Number of complaints received from small business ²²	4,172	105
Number of definite Systemic issue findings	92	0
Number of possible serious contraventions and other breaches reported under Corporations Act s1052E(1)	37	0
Number of complaints involving financial difficulty	8,070	0
Number of complaints regarding COVID-19 issues ²³	4,769	13
Amount of compensation paid to complainant ²⁴	\$258.6m	\$1.78m

¹⁹ This report was published in response to the complaints data submitted as part of the 2018 ACS.

²⁰ Statistics are taken from AFCA's Financial Year 2019–20 Snapshot (www.afca.org.au/news/statistics)

²¹ General insurance brokers are members who identified themselves by main Sales and Service Channel. Not all general insurance brokers who are member of AFCA subscribe to the Insurance Brokers Code of Practice.

²² AFCA explores the use of product mapping to identify small business complaints (product and product category).

²³ COVID complaints were identified by significant event flag – Coronavirus.

²⁴ Outcome \$ based on the complaints closed in 2019–20, including FOS complaints.

"For data to be meaningful, breach and complaint reporting must be consistent across all Code subscribers."

Quality of breach and complaint reporting improved, but is still cause for concern²⁵

There remain large variations in the quality and quantity of data supplied by all Code subscribers but particularly by Category D and Category E subscribers. The Committee continues to advocate for a strong culture of self-reporting and believes brokers that report zero breaches or complaints are not demonstrating a commitment to self-reporting. Encouragingly, the percentage of Code subscribers reporting no breaches of the Code improved in 2019, dropping below 50% for the first time in five years (49% in 2019 compared to 57% in 2018, 59% in 2017, 58% in 2016 and 68% in 2015). The percentage of Code subscribers self-reporting no complaints has remained relatively static over the same period (40% in 2019, 39% in 2018, 43% in 2017, 46% in 2016 and 48% in 2015).

While Category A subscribers are best at self-reporting both breaches and complaints, the fact that 15% of the largest Code subscribers reported nil breaches and 10% reported nil complaints in 2019 is concerning, especially when best practice for a subscriber of this size is a self-reporting rate of 100%.

Fewer than half of all Category E subscribers reported zero breaches or complaints in 2019; a trend that has persisted since 2015. This may be because smaller broking firms generally have closer contact with their clients and are able to resolve potential breaches and complaints before they arise and/or escalate.

Despite the slight overall improvement in breach reporting, the Committee remains concerned that not all breaches are being reported. Code subscribers are reminded that low numbers of self-reported breaches are not necessarily a true indication of Code compliance. Low breach numbers may, in fact, be a sign of inadequate processes and procedures for detecting and reporting breaches, including how staff are trained, or that compliance frameworks are not sufficiently robust to prevent breaches before they occur.

In the Committee's view, more breach reporting can be viewed as evidence that Code subscribers are taking their monitoring and reporting obligations more seriously and that their breach detection mechanisms are robust and effective. It also indicates that, from a cultural point of view, subscribers are open not just to self-reporting breaches of the Code but also to learning from the causes and preventing a recurrence.

The Committee urges Code subscribers reporting nil breaches to review their recording trigger points, assess their frameworks for recording both breaches and complaints, monitor how these are recorded in practice, and to consider how staff are trained to identify Code breaches.

For data to be meaningful, breach and complaint reporting must be consistent across all Code subscribers.

²⁵ See Appendix G Table 14, Appendix H Table 16, Appendix K Table 21 and Appendix L Table 24

All Code subscribers have been provided with individualised benchmark data that allows them to compare their own self-reported breaches and IDR complaints with other similar sized Code subscribers and the industry as a whole.

Subscribers should use this benchmark data as a prompt for reviewing how they monitor and report Code breaches and complaints, and where their processes and procedures can be improved.

A spotlight on culture, behaviour and the treatment of vulnerable clients

In its final report, the Financial Services Royal Commission had much to say about the need for financial services organisations to embed a culture that values fairness, honesty and transparency, and where consumers' best interests are at the centre of all decision-making. The treatment of vulnerable consumers was highlighted as an area requiring particular attention, as was the issue of misconduct relating to commissions and the sale of add-on insurance products.

Taking the Royal Commission's findings and recommendations into account, the Committee expanded the 2019 ACS questionnaire to enable the collection of data from Code subscribers to better understand their approach to managing these issues and to assess their compliance with the relevant obligations under the Code.

Subscribers were asked whether and how they sell add-on insurance products, including how they manage the supervision and Code compliance training of their own staff as well as third-party providers who sell these products

on their behalf. They were also required to provide details about whether and how they provide premium funding, how their staff are trained to arrange premium funding, and what processes they have in place to ensure that this service is useful, reliable and of value to clients – particularly vulnerable clients, such as those who may be victims of family violence or economic abuse and those experiencing financial difficulty. The way these clients are treated by the financial services sector is a key focus for consumer advocate groups, and Code subscribers are advised to pay close attention to their compliance obligations when it comes to identifying and managing vulnerable clients.

Code subscribers were also asked to demonstrate how their organisation's culture is aligned to the six basic norms of good conduct outlined by the Royal Commission:

- Obey the law.
- Do not mislead or deceive.
- Act fairly.
- Provide services that are fit for purpose.
- Deliver services with reasonable care and skill.
- When acting for another, act in the best interests of the other.²⁶

Responses to these sections of the 2019 ACS have enabled the Committee to establish and benchmark Code subscribers' current behaviours, with a view to providing them with the benchmarked information to use as an invaluable self-improvement tool. While the responses have not been discussed in this Annual Review, the Committee looks forward to reporting on them later during the 2020–21 period.

²⁶ [Final Report: Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry](#), Vol. 1, p. 8, February 2019.

What the Committee achieved

We produced guidance resources to help subscribers improve their Code compliance and measure their performance against the industry.

In 2019–20, the Committee produced several reports, articles, webinars and other online resources to help Code subscribers improve the quality and consistency of their compliance reporting.

As part of the Annual Compliance Statement (ACS) Program in early 2019, we conducted an own motion inquiry to develop a better understanding of how Code subscribers manage their timeframes for handling complaints in accordance 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'). This was the Committee's third inquiry into Code subscribers' compliance with their internal dispute resolution obligations, after conducting similar inquiries in February 2017 and November 2018.

The findings of the most recent inquiry were published in our report, [Improving Complaints Handling Timeframes](#), in October 2019. The report established that subscribers to the Code must reduce the length of time they take to respond to and resolve complaints if they are to retain consumer trust, comply with their Code obligations and prepare for proposed changes to ASIC's regulation around internal dispute resolution (IDR). Some of the key findings included:

- only 63% of all complaints received in 2018 were resolved within 21 days
- another 12% of complaints took more than 45 days to resolve
- 30% of large organisations' complaints were resolved outside of the expected timeframes

for Steps 1 and 2 of the Code's Complaints and Disputes Resolution process

- 27% of Code subscribers do not monitor timeframes during their IDR process
- more than a quarter of Code subscribers fail to record all complaints
- only 40% of Code subscribers record detailed information about complaints resolved within five days.

The report also sets out several recommendations for improvements to managing timeframes during the IDR process.

We provided each Code subscriber with an individual Benchmark Report drawn from the self-reported data submitted as part of the 2019 ACS Program. The report contained targeted information to enable each subscriber to measure their compliance performance against the industry as a whole and, specifically, against organisations of a similar size. This information included:

- aggregated self-reported breach and complaints activity for Code subscribers
- high-level comparative trends in compliance data reported to the Committee over time
- the number of breaches and internal complaint resolution data reported by the subscriber, benchmarked against other insurance broking organisations within the same category.

Our aim in providing Code subscribers with an industry benchmark was to help them assess and fine-tune the health of their organisation, including the robustness of their compliance

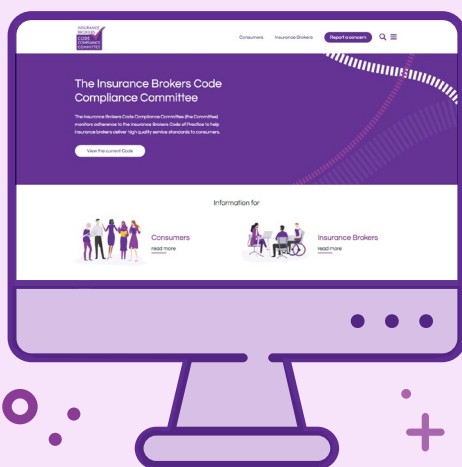
reporting frameworks, and to kickstart the adjustments and behavioural changes that will make for better industry practice going forward.

Following an agreement between Steadfast and NIBA for all broking firms under the Steadfast umbrella to become Code subscribers from 1 December 2019, we provided these new Code subscribers with a comprehensive information pack. We complemented this with a webinar for new subscribers in June 2020 to explain the Code, the Committee's work and the obligations of subscribing to the Code.

More than 450 people participated in the webinar, which was well received by those who attended.

✔ We launched our website

We launched our independent website, www.insurancebrokerscode.com.au, in July 2020. This is our main channel for promoting the Code and the Committee's work to consumers, Code subscribers and other stakeholders, and is also the central repository for all our publications and guidance resources. The website enables anyone to subscribe to receive updates from the Committee and to log a concern or a breach of the Code.



✔ We are improving how we collect and use breach data

We ran a webinar in February 2020 with the aim of helping Code subscribers to complete their 2019 ACS. This proved to be a very effective way of engaging with a large number of Code subscribers and was highly successful in achieving its aims. A recording of the webinar has been made available on our website for subscribers to use as a resource to train their staff and representatives about the Code, the Committee's role and work, the importance of effective ACS data and how it is used.

"This online tool will let Code subscribers evaluate their performance, and the performance of the industry as a whole, at any given time."

We continued the development of a documented priority assessment tool to capture how we assess existing and emerging risks of Code non-compliance within the insurance broking industry. This online tool will let Code subscribers evaluate their performance, and the performance of the industry as a whole, at any given time. It will also provide a documented methodology for evaluating priorities and enable the Committee to spot current and emerging risks of non-compliance, including the impact of any external factors. Ultimately, it will help us make recommendations for managing and responding to any identified risks of subscriber non-compliance and could lead to individual spot audits of Code subscribers.

The priority assessment tool will be finalised once NIBA completes its Code review to allow for any changes to the Code to be adopted in the risk model.

✔ We investigated 12 Code breach allegations²⁷

In 2019–20 we considered 10 new compliance investigations received during the period and continued to investigate two matters that remained open from the 2018–19 reporting period.

As at 30 June 2020, we closed 11 investigations, and one matter remained open. This matter is on hold pending the outcome of an AFCA external dispute resolution investigation. Eight of the investigations were referrals from the AFCA Ombudsman or the AFCA systemic issues team, while four matters were raised as own motion investigations based on AFCA determinations or media releases.

Most Code breach allegations involved commercial insurance or included general issues concerning all classes of insurance. Of the closed investigation matters, one identified a breach which was acknowledged and remediated by the Code subscriber involved. The Committee used the other matters to highlight good industry practice and appropriate behaviour to the industry in its regular Tip of the Month articles.²⁸

✔ We engaged with NIBA and Treasury about potential Code changes

We continued to engage with the Executive Management Committee at NIBA as part of its review of the Code of Practice during 2019–20, and we also met a number of times with the independent reviewer, Marigold Magnaye. We are still waiting for a formal Terms of Reference, Issues Paper and timeline concerning the review from NIBA.

The Treasury inquiry on the enforceability of financial services Codes that came about in response to recommendation 1.15 in the final report on the Royal Commission – that ASIC be given increased oversight of industry Codes, and that breaches of some Code provisions be made illegal as a way of preventing systemic failures in applying the Code – has been put on hold due to the COVID-19 pandemic. However, Treasury indicates this reform is still on track to be implemented in the next year.

²⁷ See Appendix E

²⁸ See <https://insurancebrokerscode.com.au/news/#filter=tip-of-the-month>

✔ We engaged with our stakeholders

We continued to engage with a range of stakeholders during 2019–20, including Code subscribers, industry, consumer advocates, regulators and AFCA. Following the webinar held in February 2020 to assist Code subscribers to complete their 2019 ACS, we conducted telephone conferences with 32 subscribers to seek clarification of their data and responses. We also communicated with Code subscribers through our 'Tip of the Month' articles in *Insurance Adviser* magazine during the year.

We had regular meetings with executive staff and ombudsmen from AFCA and presented at various AFCA general insurance open forum on Code matters. We convened with NIBA, ASIC and Treasury.

We consulted regularly with consumer advocates but received little feedback from them about insurance broking issues. We met with a representative from the Victorian Small Business Commissioner to discuss issues faced by the small business sector when dealing with the insurance broking industry. Small business appears to be the focused consumer group and point of difference for insurance brokers.

We attended and presented at various stakeholder conferences during the year, including:

- NIBA Convention on the Gold Coast (October 2019)
- Australian Insurance Law Association (AILA) Conference, 'Insurance: Facing a change of era', in Hobart (30 October to 1 November 2019).

Insurance Adviser Tips of the Month

These short articles are developed through our engagement with stakeholders and breach investigations. They should be considered formal guidance by the Committee on issues of Code interpretation.

July 2019

– *“What does it all mean and how can you use it in your business”*
(Insurance Adviser p.17)

Reporting on the 2018 Annual Compliance Statement data. The Committee remains concerned that the percentage of Code subscribers reporting zero breaches barely changed from the previous year at 57%. A review of many Code subscribers’ internal frameworks may lead to meaningful long-term improvements.

November 2019

– *“Complaints Handling Timeframes need improving”* (Insurance Adviser p.15)

Reporting on an inquiry concerning complaints handling timeframes. The Committee reports concerns that more than a quarter of Code subscribers fail to record and monitor complaints timeframes during its Internal Dispute Resolution process. Code subscribers are urged to conduct a review of its complaints management processes in light of the Royal Commission and the proposed ASIC reporting changes (see ASIC consultation paper [CP311](#)).

October 2019

– *“A better understanding of the Code leads to better client outcomes”*
(Insurance Adviser p.20)

Reporting on the 2018 Annual Compliance Statement data. The Committee reports a drop in self-reported breaches and an increase in the number of subscribers reporting zero breaches compared to the previous year. Code subscribers are urged to review its reporting processes and to ensure all staff members are trained to recognise and report breaches.

December 2019

– *“Annual Compliance Statement”*
(Insurance Adviser p.18)

Discussing the 2019 Annual Compliance Statement. The Committee offers some guidance and flags three significant changes from last year, these are, Add-on GI products, Premium funding and Company culture. These changes will assist to improve data quality, prepare for new ASIC reporting requirements and address recommendations from the Royal Commission.

February 2020

– *“Turning a complaint into a training exercise”*
(Insurance Adviser p.16)

Discussing a case study. The case study offers insights into how Code subscribers can use complaints as an opportunity to drive improvements and increase service standards. Code subscribers are encouraged to use issues raised in complaints as an opportunity to re-assess procedures and facilitate ongoing improvements and training.

March 2020

– *“Australia’s Bushfires and the Insurance Brokers Code of Practice”*
(Insurance Adviser p.16)

Responding to the Australian Bushfire catastrophe. The Committee responds to the Australian Bushfire catastrophe and reminds Code subscribers of the General Insurance Code of Practice obligations to act compassionately and promptly to clients when responding to a major catastrophe. A review of the Code obligations is recommended to ensure Code subscribers are aware of what is expected from insurers and clients receive that service.

April 2020

– *“Are you sure your client understands those ‘Tricky’ terms?”*
(Insurance Adviser p.18 and [here](#))

Discussing a case study concerning cover for loss of rent and rent default. The case study urges Code subscribers to be mindful of using complex terms when explaining its products and services and on the importance of ensuring that clients fully understand. A review of Code subscribers’ processes and procedures may lead to ongoing improvements and increased client service.

May 2020

– *“Shining a spotlight on industry behaviour”*
(Insurance Adviser p.16 and [here](#))

Reporting on the Committee’s focus in 2020–21. The Committee reports its focus in 2020–21 will be on identifying case studies that demonstrate both good and bad practice to highlight industry behaviour. A review of Code subscribers’ behaviour will bring about long-term industry-wide improvements and promote good practices.

June 2020

– *“Welcoming Steadfast Brokers into the fold”*
(Insurance Adviser p.16 and [here](#))

Reporting on the influx of new Steadfast Code subscribers. The Committee welcome its new Code subscribers and provides an overview of its annual compliance monitoring activities. Code subscribers are reminded that subscribing to the Code is not a ‘tick the box’ exercise and it should be fully embraced to gain its true value.

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Appendix A: About the Code

The 2014 Insurance Brokers Code of Practice (the Code) sets standards of good industry practice for the 467 insurance brokers that have agreed to follow its standards when dealing with current and prospective individual and small business clients. 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.

In September 2018, NIBA appointed Marigold Magnaye to undertake a review of the Code. This review is still in process.

Service standards

The Code contains 12 key service standards that apply to all insurance broking services delivered to individuals and small businesses by Code subscribers across Australia.

