

INSURANCE
BROKERS

CODE
COMPLIANCE
COMMITTEE



CULTURE IS THE KEY

This Annual Report sets out the activities of the Insurance Brokers Code Compliance Committee (the Committee) between 1 July 2020 and 30 June 2021. It also provides a brief snapshot of Code subscribers' self-reported breach information and complaints data.

August 2021

Annual Report
2020-21

About this report

This Annual Report sets out the activities of the Insurance Brokers Code Compliance Committee (the Committee) between 1 July 2020 and 30 June 2021. It also provides a brief snapshot of Code subscribers' self-reported breach information and complaints data.

Unlike previous years, this Annual Report provides an initial summary of Code subscribers' self-reported breach and complaints data, rather than a full analysis to enable the Committee to share current data more quickly with subscribers for their consideration and application to their business.

Once the self-reported breach information and compliance data provided via Annual Compliance Statements (ACS) has been verified, we will release the Annual Data Report (including a comprehensive review and analysis).

Reason for change in approach

In December 2019, there was a 56% increase in the number of Code subscribers which significantly increased the volume of data required to be verified and the level of support needed to ensure data could be appropriately interpreted.

This was exacerbated by the ongoing and unexplained inconsistencies in the number of breaches and complaints reported by subscribers without an obvious explanation for the discrepancy in these figures.

The Committee strives to identify and account for inconsistencies in the data by verifying all responses in the ACS Program prior to delivering the full Annual Data Report.

Our verification program provides an opportunity for in-depth compliance discussions with a sample group of Code subscribers enabling us to validate their breach reporting and gain valuable insights into the day-to-day management of their Code compliance obligations.

Final Data Report

Following the comprehensive analysis of the compliance data, the Committee will provide subscribers with its observations on code compliance by the insurance broking sector, as well as guidance and recommendations for best practice.

The ACS verification program will run from May to September. The final report should be published by December 2021.

Contents

ABOUT THIS REPORT	1
MESSAGE FROM THE CHAIR	3
A SNAPSHOT OF THE INSURANCE BROKING INDUSTRY	7
Where are brokers placing their client’s business?	7
How much premium are brokers invoicing?	7
Value to economy and broader society	8
OUR CODE SUBSCRIBERS	8
Code subscribers	8
Branches	9
THE YEAR IN NUMBERS	10
Our Code Subscribers	10
Code Breaches	10
Complaints	11
COMPLIANCE WITH THE CODE	12
Our monitoring activities	12
Breach reporting and compliance data.....	12
Code Breaches	12
Significant jump in self-reported complaints	13
Service continues to dominate complaints	13
Small business and motor vehicle insurance drives most complaints.....	13
Complaint resolution.....	13
INQUIRIES AND INVESTIGATIONS	15
Own Motion Inquiries	15
We investigated eight Code breach allegations.....	16
CHANGE AND ENGAGEMENT	18
Our contribution to the Code review	18
Creating positive behaviours	18
Our stakeholder engagement.....	20
ABOUT THE CODE COMPLIANCE COMMITTEE	22
The Committee members	23
The Compliance Manager.....	25
About the Code.....	26
FINANCIAL DETAILS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021	27

Message from the Chair

The past year has been a difficult one with the pandemic creating both disruption and uncertainty in many aspects of our personal and professional lives. At an industry level, it has further complicated an already challenging market environment.

The insurance broking sector is challenged to implement much new legislation and regulation largely as a result of the responses to recommendations of Financial Services Royal Commission. The Commission's wise words about the crucial role of business culture and behaviour has become an issue of primary concern for the Committee. Law alone can never be the answer.

I am delighted to report that the Committee has continued to meet the robust monitoring standards set by the Australian Securities and Investment Commission (**ASIC**). And it has continued to do so in a spirit of respect, open communication and cooperation.

On 1 December 2019, the National Insurance Brokers Association (**NIBA**) welcomed all Steadfast brokers to the Code community, resulting in a 56 per cent increase in subscriber numbers. This year's review was the first time these new members were required to participate in the ACS Program.

Culture is the key

The theme of this report is **CULTURE IS THE KEY** to compliance.

This reflects the Committee's continued focus on encouraging best behaviour within the industry to achieve better outcomes for all stakeholders including clients.

The law has a critical role to play. But simple and sole "lawfulness" is not a guarantee of appropriate service. Clients are not satisfied simply by a business not breaking the law. The Committee recognises that good and bad practices are part of a company's culture: they are the behaviour it causes, and they become "the usual".

Thus, the Committee sees its role as undertaking a robust monitoring above legal compliance and bringing increasing understanding and attention to the role that culture plays in delivering service.

We have continued to build our understanding of the Code issues through monitoring subscriber behaviour and identifying shifts that can help subscribers deliver better client outcomes, particularly in relation to vulnerable clients or financial hardship.

The Committee is particularly grateful to its secretariat for embracing this new way of approaching best practice as well as the expertise, guidance and advice from Ravi Dutta-Powell, Senior Advisor of Behavioural Insights (Australia) Pty Ltd.

Promoting better behaviour

Last year, the Committee expanded the focus of its annual work plan to include an in-depth examination of culture and behaviour.

We engaged Ravi Dutta-Powell to review two years of self-reported Code breach data to reveal behaviours that informed both good and poor practices.

The report included useful insights into culture-based issues that affect behaviour. These findings will help shape the Committee's focus over the coming year as we work to identify best practices and then embed these in changes in culture throughout the industry.

The Commission's wise words about the crucial role of business culture and behaviour has become