Table 1: The 12 key service standards

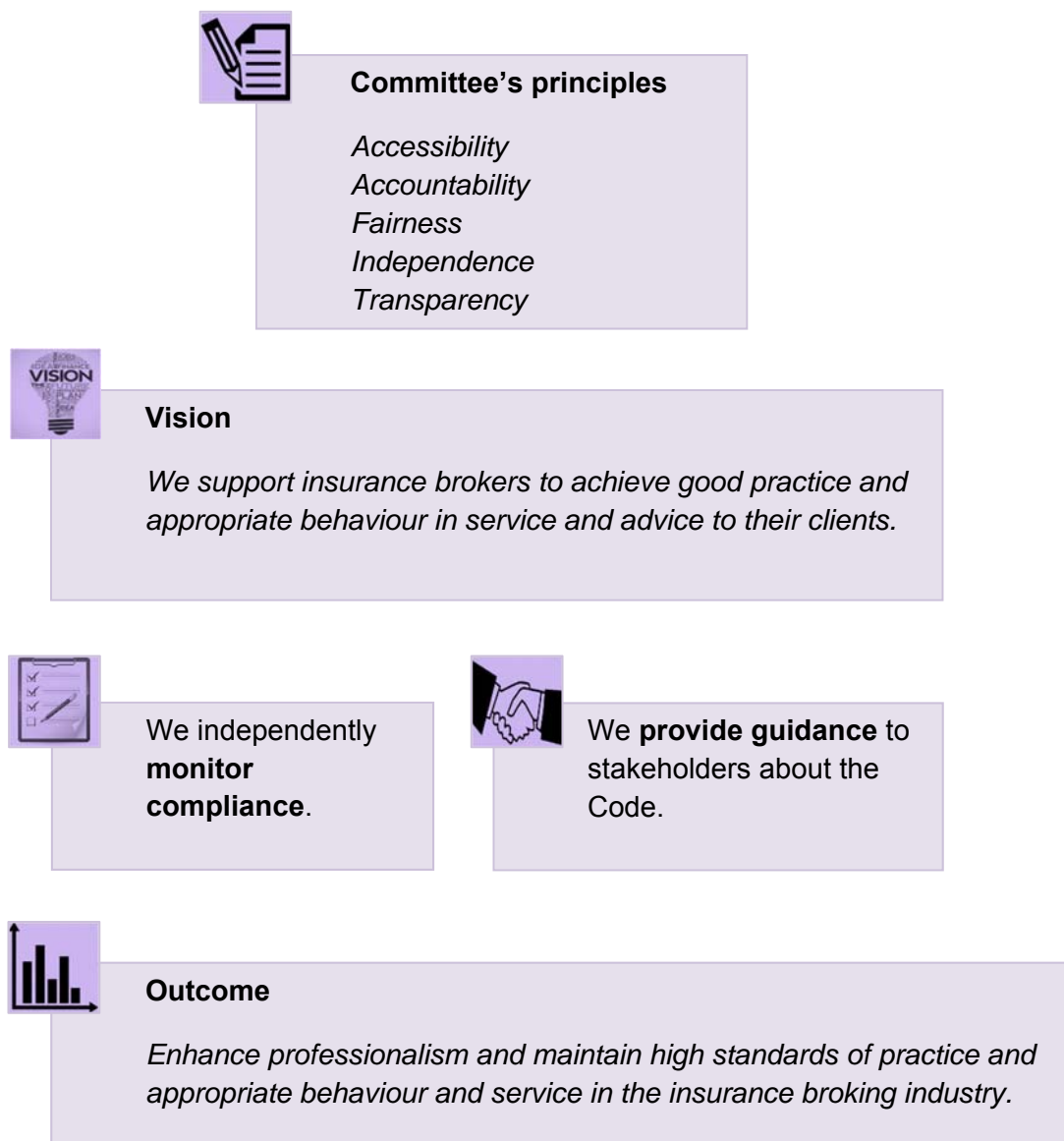
1. We will comply with all relevant law.
2. We will transparently manage any conflicts of interest that may arise.
3. We will clearly tell you if we do not act for you.
4. We will clearly tell you about the scope of our covered services.
5. We will discharge our duties diligently, competently, fairly 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 improving standards of practice and service in their sector; promoting informed decision-making about their services; and acting fairly and reasonably in delivering those services. Code subscribers as at 30 June 2020 are listed in [Appendix D](#).

Appendix B: Code Compliance Committee

The Code Compliance Committee (the Committee) is an independent compliance monitoring body established under section 3 of the Insurance Brokers Code Compliance Committee Charter and formally approved by NIBA on 5 September 2014.

The diagram below sets out the Committee's vision and principles, along with its key focus on industry-wide compliance issues, good practice, appropriate behaviour and continuous improvement as set out in its annual work plan.



Committee members



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 Jan 2014

Term expires: 31 Dec 2021¹

Michael Gill

Independent Chairperson

Michael has practised at DLA Piper (Phillips Fox and other predecessors) since 1968, mainly as a specialist insurance lawyer and in management roles within the firm. Since 2008 he has been a Consultant to the firm. He was Chairman of Phillips Fox and Managing Partner of its Sydney office.

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 in Australia and overseas and is an Ambassador for New Perimeter, which provides long-term, high-impact pro bono legal support in less developed and post-conflict countries.

Michael was President of the International Insurance Law Association, founding Chairman of the Australian Insurance Law Association, Independent Chair of the Code Compliance Committee for the General Insurance Industry, President of the Law Council of Australia and the Law Society of NSW, inaugural Chairman of the Motor Accidents Authority, and Chairman of the Solicitors Mutual Indemnity Fund.



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

Appointed: 1 Jan 2014

Term expires: 31 Dec 2021²

Julia M Davis

Consumer Representative

Julia is an admitted solicitor in NSW and is the 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 its submissions to government inquiries and independent reviews with a particular focus on the insurance industry.

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. She is also serving as the Chair of the board of the Tenants' Union NSW.

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.

¹ Last term.

² Last term.



FAII, ARM, QPIB

Appointed: 1 Jan 2017

Term expires: 31 Dec 2022³

David Duffield

Industry Representative

David commenced his insurance career as an insurance broker in 1973 working with Marsh Pty Ltd and its predecessor companies.

David has held the role of Australian Chief Executive for Marsh and, more recently, has been Chief Client Officer for Marsh in the Pacific. He worked actively with clients to understand their risk profile and design optimal risk financing and insurance solutions. David has also worked with clients on the settlement of large or complex claims. David retired from Marsh Pty Ltd in April 2018

He was a NIBA Director for over 15 years, completing a two-year term as President, and has chaired the Finance Committee, Marketing Committee and Conference Committee for the Association. The Insurance Broker Code was developed and implemented during David's term as NIBA President.

With over 45 years experience in the insurance industry, David has strong professional links and a well-established network in the insurance industry both in Australia and Europe.

Alternate Committee members



BL, BA (Mass Comm)

Appointed: 17 May 2019

Term expires: 16 May 2022⁴

Drew Macrae

Alternate Consumer Representative

Drew is the Policy & Advocacy Officer at the Financial Rights Legal Centre in Sydney.

Drew has worked in policy development and advocacy for close to 20 years. Prior to his work in the financial services sector, Drew worked in film, television and media sector policy focusing on the rights of actors, directors, journalists, and local technicians and crew, as well as support for local content rules. Drew has also worked as a journalist for outlets such as ABC TV's Media Watch and TV Week.

At the Financial Rights Legal Centre, Drew has focused on insurance policy issues including researching and drafting the Guilty Until Proven Innocent Report into insurance investigations. He has also drafted submissions and advocated on both the General and Life Insurance Codes of Practice. Drew has worked in the credit and debt space, including the Banking Code of Practice, Royal Commission and more recently, the implementation of open banking and the Consumer Data Right.

Drew has a Bachelor of Laws from the University of NSW and a Bachelor of Arts (Mass Communications) from Macquarie University.

³ Eligible for re-appointment.

⁴ Eligible for re-appointment.



John JT Phillips

Alternate Industry Representative

John is Director of J & R Phillips Services Pty Ltd and Non-Executive Director of Resilium Insurance Broking 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.

FAIM

Appointed: 1 Jan 2014

Term expires: 31 Dec 2022⁵

Committee meetings

In 2019-20, the Committee formally met eight times – three face-to-face meetings (in Melbourne in September 2019, in Sydney in November 2019 and February 2020) and five video conferences (in October 2019 and several over April and May 2020).

⁵ Last term.

Appendix C: Compliance Manager

The Australian Financial Complaints Authority ([AFCA](#)⁶) provides Code monitoring and administration services⁷ to the Committee and NIBA by agreement. AFCA has appointed a dedicated team of staff (Compliance Manager⁸) within its office to undertake that task.

Compliance Manager Staff



Sally Davis GAICD
General Manager
Code Compliance and
Monitoring

B.Comm, LLB, Grad Dip
(Arts)

Appointed: September 2015 – current

Sally Davis is General Manager – Codes at AFCA and CEO of the Banking Code Compliance Committee. Her role includes oversight of the work plans and budgets of five independent Committees which monitor compliance with codes of practice across the financial services industry covering the banking, customer owned banking, general insurance, life insurance and insurance broking industries.

Sally has worked at AFCA and its predecessor schemes since 2000 and was previously Senior Manager of Systemic Issues at the Financial Ombudsman Service (FOS). Sally has extensive experience in the financial services industry, as well as good relationships with regulators, industry and consumer groups. Sally is passionate about providing community assurance and ensuring continuous improvement through her role supporting the Insurance Brokers Code Compliance Committee.



Daniela Kirchlinde
Code Compliance and
Operations 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. Daniela previously worked as Complaints and Compliance Manager at AFCA and its predecessor schemes since 1995.

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

Daniela holds a Bachelor of Commerce from the Cologne University (Germany) and a Graduate Diploma in Finance and Investment from the Australian Securities Institute Melbourne.

⁶ The Financial Ombudsman Service (FOS) Australia was the predecessor scheme to the Australian Financial Complaints Authority (AFCA).

⁷ As per the *Insurance Brokers Code Compliance Committee Administration Deed and Charter (Charter)* section 1.1 (a) (iv) the Code Administrator means AFCA or such other person appointed by NIBA from time to time to act on NIBA's behalf in administering the Code.

⁸ As per *Charter* section 1.1 (a) (vii) means the person appointed by the Code Administrator to act on its behalf for the purpose of the Code Procedures.

Appendix D: Code subscribers as at 30 June 2020

Table 2: Categorisation of Code subscribers by size of business

up to 2018 ACS		from 2019 ACS onwards	
large	over 100 FTE ⁹ staff	Category A	over 100 FTE staff
medium	31-100 FTE staff	Category B	51-100 FTE staff
		Category C	31-50 FTE staff
small	21-30 FTE staff	Category D	21-30 FTE staff
micro	0-20 FTE staff	Category E	0-20 FTE staff

Table 3: Number of Code subscribers by state (head office) and size of operation¹⁰

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Total	In %
Category A	1	9	0	6	2	0	9	2	29	6%
Category B	0	6	0	2	0	1	2	7	18	4%
Category C	0	13	0	4	3	1	11	6	38	8%
Category D	0	9	0	6	2	0	7	5	29	6%
Category E	3	85	1	35	18	6	72	30	250	54%
Information to be provided	0	26	0	25	6	2	36	8	103	22%
Total	4	148	1	78	31	10	137	58	467¹¹	
In %	<1%	32%	<1%	17%	7%	2%	30%	13%		
<i>In comparison to 30/06/2019</i>	2	100	1	43	21	6	77	43	293	
<i>In comparison to 30/06/2018</i>	2	103	1	44	23	6	78	43	300	
<i>In comparison to 30/06/2017</i>	2	106	1	46	22	7	89	45	318	

⁹ FTE – full time equivalent.

¹⁰ Code subscribers are counted by Australian Financial Service Licence (AFSL).

¹¹ The increase in the number of Code subscribers follows a decision made by Steadfast that all its members became Code subscribers effective 1 December 2019. For information about Code subscription please contact NIBA at niba@niba.com.au or telephone (02) 9964 9400.

Table 4: Number of branches (including head office) by state and size of operation

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Total	In %
Category A	25	302	16	237	83	16	203	73	955	55%
Category B	2	19	1	21	2	5	23	3	76	4%
Category C	1	55	1	35	4	3	81	19	199	12%
Category D	0	20	0	16	3	1	10	12	62	4%
Category E	5	102	1	52	26	7	97	38	328	19%
Information to be provided	0	26	0	25	6	2	36	8	103	6%
Total	33	524	19	386	124	34	450	153	1,723	
In %	2%	30%	1%	22%	7%	2%	26%	9%		
In comparison to 30/06/2019¹²	27	512	19	323	114	34	354	167	1,550	

Note: Effective 1 December 2019, the National Insurance Brokers Association (NIBA) welcomed all Steadfast brokers to the NIBA community. The Steadfast Group was established in 1996 and is the largest general insurance broker network and the largest underwriting agency group in Australasia. This addition increased the number of Code subscribers by over 60% as not all Steadfast members had previously been Code subscribers.

The new Code subscribers were not required to participate in the 2019 Annual Compliance Statement Program. Therefore, the self-reported breach and complaints data in this report relates to Code subscribers prior to December 2019.

¹² This data was collected for the first time in the 2018 ACS.

20:20 Insurance Services Pty Ltd	Ausure Pty Ltd
AB Phillips Pty Ltd	AUzi Pty Ltd
Abico Insurance Brokers Pty Ltd	Aviation Insurance Brokers of Australia
ACME Insurance Brokers	Aviso Tas Insurance Brokers
Action Insurance Brokers Pty Ltd	Avoca Group Pty Ltd
Acumen Insurance Pty Ltd	AWIB Pty Ltd
ADK Insurance Brokers Pty Ltd	Axiom Insurance Brokers Pty Ltd
Adroit Insurance & Risk Pty Ltd	BAC Insurance Brokers Pty Ltd
AFA Insurance Brokers	Ballarat Insurance Brokers Pty Ltd
AIB Pty Ltd Insurance Brokers	Barrenjoey Lifestyle Pty Ltd
AIIB Pty Ltd	Barrie MacDonald & Associates
AIIRS Pty Ltd	Bayside Brokers Pty Ltd
AIS Insurance Brokers Pty Ltd	BBA Insurance Brokers (VIC) Pty Ltd
Albany District Insurance Brokers Pty Ltd	Bellrock Broking Pty Limited
Alexis Wealth Advisors Pty Ltd	Bendigo Insurance Brokers Pty Ltd
Alfa Insurance Brokers Pty Ltd	Benshay Pty Ltd
Allegiant Irs Pty Ltd	Benton Insurance Services Pty Ltd
Alliance Insurance Broking Services Pty Ltd	Berkrey Insurance Consultants Pty Ltd
Allsafe Insurance Brokers Pty Ltd	Bestmark Pty Ltd
AMACIS Pty Ltd	Bill Owen Insurance Brokers Pty Ltd
Andrews Insurance Services Pty Ltd	BJs Insurance Brokers Pty Ltd
Annis Group Pty Ltd	Blackburn (Insurance Brokers) Pty Ltd
Aon Risk Services Australia Limited	Bluebook Insurance Brokers Pty Ltd
Apollo Risk Services Pty Ltd	Bms Risk Solutions Pty Ltd
Archer Insurance Corp Pty Ltd	Bmt Insurance Brokers Pty Ltd
Arcuri & Associates Pty Ltd	Body Corporate Brokers Pty Ltd
Ardrossan Insurance Brokers Pty Ltd	Bolderston & Associates Insurance Brokers
Arena Underwriting Pty Ltd	Bovill Risk & Insurance Consultants Pty Ltd
Armstrong's Insurance Brokers Pty Ltd	Brett Grant & Associates Pty Ltd
Arrowsmith & Petruccelli Insurance Brokers Pty Ltd	Bricher Insurance Brokers
Arthur J. Gallagher & Co (Aus) Limited	Brindabella Insurance Brokers Pty Ltd
ASG Insurances Pty Limited	Brokers National
Asparq Insurance Brokers	Brookvale Insurance Brokers Pty Ltd
ATC Insurance Solutions Pty Ltd	Bruce Chiene Pty Ltd
Atia Insurance Services Limited	Bruce Insurance Pty Ltd Atf Bruce Insurance Trust
Atlantic Insurance Brokers Pty Ltd	Bryan McNabney Ins Agencies & Financial Services Pty Ltd
Aughtersons Insurance Brokers Pty Ltd	Buildsafe Insurance Brokers Pty Ltd
Austbrokers AEI Pty Ltd	Burnett Insurance Pty Ltd
Austbrokers Central Coast Pty Ltd	Business Insurance Specialists Pty Ltd
Austbrokers City State	Cambridge Insurance Brokers
Austbrokers Dalby Pty Ltd	Capital Innovation Insurance Group Pty Ltd
Austbrokers HCI	Capital Insurance Brokers Pty Ltd
Austbrokers Ris Pty Ltd	Capricorn Insurance Services Pty Ltd
Austbrokers SPT Pty Ltd	Carollo Horton & Associates Pty Ltd
Austbrokers Sydney Pty Ltd	Carriers Insurance Brokers Pty Ltd
Austcover Pty Ltd	Cartwright Insurance Brokers Pty Ltd
Austgroup Insurance Brokers	CBIS (Aust) Pty Ltd
Austral Insurance Brokers Pty Ltd	CCM Insurance Group Pty Ltd
Australasia Insurance Brokers Pty Ltd (AAIB)	Central Insurance Brokers
Australian Broker Network Pty Ltd	Centrewest Insurance Brokers
Australian Insurance Solutions Pty Ltd	Cerberos Brokers Pty Ltd
Australian Unity Personal Financial Services Ltd	Charter Group General Insurance Pty Ltd

City Commerical Insurance Brokers	Edgewise Insurance Brokers Pty Ltd
City Rural Insurance Brokers Pty Ltd	EJS INSURANCE CONSULTANTS PTY LTD
Citycover (Aust) Pty Ltd	Elite General Insurance Services Pty Ltd
CKA Risk Solutions Pty Ltd	Elkington Bishop Molineaux Insurance Brokers Pty Ltd
CN Botting & Associates (Broking) Pty Ltd	Elliott Australia Group Pty Ltd
Coastal Financial Services Group Pty Ltd	Emjay Insurance Brokers Pty Ltd
Collective Insurance Brokers Pty Ltd	Empire Insurance Group Pty Ltd
Colonial Financial Services Pty Ltd	Endeavour Insurance Broking Group Pty Ltd
Commercial & General Insurance Brokers Aust Pty Ltd	Enrizen Pty Ltd
Commercial & General Insurance Brokers Pty Ltd	Experien General Insurance Services Pty Ltd
Commercial Reality Insurance Brokers Pty Ltd	FD Beck & Sons Pty Ltd
Community Broker Network Pty Ltd	Fenton Green
Compass Insurance Brokers (Tas) Pty Ltd	Finance And Insurance (Brokers) Australia
Comsure Insurance Brokers Pty Ltd	Findex Insurance Brokers Pty Ltd
Considines Insurance Service Pty Ltd	Finpac Insurance Advisers Pty Ltd
Consolidated Insurance Agencies Pty Ltd	Finsura Insurance Broking (Australia) Pty Ltd
Consolidated Insurances Pty Ltd	Fire & General Insurance Brokers Pty Ltd
Consult Insurance Solutions Pty Ltd	Fitton Insurance (Brokers) Australia Pty Ltd
Corpsure Ipl Pty Ltd	Fitzpatrick & Company Insurance Brokers
Country Mile Insurance Brokers	Focus Insurance Brokers Pty Ltd
Covercorp Pty Ltd	FP Insurance Brokers
Coverforce Pty Ltd	Fraser and Associates Insurance Brokers Pty Ltd
Coveright Insurance Brokers Pty Ltd	G.W.S. Pty Ltd
Coversafe Insurance Brokers Pty Ltd	Gale Insurance Brokers Pty Ltd
Cowden (NSW) Pty Ltd	Gamman Insurance Brokers Pty Ltd
Cowden (SA) Pty Ltd	Garden State Insurance Brokers
Cowden (VIC) Pty Ltd	Gary Goodson & Co Pty Ltd
Cowden Limited	Geelong Insurance Brokers Pty Ltd
CRM Brokers Pty Ltd	General Insurance Brokers of Australia Pty Ltd
Crucial Insurance and Risk Advisors Pty Ltd	GI Insurance Brokers Pty Ltd
Darling Downs Insurance Brokers Pty Ltd	Ginn & Penny Pty Ltd
Davelcorp Insurance Brokers Pty Ltd	GJC Management Services
David Marks Insurance Brokers Pty Ltd	Glendon Southern Brokers Pty Ltd
De Conno & Blanco Insurance Brokers	Goulburn Insurance Brokers Pty Limited
Delaney Kelly Golding Pty Ltd	Gow-Gates Ins Brokers (Australasia) Pty Ltd
Dennis Foster Insurance Brokers Pty Ltd	Gow-Gates Insurance Brokers Pty Ltd
DGA Insurance Brokers Pty Ltd	Graham Knight Insurance Brokers
DIB Insurance Brokers Pty Ltd	Grampians Insurance Brokers Pty Ltd
Direct Insurance Brokers Pty Ltd	Grange Insurance Solutions Pty Ltd
Domina General Insurance Brokers Pty Ltd	Great Wall Insurance Services Pty Ltd
Don Hutton Insurance Brokers Pty Ltd	Greater National Limited
Dove Insurance Brokers Pty Ltd	Greg Walsh & Associates Pty Ltd
Driessen Insurance Brokers Pty Ltd	Griffiths Goodall Insurance Brokers Pty Ltd
Dynamic Insurance Services Pty Ltd	GSA Insurance Brokers Pty Ltd
EA Insurance Services Pty Ltd	Guardian Insurance Brokers Pty Ltd
Eagle Insurance Brokers Pty Ltd	H & L Lewis Pty Ltd
East Coast Insurance Brokers	Hann Insurance Brokers Pty Ltd
East West Insurance Brokers Pty Ltd	Hatte Gilbert Insurance Brokers
Eastern Equity Insurance Brokers	Haywood Wilkins & Associates (Vic) Pty Ltd
Ebn Holdings Pty Ltd	HIB Insurance Brokers Pty Ltd
Edgar Insurance Brokers	HICA Insurance Brokers Pty Ltd

HICA Insurance Brokers Pty Ltd	JMD Ross Insurance Brokers Pty Ltd
Holdfast Insurance Brokers Pty Ltd	Joe Vella Insurance Brokers Pty Ltd
Holland Insurance Brokers (Qld) Pty Ltd	Johansen Insurance Brokers Pty Ltd
Honan Insurance Group Pty Ltd	Johnson Pacific Pty Ltd
Horsell Duffy Langley Pty Ltd	JW Bell & Associates Pty Ltd
HQ Insurance Pty Limited	KBI Group Pty Ltd
HW Wood Australia Pty Ltd	KE Skilton & Associates Pty Ltd
Ian Bell Insurance Brokers Pty Ltd	Kelly & Coe Insurance Brokers Pty Ltd
Ian Hewitt and Associates	Kingston Insurance Brokers
Ian Jones Insurance Brokers Pty Ltd	Kinnane Insurance Brokers Pty Ltd
IBG Insurance Brokers	KJ Risk Group Pty Ltd
IBL Limited	Knightcorp Insurance Brokers
IC Frith & Associates (SA) Pty Ltd	Knights Guard Pty Ltd
Icorp Group Pty Ltd	Koch Brokers Pty Ltd
IFS Insurance Solutions Pty Ltd	LaVerne Community Brokers Pty Ltd
IJD Insurance Brokers Pty Ltd	LEA Insurance Brokers Pty Ltd
IMC Insurance Brokers	Lederman Insurance Brokers Pty Ltd
Infocus General Insurance Brokers Pty Ltd	Leed Insurance Group Pty Ltd
Insurance Advisernet Australia Pty Limited	Link Insurance Brokers
Insurance Advisory Service (NSW) Pty Ltd	Lockton Companies Australia Pty Ltd
Insurance Aid General Brokers Partnership	Logan Insurance Brokers Pty Ltd
Insurance Brokers Australia Pty Ltd	Logan Livestock Insurance Agency Pty Ltd
Insurance Brokers of NSW Pty Ltd	Lonsford Insurance Brokers Pty Ltd
Insurance House Pty Ltd	Ludosh Pty Ltd the Trustee For Ludosh Family Trust
Insurance Logic Pty Ltd	Lugarno Holdings Pty Ltd
Insurance Marketing Group of Aust Pty Ltd	M & S Insurance (Brokers) Services Pty Ltd
Insurance Vision (Aust) Pty Ltd	M2M Risk & Insurance Pty Ltd
Insure That Insurance Broking Pty Limited	Macey Insurance Brokers Pty Ltd
Insurex Pty Ltd	Mackellar Insurance Brokers Pty Ltd
Intas Insurance Services Pty Ltd	Macquarie Insurance Brokers (Australia) Pty Ltd
Integrated Insurance Solutions Pty Ltd	Made Easy Financial Group Pty Ltd
Interchange Pty Ltd	Malcolm Hutson & Associates Pty Ltd
Interlink Insurance Brokers	Management & Risk Insurance Brokers
Interpacific Insurance Brokers Pty Ltd	Mandurah Insurance Brokers Pty Ltd
InterRe Insurance Brokers Pty Ltd	Mark Prolisko Insurance Agency Pty Ltd
Interrisk Australia Pty Ltd	Markey Group Pty Ltd
iO2 Insurance Group Pty Ltd	Marsh Advantage Insurance Pty Ltd
IOOF Insurance Brokers Pty Ltd	Marsh Pty Ltd
IPS Insurance Brokers Pty Ltd	Master Builders Insurance Services
IRT Insurance Pty Ltd	Mavco Insurance Group Australia Pty Ltd
iSelect Life Pty Ltd	Maxton Insurance Brokers
Jardine Lloyd Thompson Pty Ltd	MBA Insurance Services Pty Ltd
JDI (Young) Pty Ltd	MCA Insurance Brokers Pty Ltd
JHR Corporate Risk Services Pty Ltd	McCluskey Insurance Brokers Pty Limited
Jims Insurance Services Pty Ltd	McCormick Harris & Associates Pty Ltd

McGrath Fleming Group	Oxley Insurance Brokers Pty Ltd
MCI Insurance Brokers Pty Ltd	P G Cameron Pty Ltd
McKenzie Ross & Co Pty Ltd	P. I. Direct Insurance Brokers Pty Ltd
McKillop Insurance Brokers Pty Ltd	Paul Donnelly Insurance Brokers Pty Ltd
McLardy McShane Partners Pty Ltd	Perryman O'Grady Philpott Pty Ltd
McNaughton Gardiner Insurance Brokers Pty Ltd	Peter L Brown & Associates Pty Ltd
Medisure Indemnity Australia Pty Ltd	Peter Vickers Insurance Brokers Pty Ltd
Mega Capital Pty Ltd	Petplan Australasia Pty Ltd
Mega Lines Pty Ltd	Philp Newby & Owen Pty Ltd
Melbourne Insurance Brokers Pty Ltd	Phoenix Insurance Brokers Pty Ltd
Metrix Insurance Pty Ltd	Pollard Insurance Brokers
MFP Insurance Brokers	Poole & Partners Investment Services Pty Ltd
MGA Insurance Brokers Pty Ltd	Portclip Pty Ltd
Midas Insurance Brokers Pty Ltd	Prasidium Pty Ltd
Midland Insurance Brokers Australia Pty Ltd	Primassure (Australia) Pty Ltd
Miller Avenue Pty Ltd Atf the Lota Trust	Pro-Insure Pty Ltd
MKW Holdings Pty Limited	Professional Insurance Brokers (McKinnon)
Moody Kiddell & Partners (Insurance) Pty Ltd	Professional Insurance Brokers (NSW) Pty Ltd
Mooneys Insurance Brokers Pty Ltd	Professional Services Corporation Pty Ltd
Moran Insurance Brokers Pty Ltd	PSB Insurance Brokers Pty Ltd
Multi Secure Insurance Solutions Pty Ltd	PSC Coast Wide Insurance Brokers Pty Ltd
Murdoch Insurance Brokers Pty Ltd	PSC Connect Pty Ltd
Mutual Brokers Pty Ltd	PSC Insurance Brokers (Aust) Pty Ltd
Nadic Insurance Brokers Pty Ltd	PSC Reliance Franchise Partners Pty Ltd
National Corporate Broking Pty Ltd	Q-Sure Insurance Brokers
National Credit Insurance Brokers of Australia Pty Ltd	Quantum Insurance Holdings Pty Ltd
Nepean Brokers & Associates Pty Ltd	Quattro Risk Services Pty Ltd
Nerang Insurance Advisory Centre Pty Ltd	Rainbow Coast Insurance Brokers Pty Ltd
New England Insurance Brokers Pty Ltd	Red Star Insurance Pty Ltd
Newsure Insurance Brokers Pty Ltd	Regional Insurance Brokers
Nexus (Aust) Pty Ltd	Resilium Insurance Broking Pty Ltd
North Coast Insurance Brokers Pty Ltd	Richard Ray & Associates Pty Ltd
North Queensland Insurance Brokers Pty Ltd	Rigden & Douse Insurance Brokers
Northlake Holdings Pty Ltd	Risk Broking Pty Ltd
O'Donohue Nominees Pty Ltd	Risk Insure Pty Ltd
O'Regan Group Pty Ltd	Risk Mitigation Solutions Limited
O'Sullivan Insurance Brokers Pty Ltd	Risk Partners Pty Ltd
Oceanic Marine Risks Pty. Ltd	Rivers Insurance Brokers Pty Ltd
One Underwriting Pty Ltd	RJ Vaughan and Monaghan Pty Ltd
Online Insurance Brokers Pty Ltd	Robinson Insurance Broking Services Pty Ltd
Optimus 1 Pty Ltd	Roderick Insurance Brokers Pty Ltd
Oracle Group (Australia) Pty Ltd	Rose Stanton Insurance Brokers Pty Ltd
Orrs & Associates Pty Ltd	RSM Group Pty Ltd
Osman Insurance Brokers	Safeguard Insurance Brokers Pty Ltd
Ovens Valley Insurance Brokers Pty Ltd	Safeguard Insurance Solutions Pty Ltd

Sapphire Star Pty Ltd	Timjamway Pty Ltd
Sarre Insurance Broking Services	Tony Bemrose Insurance Brokers
Savill Hicks Corporation Pty Ltd	Total Insurance Network
SBS Insurance Brokers	Trans-West Insurance Brokers Pty Ltd
Scott & Broad Pty Ltd	Transport And General Pty Ltd
Scott Winton Insurance Brokers Pty Ltd	Trident Insurance Group Pty Ltd
Scott Winton Nominees Pty Ltd	Triton Broking Services (WA) Pty Ltd
Sear & Associates Insurance Brokers Pty Ltd	Tucker McNeil Pty Limited
Select Insurance Brokers Pty Ltd	Tudor Insurance Australia (Insurance Brokers) Pty Ltd
Shield Insurance Brokers Pty Ltd	Tymar (WA) Pty Ltd
Shortland Insurance Brokers Pty Ltd	United Insurance Group Pty Ltd
Simeone Pty Ltd	Unity Insurance Brokers
Simplex Insurance Solutions Pty Ltd	Verisure Insurance Brokers Pty Ltd
SMS Insurance Pty Ltd As Trustee	VH Insurance Pty Ltd
Snaps Insurance Pty Ltd	Warren Saunders Insurance Brokers (Aust) Pty Ltd
South Coast Insurance Brokers WA Pty Ltd	Watkins Insurance Brokers
Southern Cross Brokers Pty Ltd	Weather Risk Management Solutions Pty Ltd
Southside Insurance Brokers Pty Ltd	Webber Insurance Group Pty Ltd
SRG Group Pty Ltd	Webmere Pty Ltd
SRS Broking Pty Ltd	Webster Hyde Heath Insurance Brokers Pty Ltd
Stanton Insurance Brokers Pty Ltd	Westcourt Pty Ltd
Statewide Insurance Brokers Pty Ltd	Western United Financial Services Pty Ltd
Steadfast Eastern Insurance Brokers Pty Ltd	Westlawn Insurance Brokers Pty Ltd
Steadfast Group Limited	Westminster Broking House Pty Ltd
Steadfast IRS Pty Limited	Whitbread Associates Pty Ltd
Steadfast Life Pty Ltd	White Group (Vic) Pty Ltd
Steadfast Taswide Insurance Brokers Pty Ltd	Wilkinson Insurance Brokers Pty Ltd
Steel Pacific Insurance Brokers	William Inglis & Son Limited
Stening Simpson (International) Pty Ltd	Willis Australia Limited
Sterling Insurance Pty Ltd	Willis Temby Insurance Brokers (WA) Pty Ltd
Strata Insurance Services Pty Limited	Wilson White Insurance Brokers Pty Ltd
Strata Solutions International Pty Ltd	Windsor Management Ins Brokers Pty Ltd
SUMMIT INSURANCE BROKERS PTY LTD	Woodleigh Fields Pty Ltd
SUREWiSE	WRI Insurance Brokers Pty Ltd
Synergy Insurance Brokers	WSC Insurance Brokers Pty Ltd
Tasmanian Insurance Brokers Pty Ltd	Wymark Insurance Brokers Pty Ltd
Teamcare Pty Ltd	Yellow Brick Road Wealth Management Pty Ltd
Terrace Insurance Brokers Pty Ltd	Your Insurance Broker
The AFOOFA Group Australia Pty Ltd	ZAS Insurance Management Pty Ltd
The Financial Services Management & Marketing Network Pty Ltd	
The Gardian Group Pty Ltd	
The Insurance Broker (NSW) Pty Ltd	
The Insurance Centre Pty Ltd	
The Trustee for Tresidder Insurance Brokers	
Thomas Insurance Brokers Pty Ltd	

Appendix E: Investigations

The Code empowers the Committee to investigate and determine any complaint alleging that an insurance broker has breached the Code. The Committee can also initiate its own investigations into Code breaches. These investigations aim to identify the cause of alleged Code breaches; whether the complaint indicates broader compliance issues; 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, it can initiate Code investigations without needing a complaint to act as a trigger. These Committee-initiated investigations are mainly used to identify and assess:

- the presence of non-compliant behaviour that may not have been identified by the Code subscriber's internal compliance monitoring systems or Annual Compliance Statement
- whether non-compliant behaviour identified through complaint investigations is systemic, either within a Code subscriber or across the sector in general
- emerging Code compliance risks that may affect Code subscribers and their clients.

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 their 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 and authorised representatives accordingly.

Case work

In 2019-20 the Committee investigated 12 matters concerning alleged breaches of the Code, including 10 new matters received in 2019-20, resulting in the identification of one Code breach.

Clause 5.8 of the *NIBA Insurance Brokers Code of Practice Procedures* governs the discretion of the Code Compliance Manager to refuse to consider or continue considering an alleged breach of the Code which they believe is inappropriate.

Pursuant to that clause, the Committee did not take any action in half of the matters as the substance of the matter had already been considered in another forum (clause 5.8 (d)) or the insurance broker involved was not a subscriber to the Code (clause 5.8 (a)).

Table 5 provides information about the 12 matters investigated.

Table 5: Details of investigations

<i>Details as at 30 June 2020</i>	<i>Number of Investigations</i>
Total Investigations	
Open as at 1 July 2019 from previous period 2018-19	2
Received new during 2019-20	10
Closed as at 30 June 2020	11
Open as at 30 June 2020	1
Status of open Investigations	
In assessment status	-
Put on hold (pending outcome of AFCA investigation)	1 ¹³
Age status of open Investigations	
Up to 90 days since registration	1
Over 90 days since registration	-
Over six months since registration	-
Source of Investigations	
Referral from AFCA Ombudsman	2
Referral from AFCA systemic issue team	6
Own motion investigation raised by Compliance Manager	4
Provisions of the Code investigated¹⁴	
Service Standard 1 - compliance with the law	1
Service Standard 4 - scope of covered services	1
Service Standard 5 - buying insurance	4
Service Standard 5 - claims handling	3
Service Standard 10 - dispute resolution	3
Service Standard 12 - professionalism	1
Types of products and services involved in Investigations	
Commercial business	4
Commercial motor vehicle	1
Personal Home and Building	1

¹³ This matter was closed on 11 August 2020 pursuant to Code Procedures Section 5.24 (d).

¹⁴ Some investigations included more than one provision of the Code.

<i>Details as at 30 June 2020</i>	<i>Number of Investigations</i>
No specified product or service	6
Outcome of the Investigations	
Breach identified	1
No breach identified	4
No action taken (Code Procedures Section 5.8 (a) - outside jurisdiction, insurance broker involved is not a Code subscriber or has since merged with another insurance broker)	4
No action taken (Code Procedures Section 5.24 (d) - the substance of the alleged breach is/has already been considered in another forum)	2

Appendix F: Data trends

Data trends - all Code subscribers

Chart 1: Trends and relationships in breach and complaints data

Self-reported by all Code subscribers over the past four years to the Committee.

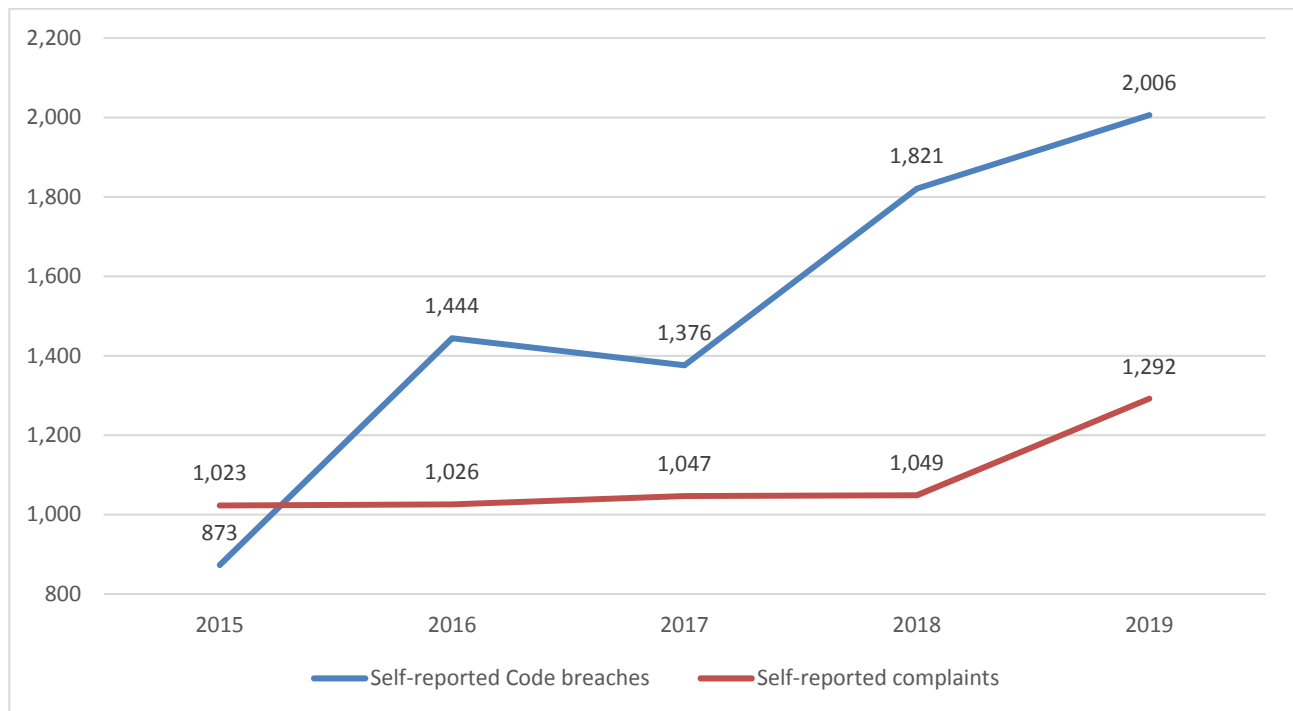


Table 6: Top five categories of Code breaches self-reported since 2015

2015	2016	2017	2018	2019
Legal obligations Standard 1 - 29%	Legal obligations Standard 1 - 32%	Buying insurance Standard 5 - 51%	Buying insurance Standard 5 - 49%	Buying insurance Standard 5 - 43%
Buying insurance Standard 5 - 23%	Buying insurance Standard 5 - 22%	Legal obligations Standard 1 - 23%	Legal obligations Standard 1 - 24%	Legal obligations Standard 1 - 23%
Scope of covered services Standard 4 - 8%	Professionalism Standard 12 - 17%	Money Handling Standard 7 - 5%	Professionalism Standard 12 - 8%	Scope of covered services Standard 4 - 13%
Professionalism Standard 12 - 8%	Training Standard 8 - 8%	Professionalism Standard 12 - 5%	Scope of covered services Standard 4 - 7%	Money Handling Standard 7 - 7%
Training Standard 8 - 8%	Money Handling Standard 7 - 5%	Scope of covered services Standard 4 - 4%	Money Handling Standard 7 - 5%	Professionalism Standard 12 - 5%

Chart 2: Self-reporting culture in 2019

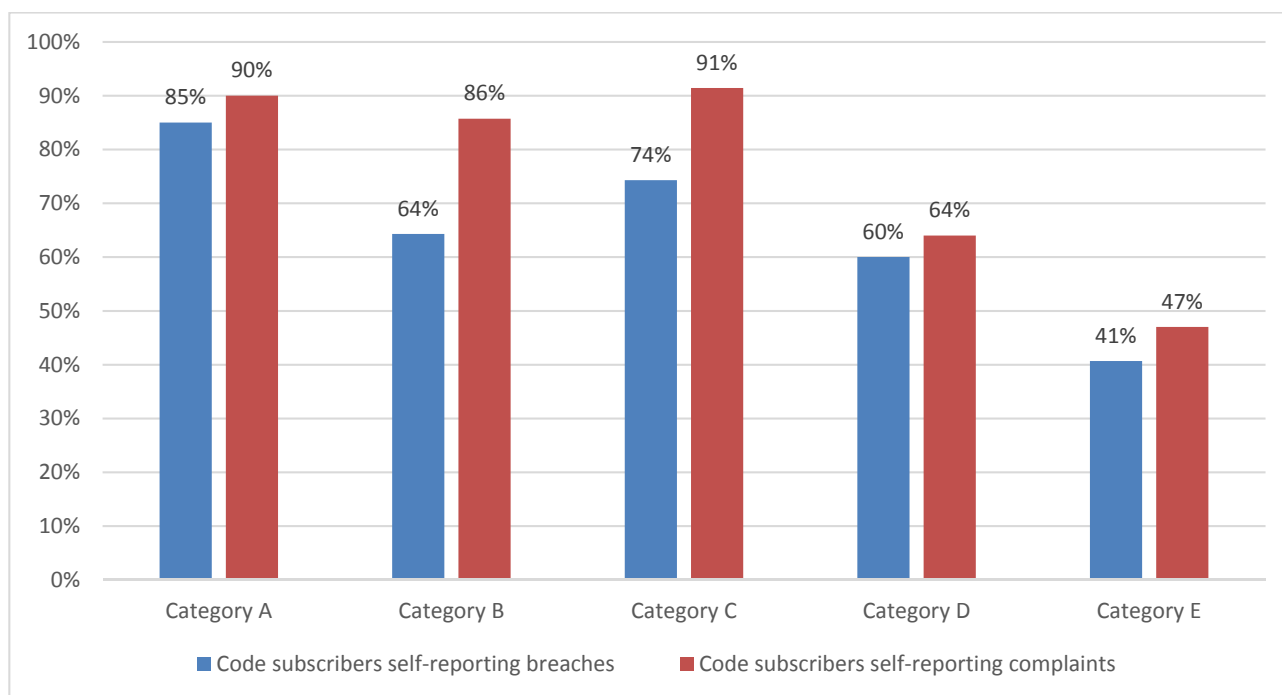


Table 7: Industry summary (all Code subscribers)

	2015	2016	2017	2018	2019
Number of Code subscribers ¹⁵	323	318	300	293	284
Number of branches (including head office)	n/a	n/a	n/a	1,550	1,471
Total of self-reported Code breaches	873	1,444	1,376	1,821	2,006
Mean of self-reported Code breaches	2.7	4.4	4.7	6.2	7.1
% of Code subscribers self-reporting Code breaches	32%	42%	41%	43%	51%
Total of self-reported complaints	1,023	1,026	1,047	1,049	1,292
Mean of self-reported complaints	3.2	3.2	3.6	3.6	4.5
% of Code subscribers self-reporting complaints	52%	54%	57%	61%	60%

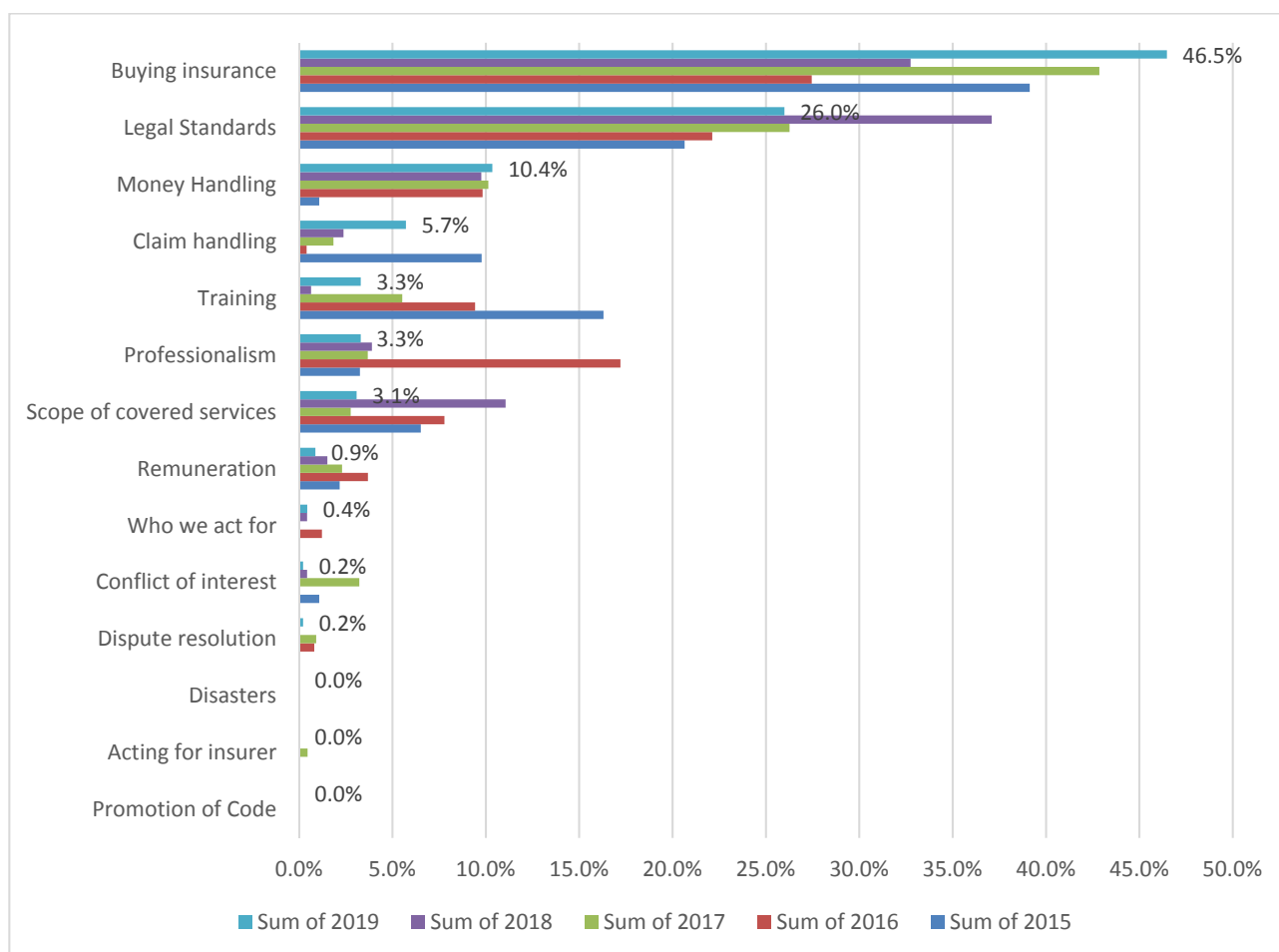
¹⁵ Code subscribers are counted by Australian Financial Service Licences (AFSL), not counting the new Steadfast members who became Code subscribers effective 1 December 2019 and were not involved in the 2019 ACS Program. Some Code subscribers are represented by more than one AFSL.

Data trend - Code subscribers Category A

Table 8: Sector summary (Category A)

	2015	2016	2017	2018	2019
Number of Code subscribers	13	25	21	26	29
Number of branches (including head office)	n/a	n/a	n/a	933	955
Total of self-reported Code breaches	44	302	190	397	454
Mean of self-reported Code breaches	8.8	11.7	10.8	15.3	15.7
% of Code subscribers self-reporting Code breaches	59%	52%	94%	72%	85%
Total of self-reported complaints	52	311	410	300	554
Mean of self-reported complaints	14.2	12.4	24.1	11.5	19.1
% of Code subscribers self-reporting complaints	88%	68%	100%	94%	90%

Chart 3: Code breaches by Code subscribers in Category A since 2015

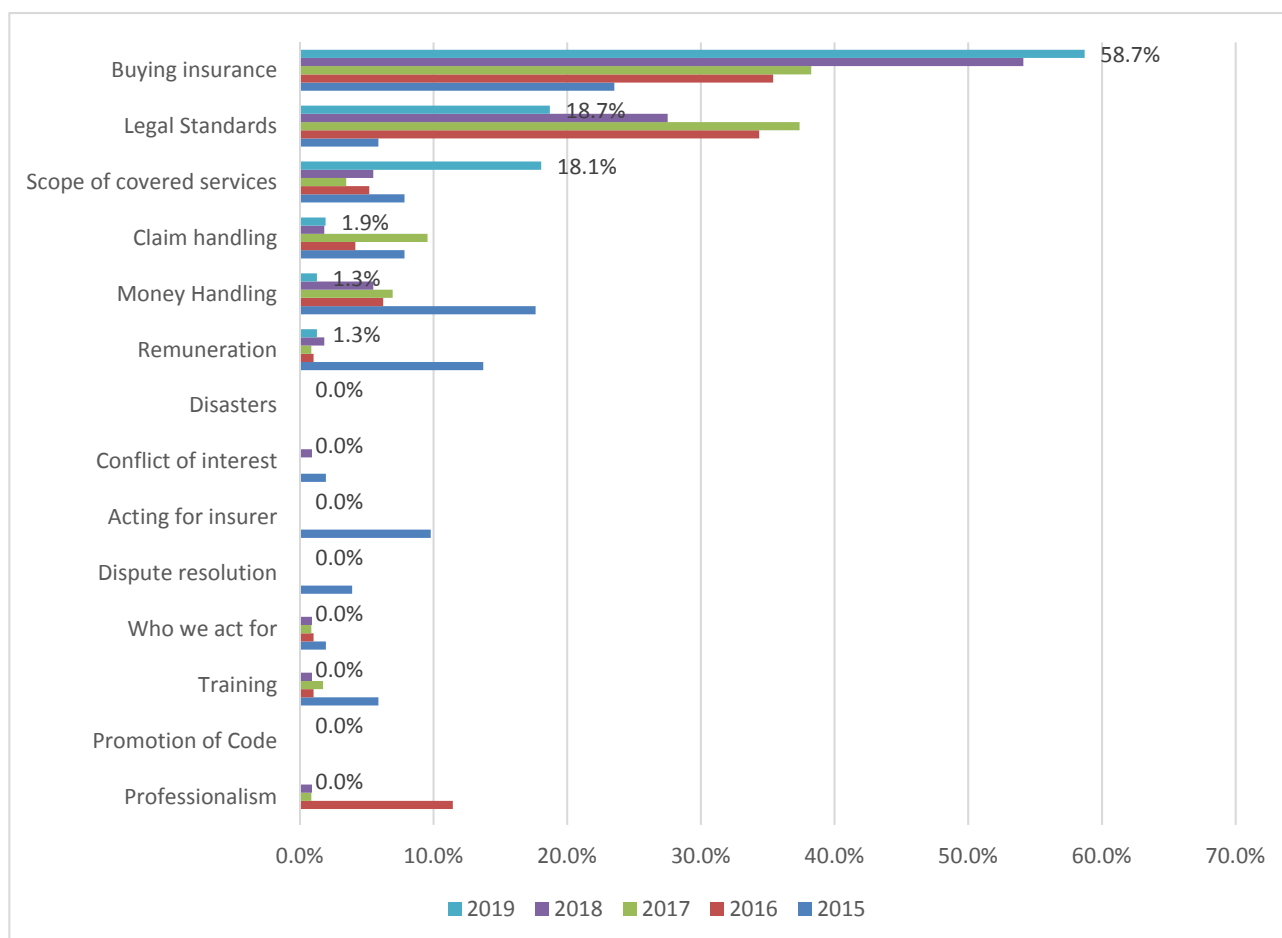


Data trend - Code subscribers in Category B

Table 9: Sector summary (Category B)

	2015	2016	2017	2018	2019	
	Cat B&C	Cat B&C	Cat B&C	Cat B&C	Cat B	Cat C
Number of Code subscribers	26	49	46	52	18	35
Number of branches (including head office)	n/a	n/a	n/a	240	76	170
Total of self-reported Code breaches	113	383	305	372	155	469
Mean of self-reported Code breaches	4.4	7.6	6.6	7.2	8.6	13.4
% of Code subscribers self-reporting Code breaches	50%	69%	50%	59%	64%	74%
Total of self-reported complaints	143	204	225	275	88	250
Mean of self-reported complaints	6.4	4.2	4.9	5.3	4.9	7.1
% of Code subscribers self-reporting complaints	83%	83%	91%	82%	86%	91%

Chart 4: Code breaches by Code subscribers in Category B since 2015

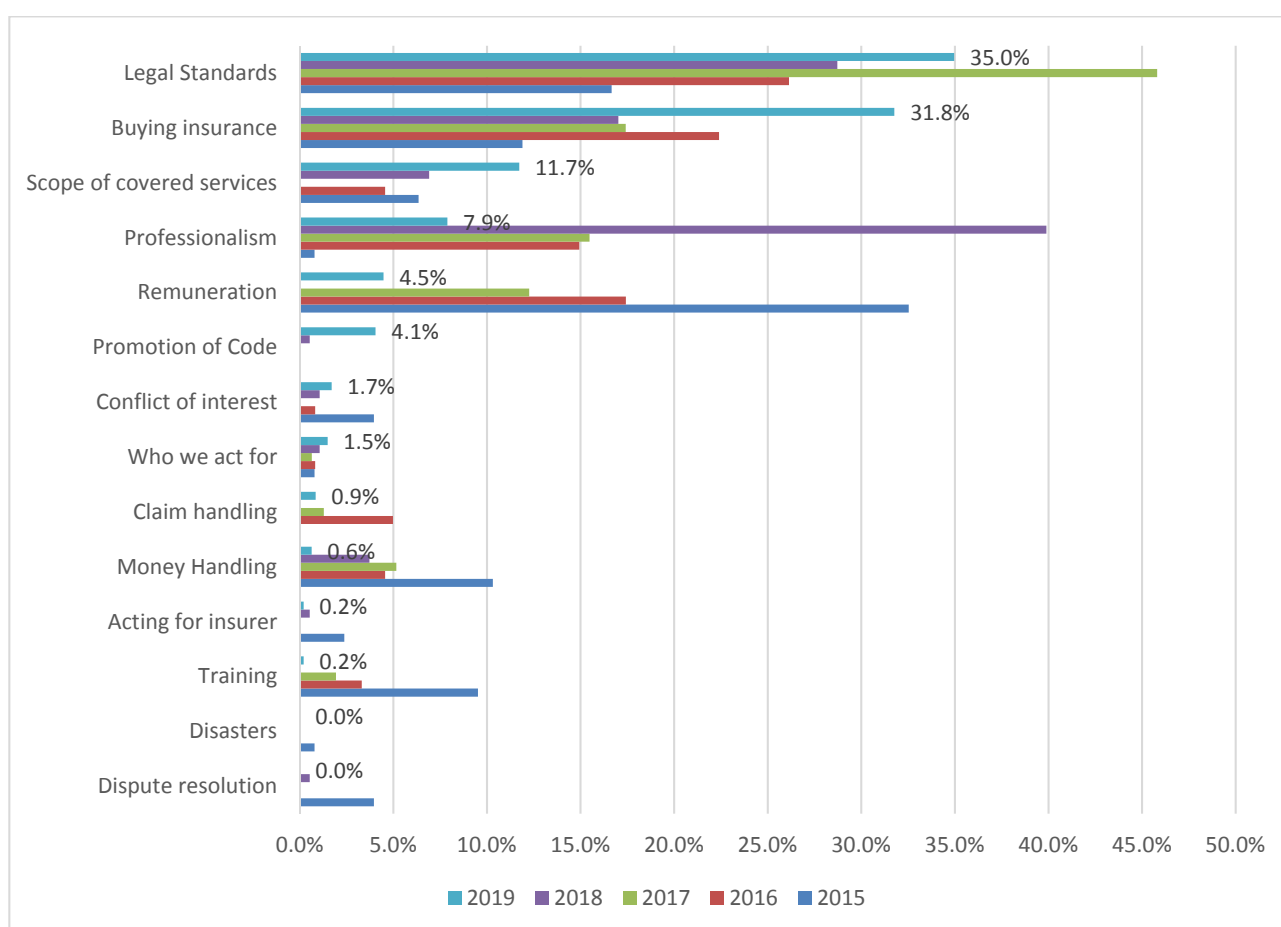


Data trend - Code subscribers in Category C

Table 10: Sector summary (Category C)

	2015	2016	2017	2018	2019	
	Cat B&C	Cat B&C	Cat B&C	Cat B&C	Cat B	Cat C
Number of Code subscribers	26	49	46	52	18	35
Number of branches (including head office)	n/a	n/a	n/a	240	76	170
Total of self-reported Code breaches	113	383	305	372	155	469
Mean of self-reported Code breaches	4.4	7.6	6.6	7.2	8.6	13.4
% of Code subscribers self-reporting Code breaches	50%	69%	50%	59%	64%	74%
Total of self-reported complaints	143	204	225	275	88	250
Mean of self-reported complaints	6.4	4.2	4.9	5.3	4.9	7.1
% of Code subscribers self-reporting complaints	83%	83%	91%	82%	86%	91%

Chart 5: Code breaches by Code subscribers in Category C since 2015

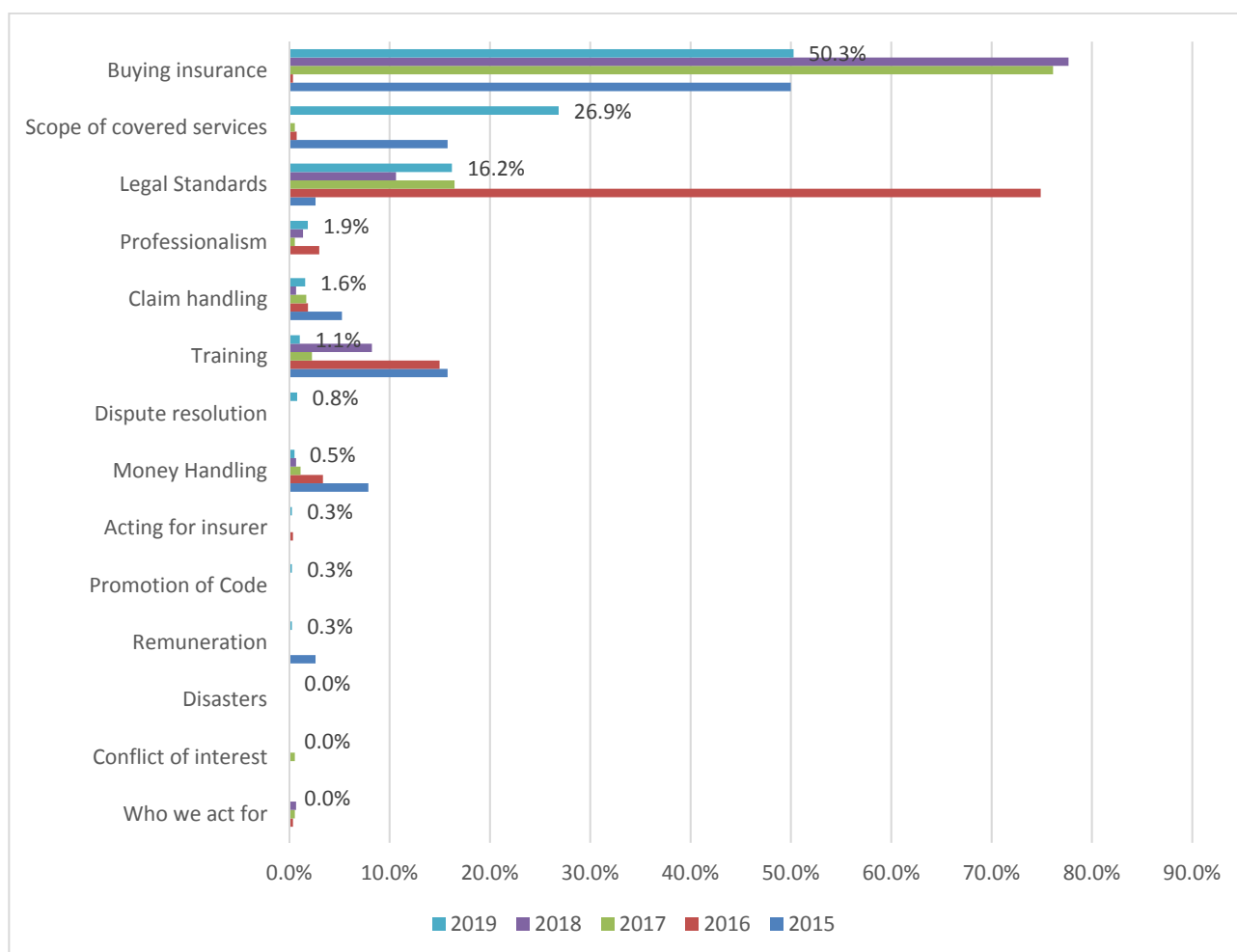


Data trend - Code subscribers in Category D

Table 11: Sector summary (Category D)

	2015	2016	2017	2018	2019
Number of Code subscribers	35	28	39	32	25
Number of branches (including head office)	n/a	n/a	n/a	117	55
Total of self-reported Code breaches	87	249	177	375	376
Mean of self-reported Code breaches	1.9	8.6	5.9	11.7	15.0
% of Code subscribers self-reporting Code breaches	37%	57%	53%	50%	60%
Total of self-reported IDR complaints	102	184	93	119	88
Mean of self-reported IDR complaints	3.2	6.6	3.1	3.7	3.5
% of Code subscribers self-reporting IDR complaints	80%	59%	63%	81%	64%

Chart 6: Code breaches by Code subscribers in Category D since 2015

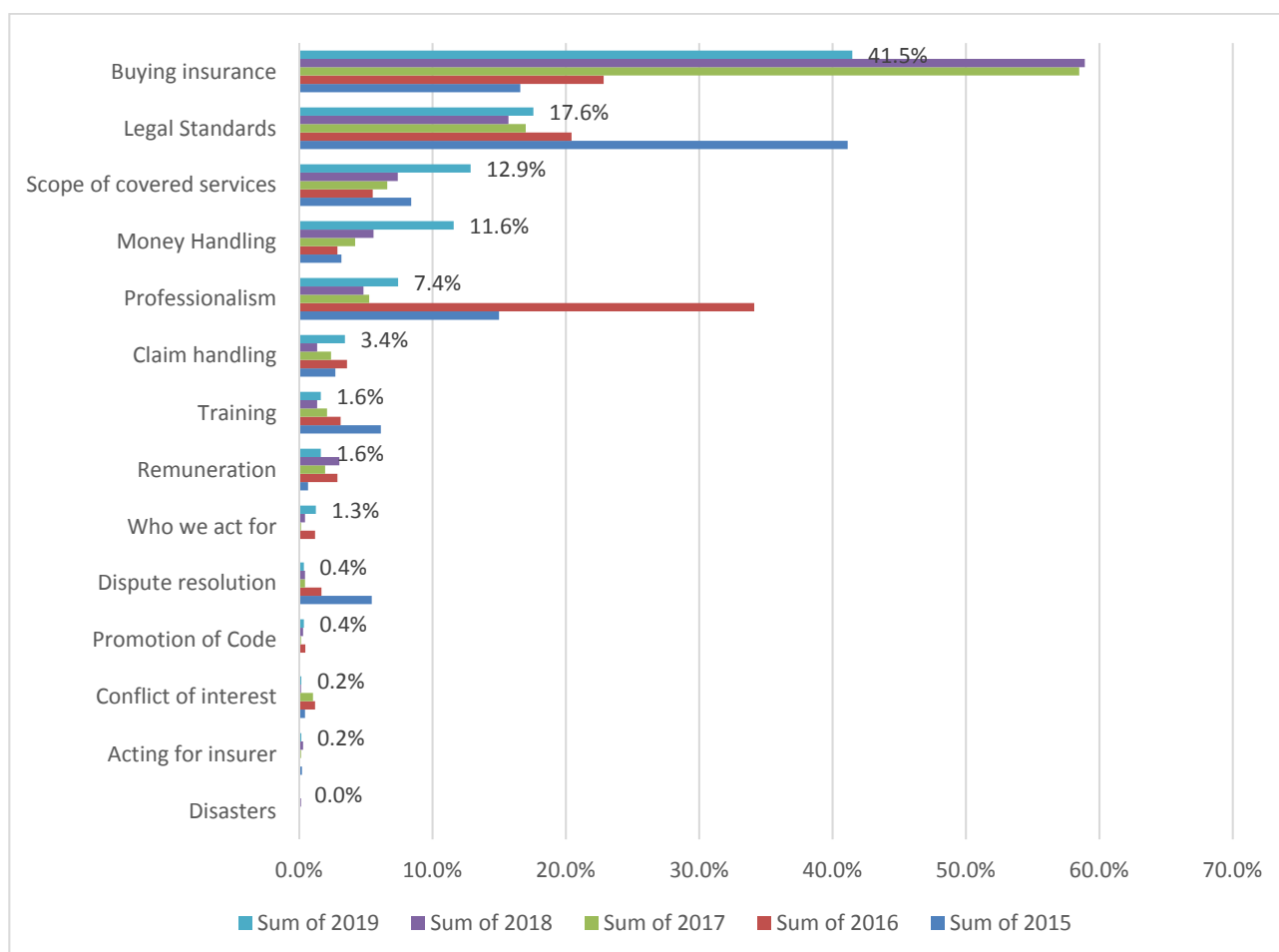


Data trend - Code subscribers in Category E

Table 12: Sector summary (Category E)

	2015	2016	2017	2018	2019
Number of Code subscribers	249	216	194	183	177
Number of branches (including head office)	n/a	n/a	n/a	260	215
Total of self-reported Code breaches	629	510	704	677	552
Mean of self-reported Code breaches	2.3	2.3	3.5	3.7	3.1
% of Code subscribers self-reporting Code breaches	28%	33%	33%	35%	41%
Total of self-reported IDR complaints	726	327	319	355	312
Mean of self-reported IDR complaints	2.2	1.5	1.6	1.9	1.7
% of Code subscribers self-reporting IDR complaints	39%	45%	44%	49%	47%

Chart 7: Code breaches by Code subscribers in Category E since 2015



Appendix G: Comparative data of self-reported Code breaches

Table 13: Self-reported Code breaches by Service Standard since 2015

Code Standards (St)	2015		2016		2017		2018		2019	
	In %	Total	In %	Total	In %	Total	In %	Total	In %	Total
General	37%	325	49%	712	28%	391	32%	580	28%	569
Legal standards, St1	29%	255	32%	466	23%	320	24%	431	23%	469
Professionalism St12	8%	70	17%	246	5%	71	8%	149	5%	100
Disclosure	17%	150	11%	160	9%	124	10%	184	17%	332
Conflict of interest, St2	2%	14	<1%	12	2%	24	<1%	8	<1%	10
Who we act for, St3	<1%	2	<1%	13	<1%	4	<1%	10	<1%	16
Scope of covered services, St4	8%	72	5%	69	4%	56	7%	135	13%	269
Remuneration, St6	7%	62	5%	66	3%	40	2%	31	2%	37
Provision of insurance broking service	28%	243	26%	369	54%	747	50%	913	46%	930
Buying insurance, St5	23%	202	22%	321	51%	708	49%	884	43%	869
Claims handling, St5	4%	31	3%	46	3%	37	1%	25	3%	58
Acting for insurer, St5	1%	9	<1%	2	<1%	2	<1%	3	<1%	3
Disasters, St9	<1%	1	0%	0	0%	0	<1%	1	0%	0
Other	18%	155	14%	203	8%	114	8%	144	9%	175
Money Handling, St7	6%	50	5%	74	5%	73	5%	99	7%	137
Training, St8	8%	70	8%	116	3%	35	2%	37	2%	31
Dispute resolution, St10	4%	33	<1%	10	<1%	5	<1%	5	<1%	4
Promotion of Code, St11	<1%	2	<1%	3	<1%	1	<1%	3	<1%	3
Total of self-reported breaches		873		1,444		1,376¹⁶		1,812¹⁷		2,006

¹⁶ Adjusted by 9,355 breaches under Service Standard 1 self-reported by one Code subscriber relating to late issue of renewal notices.

¹⁷ Adjusted by 3,592 breaches under Service Standard 1 self-reported by one Code subscriber relating to late issue of renewal notices.

Chart 8: Self-reported Code breaches by general categories since 2015

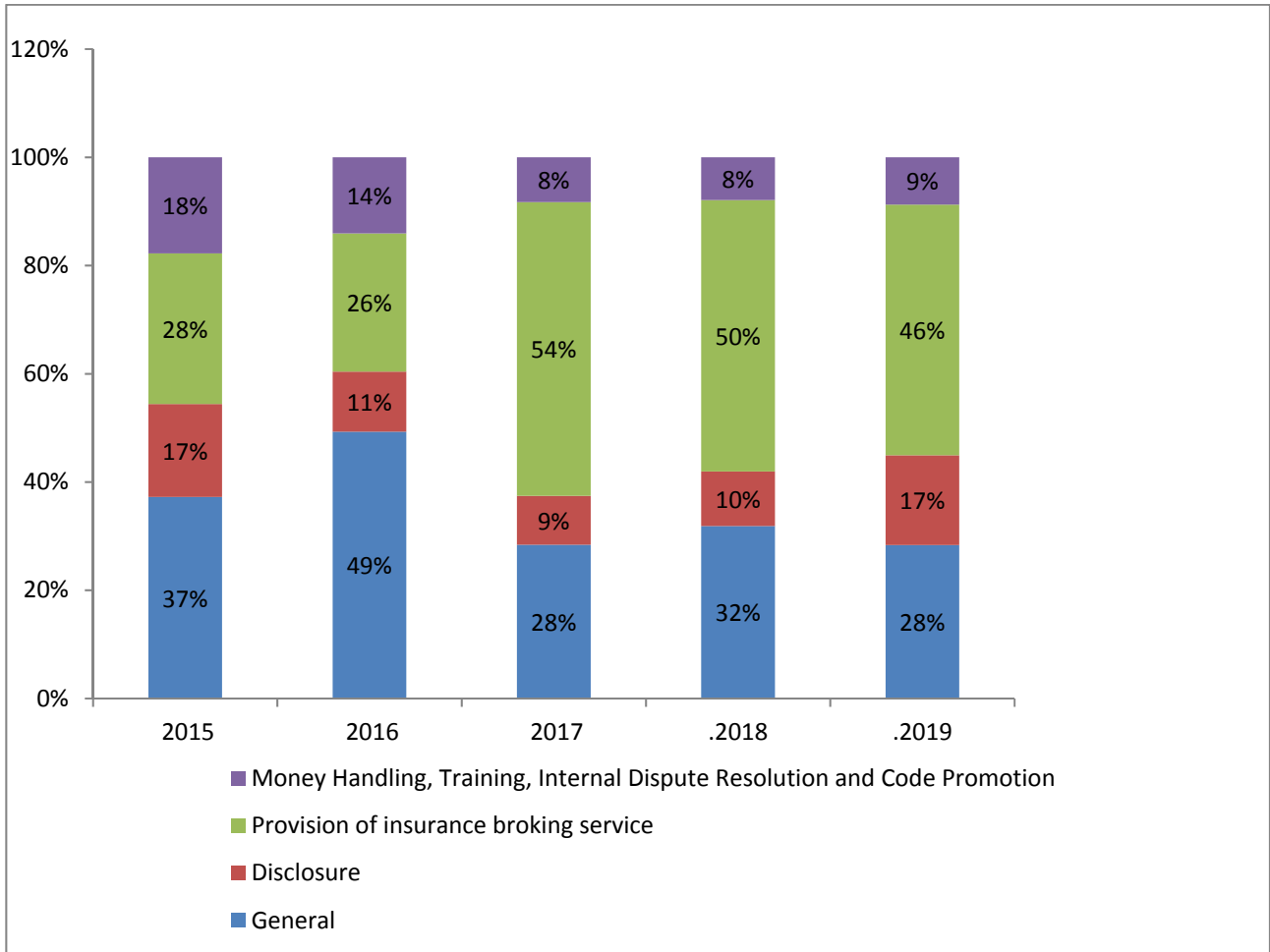


Table 14: Number of Code subscribers (in % of total Code subscribers) self-reporting Code breaches since 2015

Number of self-reported Code breaches	2015	2016	2017	2018	2019
Nil	68%	58%	59%	57%	49%
1 to 10	26%	32%	31%	30%	35%
11 to 20	4%	6%	4%	5%	7%
21 to 50	2%	3%	4%	5%	7%
51 to 100	0%	1%	1%	2%	1%
Over 100	<1%	<1%	<1%	1%	1%

Appendix H: Detailed data of self-recorded Code breaches in 2019

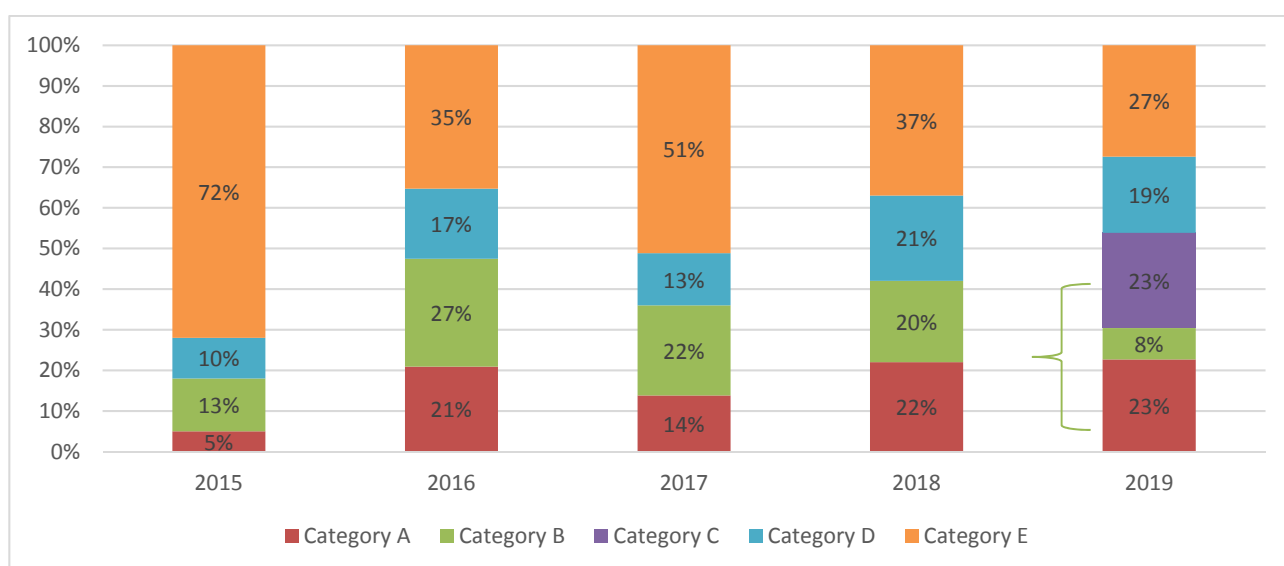
Table 15: Self-reported Code breach categories by size of Code subscriber in 2019

Code Standards (St)	Cat A	Cat B	Cat C	Cat D	Cat E	Total
General	133	29	201	68	138	569
Legal Standards, St1	118	29	164	61	97	469
Professionalism, St12	15	0	37	7	41	100
Disclosure	21	30	91	102	88	332
Conflict of interest, St2	1	0	8	0	1	10
Who we act for, St3	2	0	7	0	7	16
Scope of covered services, St4	14	28	55	101	71	269
Remuneration, St6	4	2	21	1	9	37
Provision of insurance broking service	237	94	154	196	249	930
Buying insurance, St5	211	91	149	189	229	869
Claims handling, St5	26	3	4	6	19	58
Acting for insurer, St5	0	0	1	1	1	3
Disasters, St9	0	0	0	0	0	0
Other	63	2	23	10	77	175
Money Handling, St7	47	2	21	3	64	137
Training, St8	15	0	1	6	9	31
Dispute resolution, St10	1	0	0	1	2	4
Promotion of Code, St11	0	0	1	0	2	3
Total	454	155	469	376	552	2,006

Table 16: Number of self-reported Code breaches by size of Code subscriber in 2019

Number of self-reported Code breaches	Cat A	Cat B	Cat C	Cat D	Cat E	TOTAL ¹⁸
Nil	3	5	9	10	104	131
1 to 10	7	5	15	8	60	95
11 to 20	3	2	7	2	6	20
21 to 50	5	1	2	3	7	18
51 to 100	1	1	1	0	0	3
Over 100	1	0	1	2	0	4

Chart 9: Self-reported Code breaches by size of Code subscriber since 2015



Note: Prior to 2019 categories B and C were a combined category (see [Table 2](#))

Table 17: Analysis of high volumes of self-reported Code breaches in 2019

Service Standard	Number of subscribers who self-reported breaches in this area	In % of total subscribers	Number of subscribers who self-reported high number of breaches
St1 Legal standards	63	24%	<ul style="list-style-type: none"> 9 subscribers self-reported over 10 Code breaches each 1 subscriber of Category C self-reported 122 (26%) Code breaches 1 subscriber of Category D self-reported 39 Code breaches and 1 Code subscriber of Category A self-reported 35 Code breaches (8% each)

¹⁸ Some Code subscribers report as one entity and include all their Australian Financial Service Licences in one report.

Service Standard	Number of subscribers who self-reported breaches in this area	In % of total subscribers	Number of subscribers who self-reported high number of breaches
			<ul style="list-style-type: none"> • 5 subscribers of Category A self-reported 98 (21%) Code breaches
St2 Conflict of interest	6	2%	<ul style="list-style-type: none"> • 1 subscriber of Category C self-reported 5 (50%) Code breaches
St3 Who we act for	5	2%	<ul style="list-style-type: none"> • 1 subscriber of Category C self-reported 7 (44%) Code breaches • 1 subscriber of Category E self-reported 5 (31%) Code breaches
St4 Scope of covered services	38	15%	<ul style="list-style-type: none"> • 4 subscribers self-reported 180 (67%) Code breaches • 1 subscriber of Category D self-reported 100 (37%) Code breaches
St5 Buying insurance	80	31%	<ul style="list-style-type: none"> • 20 subscribers self-reported over 10 Code breaches in this area, including 4 Code subscribers who each self-reported over 50 Code breaches • 1 subscriber of Category D self-reported 111 (13%) Code breaches
St5 Claims handling	23	9%	<ul style="list-style-type: none"> • 1 subscriber of Category A self-reported 15 (26%) Code breaches
St5 Acting for insurer	3	1%	<ul style="list-style-type: none"> • 3 subscribers of Category C, D and E self-reported 1 Code breach each
St6 Remuneration	12	5%	<ul style="list-style-type: none"> • 1 subscriber of Category C self-reported 13 (35%) of Code breaches
St7 Money handling	37	14%	<ul style="list-style-type: none"> • 1 subscriber of Category A self-reported 38 (28%) Code breaches • 3 subscribers of Category E self-reported about 10 breaches each, a total of 32 (23%) Code breaches was reported
St8 Training	18	7%	<ul style="list-style-type: none"> • 2 subscribers of Category A each self-reported 6 breaches each (total of 39%)
St9 Disasters	0	0%	-
St10 Dispute resolution	4	2%	-
St11 Promotion of Code	3	1%	-
St12 Professionalism	25	10%	<ul style="list-style-type: none"> • 1 subscriber of Category C self-reported 18 (18%) Code breaches • 1 subscriber of Category E self-reported 11 (11%) Code breaches

Appendix I: Root cause and impact of self-reported Code breaches in 2019

Table 18: Root causes of self-reported breaches by Code section in 2019

Note: numbers reflect incidents which in some cases would represent more than one breach. Not all Code subscribers provided conclusive information for each category.

Code Standards (St)	incorrect process and procedure	insufficient training	insufficient resources	manual error	system error	mail house error	process and procedure not followed	staff misconduct	other	information not provided
St1 Legal standards	8	7	1	81	6	2	41	1	13	16
St2 Conflict of interest	2	1	-	-	-	-	1	-	1	-
St3 Who we act for	-	1	-	2	-	-	-	-	-	-
St4 Scope of covered services	4	5	-	27	6	-	23	-	4	2
St5 Buying insurance	9	10	8	115	16	-	156	5	1	113
St5 Claims handling	1	1	-	3	1	-	24	1	11	4
St5 Acting for insurer	-	1	-	-	1	-	3	-	2	-
St6 Remuneration	-	2	-	10	1	-	2	-	44	-
St7 Money handling	3	3	-	19	4	1	13	2	2	7
St8 Training	-	2	-	7	1	-	7	-	6	7
St9 Disasters	-	-	-	-	-	-	-	-	2	-
St10 Dispute resolution	-	1	-	1	-	-	-	-	-	1
St11 Promotion of Code	1	-	-	1	-	-	4	-	1	-
St12 Professionalism	6	4	-	21	1	1	19	8	1	3
Grand Total	34	38	9	287	37	4	293	17	86	153

Table 19: Impact of self-reported breaches by Code section in 2019

Note: numbers are indicative, as not all Code subscribers provided conclusive information for each category.

<i>Code Standards (St)</i>	<i>Number of client(s) impacted</i>	<i>Financial impact</i>
St1 Legal standards	5,265	\$5,600
St2 Conflict of interest	9	\$0
St3 Who we act for	3	\$0
St4 Scope of covered services	388	\$5,085
St5 Buying insurance	3,166	\$574,974
St5 Claims handling	70	\$273,934
St5 Acting for insurer	626	\$0
St6 Remuneration	98	\$0
St7 Money handling	166	\$331,838
St8 Training	78	\$0
St9 Disasters	46	\$0
St10 Dispute resolution	1	\$998
St11 Promotion of Code	20	\$0
St12 Professionalism	319	\$27,863
Grand Total	10,255	\$1,220,292

Appendix J: Examples of Code breaches in 2019

The following examples of Code breaches reflect de-identified matters self-reported by Code subscribers and what rectification actions were taken.

St1 Legal Standards

- Internal audits revealed that invoices to 117 customers had not included an Emergency Services Levy notice or a price comparison table. The invoices were corrected and re-sent with an explanation. Monthly audits became daily, while ongoing education is being provided in monthly sales and assistance meetings.
- A system error in a broker's online application site saw many of the fields pre-populated with real client data when the 'Buy Policy' button was clicked. A prospective client discovered the issue while using the system. Caused by human error, the issue affected 693 clients before the error was corrected.
- A compliance review found that although a Privacy Collection Statement was bundled into information for new clients, it was not supplied for 10 policy renewals, even though new information could have been collected at that point. The statement has been inserted into coverage summaries for new and renewed policies and its provision integrated into the broking process.

St2 Conflict of interest

- A branch review by a Risk and Assurance team discovered that a broker had processed personal insurance policies, unaware that this breached Conflict of Interest (COI) obligations. The branch manager reinforced COI requirements with all staff and now ensures that new staff are aware of obligations regarding the processing of their own policies or policies for staff members.
- An insurer alleged that a broker appointed to deal with it had an undisclosed conflict of interest due to share ownership, with the broker having potential access to information about the insurer's defence strategy and indemnity position. After consulting the insurer, the broking firm appointed a different broker and the client's electronic file was locked, with access restricted to management and the new broker.

St3 Who we act for

- A branch review found that a broker had failed to ensure clients understood that when there is a binder agreement in place, the broker would act for the insurer rather than the client. The manager reminded all brokers of the importance of disclosing to their clients when they do not act for them; this will be reinforced in ongoing training.
- A compliance audit of policies issued under binder agreements found that in eight cases, a processor had updated the coverage summary of endorsement invoices using a template created elsewhere that did not contain the binder clause. The person was shown the correct procedure and the 'template' removed from the system. Random audits of disclosure notices are now conducted each month.

St4 Scope of covered services

- Internal and compliance reviews found that over nine years, 97 clients had not received a General Advice Warning (GAW) disclosing that advice was general rather than personal, and that the client needed to read the Product Disclosure Statement to decide if the product suited them. GAWs were sent to the 51 holders of current policies and processes implemented to ensure correct disclosure documents are issued in future.
- A temporary staff member failed to include a Product Disclosure Statement in two policy renewals. Remedial actions included adding the required process to the staff training manual.
- Monthly audits of cover notices found that a GAW had been provided instead of a Statement of Advice (SOA) containing commission information and details about cover. Staff were reminded that all retail business requires an SOA and that, if cover was sought urgently, staff could always go back and complete the SOA later that day or the next.

St5 Buying insurance

- A policy renewal was not sent within the 14-day timeframe because the broker was ill for four days. The firm is now building a buffer into its timelines by putting renewals out in advance of 14 days.
- Two account managers failed to send renewal and endorsement invoices to clients. The managers are receiving ongoing training in the process, and in being more confident about client communication.
- At renewal time, a broker placed a client's policy with a different insurer. When the client later queried the scope of Liability cover, the broker realised the new product did not include all the treatment risks previously in place. The broker informed management, the policy was cancelled and a new one issued with the original insurer. Additional training was provided to all brokers on the new product.
- When a client's claim was denied due to a flood exclusion, a client complained that the broker who sold them the product had failed to identify their objectives, not sought the correct information and not provided appropriate advice or reasonably explained the terms of the insurance. The matter was settled. A branch-wide review of flood cover followed, with training provided across branches about uninsured cover and the importance of advising clients correctly. Errors and Omission exposure training has been implemented.

St5 Claims handling

- A client complained that claims had been mis-handled and requests for feedback ignored. It was found that the assistant account manager handling the claim did not have sufficient claims-handling expertise and, rather than escalate the matter, had ignored client correspondence. Compensation was offered, and the claims were progressed and settled. This scenario is to be included in the firm's next training workshop.
- A client complaint about a motor vehicle claim showed that a staff member had overlooked the claim, having failed to use a claims diary follow-up system. The client had received no updates and it became a legal matter, with the client receiving an adverse credit rating. An email to the claims team reiterated the need to reply in a timely manner, to use the diary and to save correspondence on the archiving system. It was also raised at a team-meeting

level, while use of the claims diary and timely follow-up is being monitored by the claims manager.

St5 Acting for insurer

- Internal reporting revealed that during a period of transition, five policies had been set up incorrectly, resulting in premiums being paid to the wrong insurer. The broking firm has introduced better training and more cross-checks.
- The policy limit on a certificate template for policies bound via an online portal was incorrect, affecting automated certificates issued to 600 clients. The error was detected by a client and corrected.

St6 Remuneration

- Although information regarding retention of commission on cancelled policies was in the Financial Services Guide, an external compliance audit suggested that the information be included with every invoice. The notice is now system-raised with invoices.
- A branch review by a Risk and Assurance team found that in at least 56 cases, fees and commissions had not been disclosed until after policy inception. A training gap was identified, and the manager now trains and reminds brokers of the requirements. Branch processes and procedures were amended, discussions in meetings have been ongoing and notices have been pinned up to remind staff.
- A branch file audit by a Risk and Compliance team identified a trending issue of commission not being disclosed to clients upon renewal. Brokers proved unaware of the requirement to disclose fees and commissions in retail transactions. This process now forms part of the Client Service Framework and the knowledge gap led to a workshop held across corporate/specialty areas. Documents have been workshopped and new templates created.

St7 Money handling

- A compliance manager approving payments discovered that in one calendar year, 29 refunds to 25 clients had been missed. Many were overlooked due to a combination of there being no procedure in place, insufficient training and a handover of roles and responsibilities during this time. The firm has expanded its training and is formalising and fine-tuning its refund process to prevent future occurrence.

St8 Training

- An external compliance audit found that staff training registers, which staff completed themselves, were not always up to date or were maintained in different folders. The training register system was revised, with audits becoming ongoing rather than annual. Staff training will be monitored.
- An Internal Audit revealed that an Authorised Representative (AR) was acting outside the Delegation of Authority level, selling Management Liability products they were not accredited for. Accreditations for specific products were discussed with the AR, who is to provide the relevant documentation to the Account Manager for a post-implementation review. Actions will be followed up and files revised to check the correct processes are occurring.

St9 Disasters

- There were settlement delays for 100 clients claiming property damage after a natural disaster due to the large number of claims submitted for this event – around 300 in total. Claims procedure and commercial procedures have been updated in response and are subject to ongoing monitoring.

ST10 Dispute resolution

- An online search for an institution's name and the word "Complaints" brought up an expired document that was erroneous and non-compliant. IT and Marketing were consulted and have confirmed the page has been removed and is now inaccessible to any online search engine.
- The Australian Financial Complaints Authority reference was not included on the company website. It was judged an oversight and rectified a month after it was detected.

St11 Promotion of Code

- An old version of the Insurance Brokers Code of Practice was on the company website, which also provided no link to the Australian Financial Complaints Authority. These have been remedied.

St12 Professionalism

- A staff member identified potential fraud committed by a broker who was absent on leave. The firm informed ASIC and the insurer. An investigation by the insurer led to a settlement with the client and the broker was sacked. The remaining brokers were reminded that claims must be handled by the claims team.
- A staff member contacted by a client after an email campaign passed off the client without trying to understand the situation – failing to follow instructions issued before the call. A complaints manager provided the requested assistance and the staff member was spoken to.

Appendix K: Comparative data of self-reported complaints

Table 20: Self-reported complaints since 2015

	Category	2015		2016		2017		2018		2019	
Products involved in complaint	Home Building	88	9%	143	14%	171	16%	147	14%	100	8%
	Home Contents	41	4%	47	5%	34	3%	35	3%	54	4%
	Personal Motor Vehicle	205	20%	157	15%	102	10%	91	9%	121	9%
	Commercial Motor Vehicle	84	8%	69	7%	105	10%	102	10%	117	9%
	Personal and Domestic Property	81	8%	19	2%	41	4%	22	2%	26	2%
	Strata Title	39	4%	44	4%	50	5%	57	5%	90	7%
	Sickness and Accident	24	2%	38	4%	28	3%	29	3%	26	2%
	Travel	13	1%	6	1%	9	1%	10	1%	9	1%
	Extended Warranty	2	<1%	2	<1%	1	<1%	1	<1%	1	<1%
	Professional Indemnity	42	4%	27	3%	47	4%	36	3%	56	4%
	Small Business	167	16%	212	21%	205	20%	222	21%	307	24%
	Farm	36	4%	23	2%	26	2%	25	2%	23	2%
	Life	2	<1%	2	<1%	4	<1%	2	<1%	0	0%
	Income Protection	6	1%	2	<1%	1	<1%	31	3%	16	1%
	Add-on insurance products ¹⁹	1	<1%	1	<1%	6	1%	26	2%	13	1%
Other ²⁰	192	19%	234	23%	217	21%	213	20%	333	26%	
	Advice	57	6%	105	10%	75	7%	61	6%	115	9%
	Charges	71	7%	95	9%	56	5%	72	7%	91	7%

¹⁹ New category introduced in the 2018 ACS, previously shown as 'Consumer Credit' only.

²⁰ 'Other' represents the number of complaints that were identified by the Code subscriber in the total number of complaints, but not specified further.

	Category	2015		2016		2017		2018		2019	
Issues involved in complaint	Disclosure	31	3%	45	4%	24	2%	17	2%	31	2%
	Financial Difficulty	9	1%	11	1%	9	1%	11	1%	8	1%
	Insurance Broker's Decision	51	5%	68	7%	43	4%	41	4%	19	1%
	Instructions	57	6%	82	8%	65	6%	64	6%	93	7%
	Privacy & confidentiality	11	1%	35	3%	12	1%	10	1%	34	3%
	Service - general	317	31%	154	15%	271	26%	241	23%	227	17%
	Service - claims ²¹	n/a	n/a	n/a	n/a	340	32%	383	37%	463	36%
	Transactions	42	4%	51	5%	34	3%	56	5%	59	4%
	Premium Funding ²²	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	30	2%
	General feedback or improvement suggestion ²³	n/a	n/a	n/a	n/a	28	3%	25	2%	35	3%
	Other	377	37%	380	37%	90	9%	68	6%	87	7%
Outcome of complaint	In favour of insurance broker	196	19%	164	16%	90	9%	159	15%	145	11%
	In favour of client	199	19%	212	21%	185	18%	190	18%	344	27%
	Mutual agreement	262	26%	243	24%	240	23%	198	19%	215	17%
	Referred to EDR	51	5%	35	3%	36	3%	58	6%	78	6%
	Withdrawn	49	5%	43	4%	68	6%	74	7%	94	7%
	Client taken legal action	7	1%	9	1%	4	<1%	4	<1%	11	1%
	General feedback	252	25%	210	20%	272	26%	263	25%	232	18%

²¹ New category introduced in the 2017 ACS.

²² New category introduced in the 2019 ACS.

²³ Prior to 2017 ACS included in 'Service – general' category.

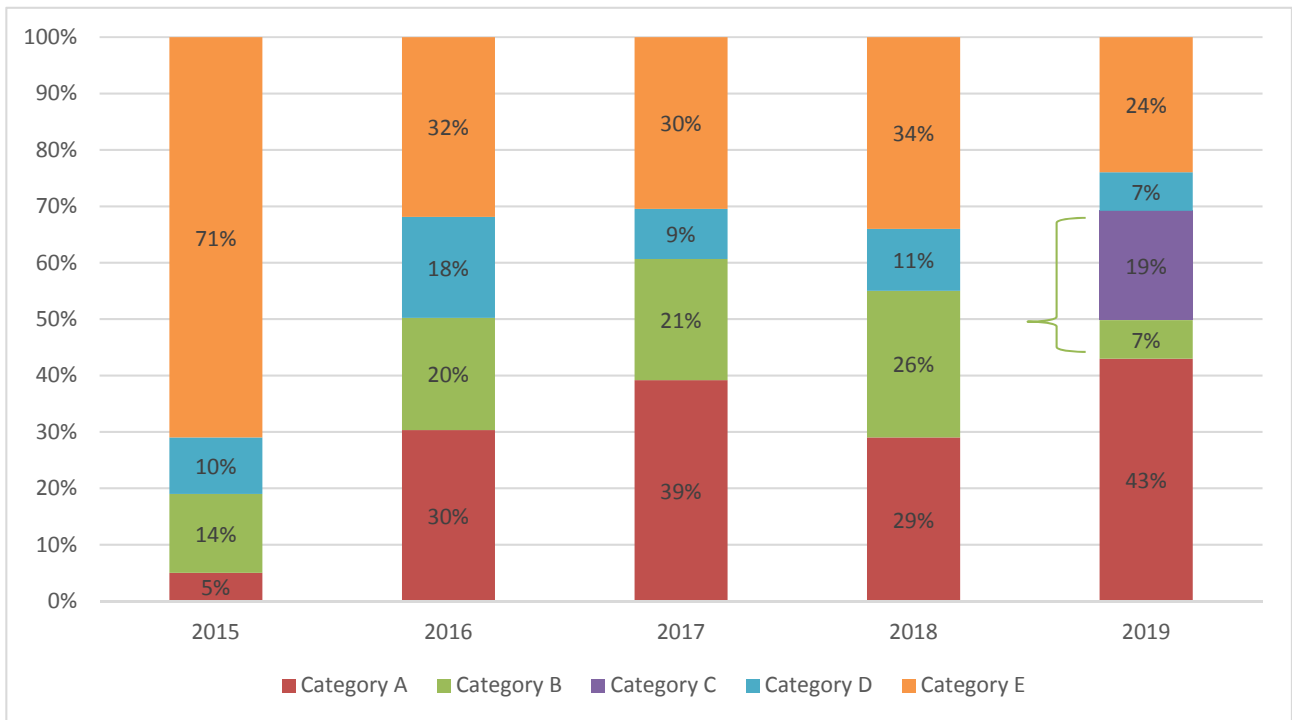
	Category	2015		2016		2017		2018		2019	
	Outstanding	0	0%	44	4%	55	5%	64	6%	96	7%
	Other	7	1%	66	6%	97	9%	39	4%	77	6%
Timeframe	Within 21 days	808	79%	809	78%	637	61%	659	63%	759	59%
	Within 45 days	144	14%	89	9%	134	13%	154	15%	185	14%
	Beyond 45 days	64	6%	78	8%	173	17%	124	12%	175	14%
	Unresolved as at 30 June 2020	0	0%	43	4%	71	7%	85	8%	112	9%
	Other	7	1%	7	1%	32	3%	27	3%	61	5%
Total number of self-reported complaints²⁴		1,023		1,026		1,047		1,049		1,292	
<i>Total number of self-reported IDR complaints involving breaches of the Code</i>		133	13%	192	19%	271	26%	271	26%	333	26%

Table 21: Number of Code subscribers (in % of total Code subscribers) self-reporting complaints since 2015

Number of self-reported complaints	2015	2016	2017	2018	2019
Nil	48%	46%	43%	39%	40%
1 to 10	44%	46%	48%	51%	47%
11 to 20	6%	6%	7%	7%	7%
21 to 50	2%	1%	1%	2%	3%
51 to 100	0%	<1%	1%	1%	1%
Over 100	<1%	0%	0%	0%	<1%

²⁴ See [Appendix L](#) for details of data collection per size of Code subscriber.

Chart 10: Self-reported complaints by size of Code subscriber since 2015



Note: Prior to 2019 categories B and C were a combined category (see [Table 2](#))

Chart 11: Percentage of self-reported complaints by service/product since 2015

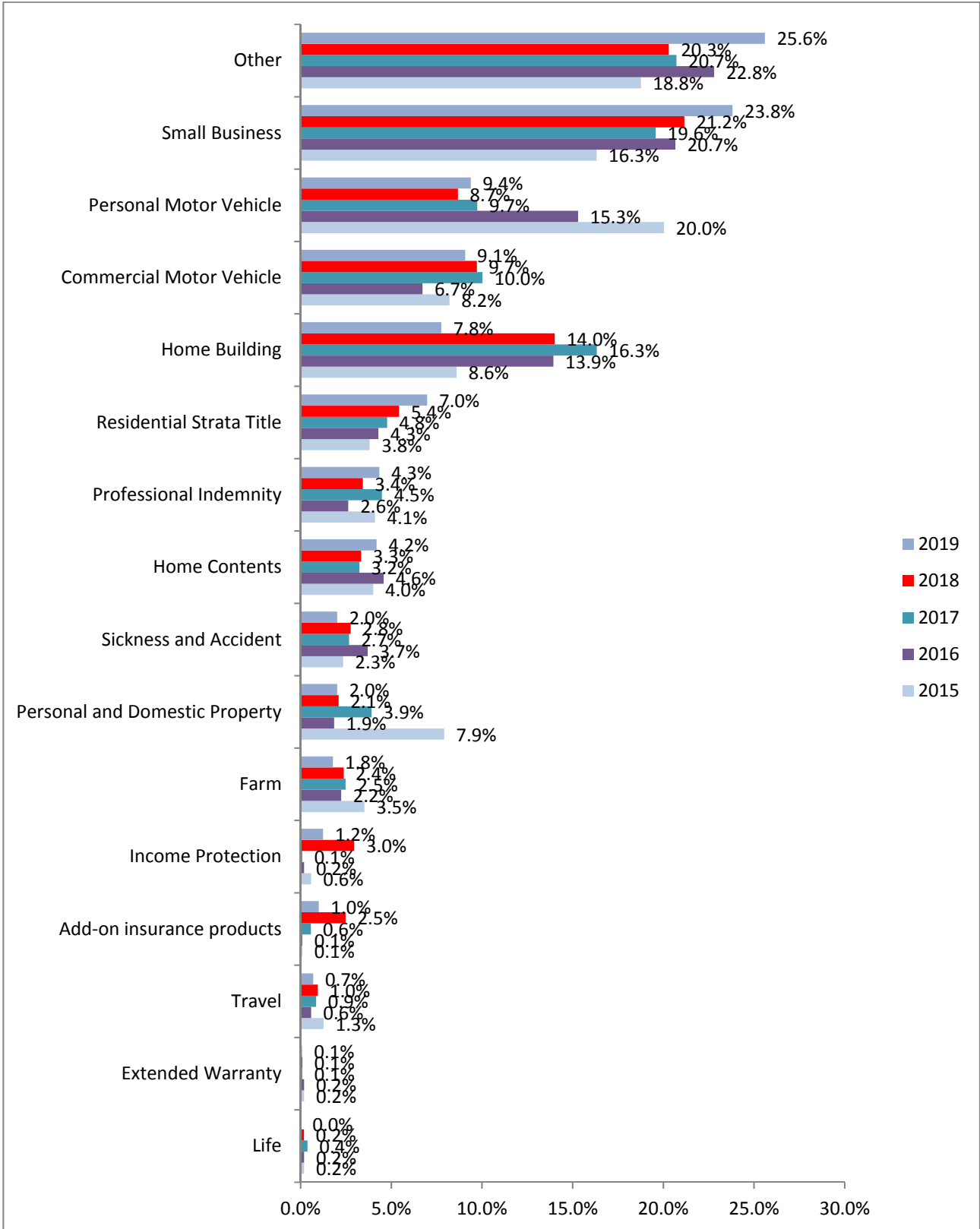


Chart 12: Percentage of self-reported complaints by issue since 2015

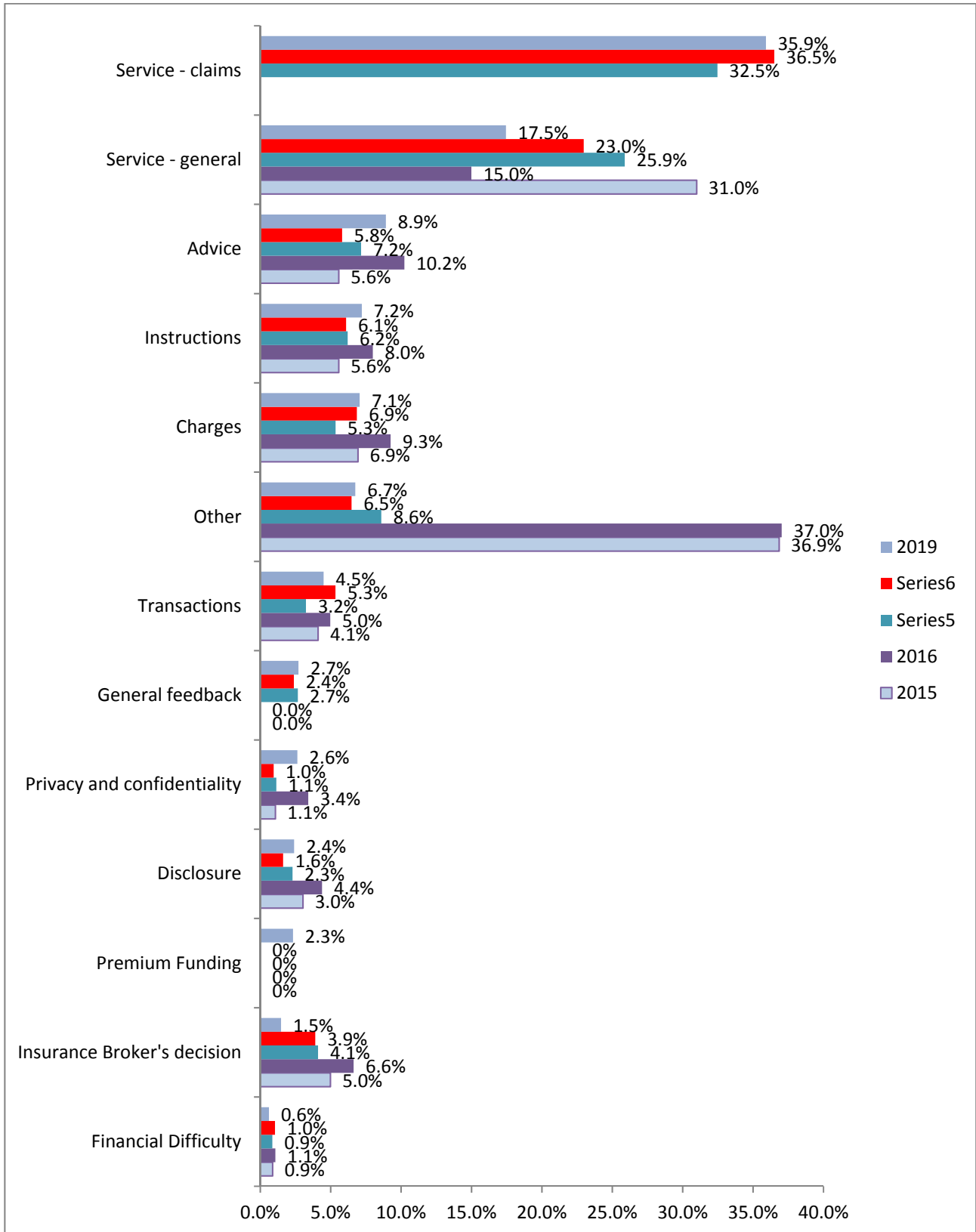


Table 22: Definitions for issues

<p>Advice - failure to act in client's best interest, failure to prioritise client's interests, failure to provide advice, inappropriate advice, incorrect advice</p>
<p>Brokerage fees/policy charges - deductible or excess, incorrect commissions, incorrect fees/costs, incorrect interest added, incorrect premiums, no claim bonus</p>
<p>Disclosure - deductible or excess, incorrect commissions, incorrect fees/costs, incorrect interest added, incorrect premiums, no claim bonus</p>
<p>Financial difficulty - decline of financial difficulty request, default notice, failure to respond to request for assistance, request to suspend enforcement proceedings</p>
<p>Insurance Brokers' decision - product terms/features/service cancellation of policy, cancellation of refund, denial of application, denial of variation request, interpretation of policy terms and conditions, liability disputed</p>
<p>Instructions - delay, failure to follow instructions/agreement, incorrectly processed instructions</p>
<p>Premium Funding - failure to provide appropriate documentation/advice, credit reporting, error in debt collection, inappropriate debt collection action, maladministration in loan management</p>
<p>Privacy and confidentiality - consumer credit reporting, failure/refusal to provide access, other privacy breaches, unauthorised information disclosed</p>
<p>Service general - delay in complaint handling, failure to provide special needs assistance, inappropriate portfolio liquidation, incorrect financial information provided, loss of documents/personal property, management of complainant's details, service quality, technical problems</p>
<p>Service claims - delay in claim handling, claim amount, denial of claim (e.g. non-disclosure, exclusion/condition, fraud, no policy or contract, no proof of loss)</p>
<p>Transaction - dishonoured transactions, incorrect payment, mistaken Internet payment, unauthorised transactions</p>
<p>General feedback - general feedback provided by client, improvement suggestion, expression of opinion</p>
<p>Other - general feedback provided by client, improvement suggestion, expression of opinion</p>

Chart 13: Percentage of self-reported complaints by outcome since 2015

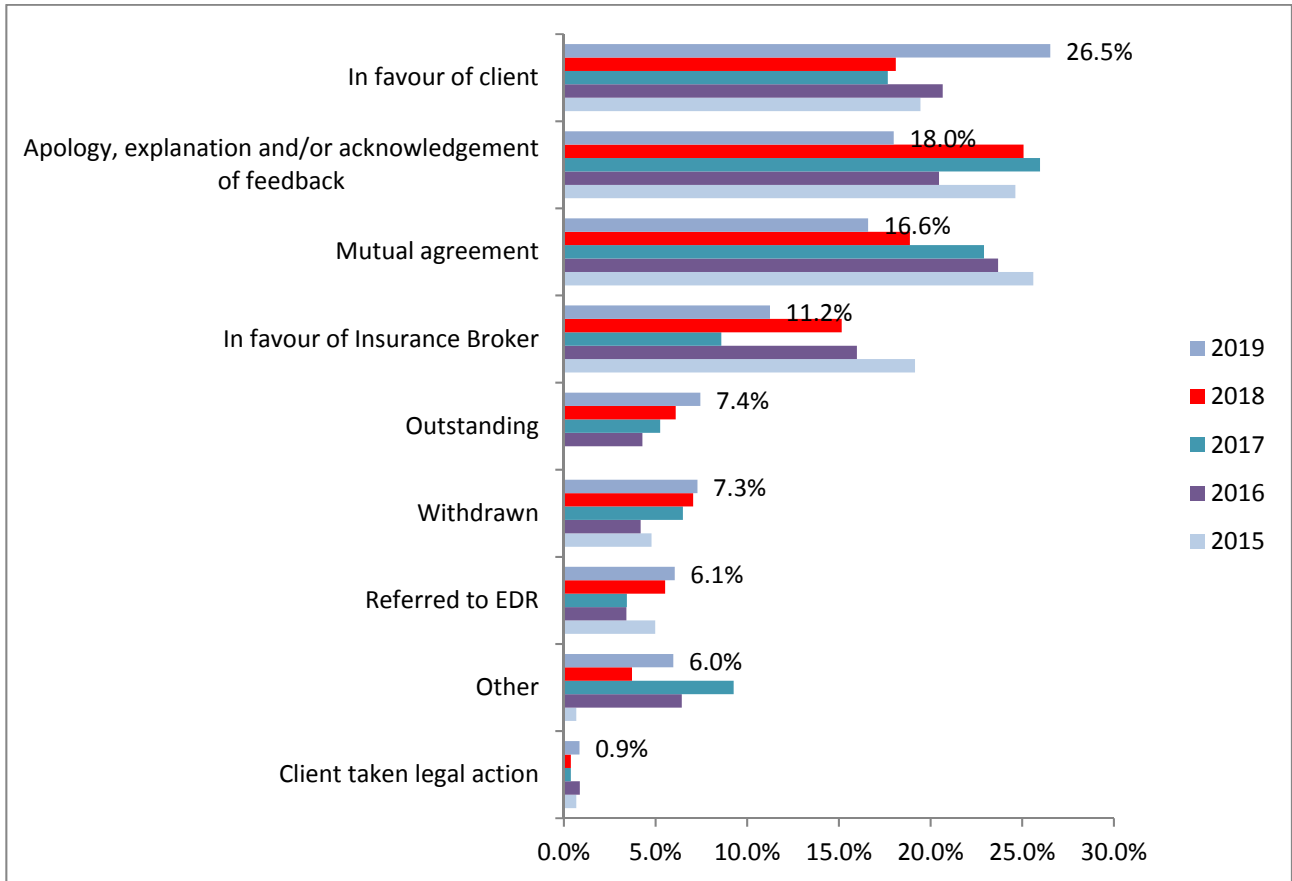
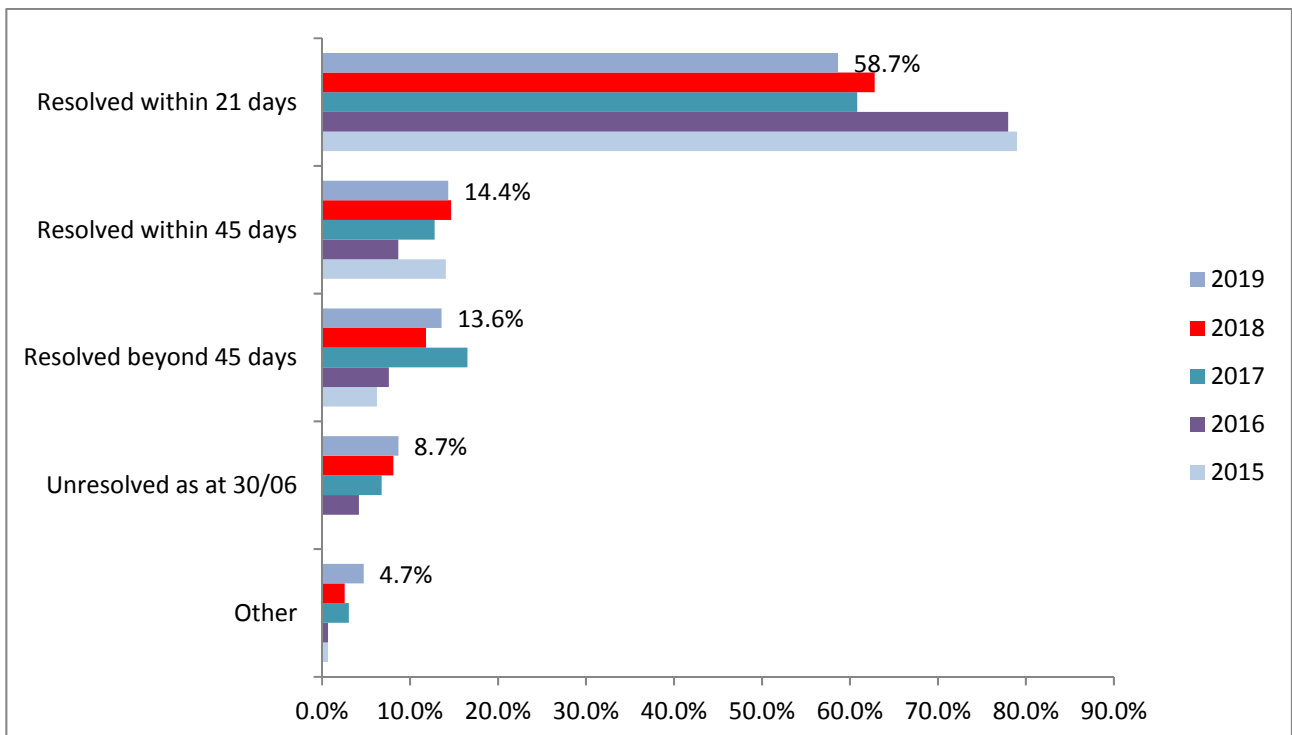


Chart 14: Percentage of self-reported complaints by resolution time since 2015



Appendix L: Detailed data of self-reported complaints in 2019

Table 23: Self-reported complaints categories by size of Code subscriber in 2019

	Cat A	Cat B	Cat C	Cat D	Cat E	Total
Product						
Home Building	26	9	21	7	37	100
Home Contents	18	2	13	3	18	54
Personal Motor Vehicle	43	6	27	2	43	121
Commercial Motor Vehicle	34	6	45	12	20	117
Personal and Domestic Property	6	1	13	4	2	26
Strata Title	57	9	13	2	9	90
Sickness and Accident	12	4	3	0	7	26
Travel	2	1	1	2	3	9
Extended Warranty	1	0	0	0	0	1
Professional Indemnity	40	0	8	1	7	56
Small Business	108	22	58	25	94	307
Farm	7	1	6	0	9	23
Life	0	0	0	0	0	0
Income Protection	3	0	13	0	0	16
Add-on insurance products	11	0	1	1	0	13
Other	186	27	28	29	63	333
Issue						
Advice	67	8	20	11	9	115
Charges	37	4	15	3	32	91
Disclosure	26	1	2	1	1	31
Financial Difficulty	0	0	2	1	5	8
Insurance Broker's Decision	9	1	3	2	4	19
Instructions	45	12	16	4	16	93
Privacy & confidentiality	15	2	11	2	4	34
Service – general	74	13	64	14	62	227

	<i>Cat A</i>	<i>Cat B</i>	<i>Cat C</i>	<i>Cat D</i>	<i>Cat E</i>	<i>Total</i>
Service – claims	221	31	75	30	106	463
Transactions	29	6	3	4	17	59
Premium Funding	8	5	6	3	8	30
General feedback	10	1	13	4	7	35
Other	13	4	20	9	41	87
Outcome						
In favour of insurance broker	81	5	22	6	31	145
In favour of client	145	23	75	17	84	344
Mutual agreement	78	8	40	11	78	215
Referred to EDR	41	16	10	5	6	78
Withdrawn	44	15	15	7	13	94
Client taken legal action	9	0	0	0	2	11
Apology, explanation	65	12	76	20	59	232
Outstanding	65	6	6	2	17	96
Other	26	3	6	20	22	77
Timeframe						
Resolved within 21 days	237	49	190	68	215	759
Resolved within 45 days	105	14	18	10	38	185
Resolved beyond 45 days	107	8	18	8	34	175
Unresolved as at June	77	8	9	1	17	112
Other	28	9	15	1	8	61

Table 24: Number of self-reported complaints by size of Code subscriber in 2019

Number of self-reported complaints	Cat A	Cat B	Cat C	Cat D	Cat E	Total
Nil	2	2	3	9	92	108
1 to 10	5	9	23	12	81	130
11 to 20	5	2	6	4	3	20
21 to 50	4	1	3	0	1	9
51 to 100	3	0	0	0	0	3
Over 100	1	0	0	0	0	1

Table 25: Analysis of high volumes of self-reported complaints in 2019

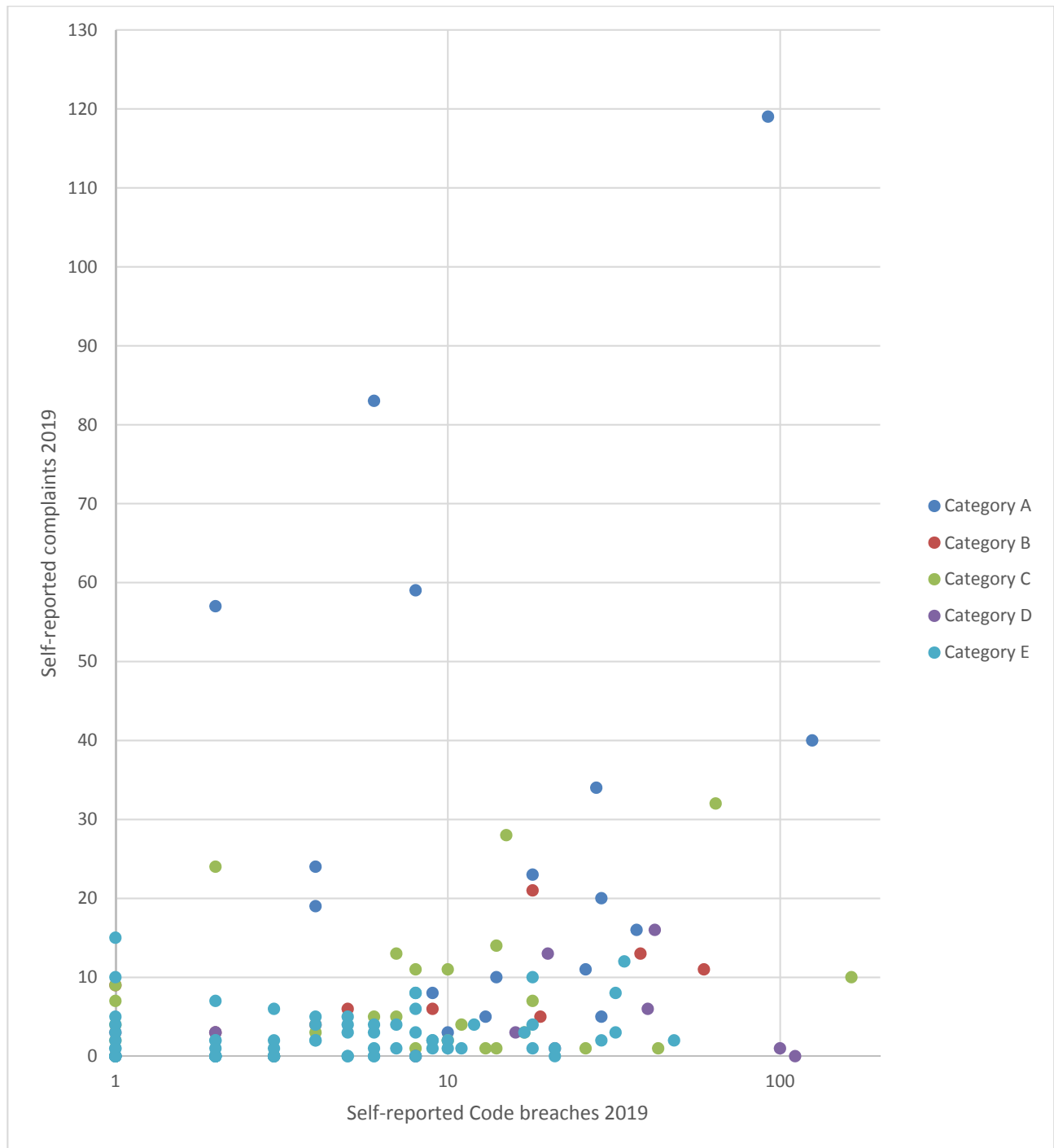
Complaints category	Number of subscribers who self-reported complaints in this area	In % of total subscribers	Number of subscribers who self-reported high number of complaints
Product			
Home Building	49	19%	<ul style="list-style-type: none"> 1 subscriber of Category E self-reported 11 (11%) complaints
Home Contents	26	10%	<ul style="list-style-type: none"> 2 subscribers of Category A each self-reported 13% complaints
Personal Motor Vehicle	51	20%	<ul style="list-style-type: none"> 1 subscriber of Category A self-reported 18 (15%) complaints
Commercial Motor Vehicle	47	18%	<ul style="list-style-type: none"> 6 subscribers self-reported 47 (40%) complaints
Personal and Domestic Property	14	5%	<ul style="list-style-type: none"> 1 subscriber of Category C self-reported 7 (27%) complaints
Strata Title	32	12%	<ul style="list-style-type: none"> 2 subscribers of Category A each self-reported 17 (20%) complaints
Sickness and Accident	14	5%	<ul style="list-style-type: none"> 1 subscriber of Category A self-reported 8 (31%) complaints
Travel	8	3%	<ul style="list-style-type: none"> Isolated incidents
Extended Warranty	1	>1%	<ul style="list-style-type: none"> Isolated incident
Professional Indemnity	23	9%	<ul style="list-style-type: none"> 1 subscriber of Category A self-reported 12 (21%) complaints
Small Business	85	33%	<ul style="list-style-type: none"> 4 subscribers each self-reported over 10 complaints, representing 72 (23%) complaints 1 subscriber of Category A self-reported 30 (10%) complaints
Farm	18	7%	<ul style="list-style-type: none"> Isolated incidents
Life	0	0%	<ul style="list-style-type: none"> nil
Income Protection	4	2%	<ul style="list-style-type: none"> 1 subscriber of Category C self-reported 13 (81%) complaints

Complaints category	Number of subscribers who self-reported complaints in this area	In % of total subscribers	Number of subscribers who self-reported high number of complaints
Add-on insurance products	5	2%	<ul style="list-style-type: none"> • 1 subscriber of Category A self-reported 7 (54%) complaints
Other	76	29%	<ul style="list-style-type: none"> • 5 subscribers each self-reported over 10 complaints, representing 161 (48%) complaints • 1 subscriber of Category A self-reported 72 (22%) complaints
Issue			
Advice	39	15%	<ul style="list-style-type: none"> • 1 subscriber of Category A self-reported 37 (32%) complaints
Charges	45	17%	<ul style="list-style-type: none"> • 2 subscribers of Category A self-reported 16% of complaints
Disclosure	10	4%	<ul style="list-style-type: none"> • 1 subscriber of Category A self-reported 11 (35%) complaints
Financial Difficulty	5	2%	<ul style="list-style-type: none"> • 1 subscriber of Category E self-reported 4 (50%) complaints
Insurance Broker's Decision	15	6%	<ul style="list-style-type: none"> • 1 subscriber of Category A self-reported 4 (21%) complaints
Instructions	35	13%	<ul style="list-style-type: none"> • 1 subscriber of Category A self-reported 21 (23%) complaints
Privacy & confidentiality	14	5%	<ul style="list-style-type: none"> • 3 subscribers each self-reported 7 (21%) complaints
Service – general	85	33%	<ul style="list-style-type: none"> • 2 subscribers each self-reported over 10 complaints, representing 11%
Service – claims	96	37%	<ul style="list-style-type: none"> • 5 subscribers each self-reported 15 (9%) complaints • 3 subscribers self-reported 133 (29%) complaints including 1 subscriber of Category A self-reported 76 (16%) complaints
Transactions	23	9%	<ul style="list-style-type: none"> • 2 subscribers of Category A self-reported 26 (44%) complaints
Premium Funding	21	8%	<ul style="list-style-type: none"> • Mainly isolated incidents • 1 subscriber of Category B self-reported 4 (13%) complaints
General feedback	17	7%	<ul style="list-style-type: none"> • 2 subscribers each self-reported 5 (14%) complaints
Other	43	16%	<ul style="list-style-type: none"> • 1 subscriber self-reported 13 (15%) of complaints
Outcome			
In favour of insurance broker	41	16%	<ul style="list-style-type: none"> • No particular comment
In favour of client	80	31%	<ul style="list-style-type: none"> • 7 subscribers each self-reported over 10 complaints, representing 156 (45%) complaints

<i>Complaints category</i>	<i>Number of subscribers who self-reported complaints in this area</i>	<i>In % of total subscribers</i>	<i>Number of subscribers who self-reported high number of complaints</i>
Mutual agreement	70	27%	• 4 subscribers each self-reported over 10 complaints, representing 59 (27%) complaints
Referred to EDR	31	12%	• 2 subscribers of Category A each self-reported over 5 complaints
Withdrawn	34	13%	• 1 subscriber of Category B self-reported 13 (14%) complaints
Client taken legal action	5	2%	• 1 subscriber of Category A self-reported 5 (45%) complaints
Apology, explanation	68	26%	• 4 subscribers each self-reported over 10 complaints, representing 48 (21%) complaints
Outstanding	38	15%	• 1 subscriber of Category A self-reported 34 (35%) complaints
Other	28	11%	• No particular comment
Timeframe			
Resolved within 21 days	136	52%	• 8 subscribers each self-reported 20 and more complaints, representing a total of 210 (28%) complaints
Resolved within 45 days	55	21%	• 4 subscribers each self-reported over 15 complaints, representing a total of 66 (36%) complaints
Resolved beyond 45 days	50	19%	• 5 subscribers each self-reported over 10 complaints, representing a total of 97 (55%) complaints, including 1 subscriber of Category A self-reported 38 (22%) complaints
Unresolved as at June	40	15%	• 1 subscriber of Category A self-reported 42 (38%) complaints
Other	14	5%	• 2 subscribers each self-reported over 10 complaints, representing a total of 33 (54%) complaints

Appendix M: Relationship of self-reported Code breaches to self-reported complaints in 2019

Chart 15: Comparison of number of self-reported Code breaches to self-reported complaints by size of Code subscriber in 2019



Appendix N: Compliance monitoring activities in 2019

Table 26: Compliance monitoring activities undertaken by Code subscribers

Note: figures represent percentage of Code subscribers in that category who stated that they undertook a compliance monitoring activity in that particular area in 2019.

Code monitoring activity	Cat A	Cat B	Cat C	Cat D	Cat E	Total
Code information available on your website and branches	94%	75%	80%	72%	64%	67%
Information on your internal dispute resolution (IDR) process on your website	88%	83%	77%	76%	66%	71%
Information on your external dispute resolution (EDR) process on your website	82%	83%	74%	92%	68%	73%
Checklist outlining IDR timeframes	76%	42%	51%	56%	53%	54%
Managing conflict of interest	100%	83%	80%	80%	74%	77%
Transparent disclosure of third party providers to client(s)	71%	50%	60%	60%	52%	55%
Transparent disclosure of fees and commissions to client(s)	82%	67%	74%	80%	73%	74%
Implementation of remuneration arrangements	41%	50%	40%	60%	32%	37%
Review of % of financial results attributing to incentives to ensure that financial results are not the sole driver of reward outcomes	41%	50%	37%	56%	35%	38%
Training of staff	94%	92%	89%	100%	91%	92%
Training of authorised representatives	94%	83%	66%	56%	47%	55%
Training of third-party providers (e.g. claims recovery services, debt collectors, lawyers, valuers, claims	12%	8%	14%	16%	12%	13%

<i>Code monitoring activity</i>	<i>Cat A</i>	<i>Cat B</i>	<i>Cat C</i>	<i>Cat D</i>	<i>Cat E</i>	<i>Total</i>
preparation companies and other professionals)						
Privacy obligations	94%	92%	63%	88%	73%	75%
Sale of add-on general insurance products	35%	8%	11%	20%	12%	14%
Renewal procedures	82%	75%	77%	88%	85%	83%
Dealing with clients in financial difficulty	35%	58%	43%	44%	49%	47%
Identifying and assisting clients affected by family violence	18%	8%	20%	8%	16%	16%
Identifying and assisting clients affected by elder abuse	18%	8%	17%	8%	16%	15%
Other	29%	8%	11%	4%	5%	8%

Note:

Code subscribers reported the following compliance monitoring activities under the category 'other':

- File audits
- Internal file reviews which includes looking for breaches and areas of improvement around the Code
- Enhanced risk monitoring procedures
- Ongoing review of operating procedures
- Independent review of branches and Authorised Representatives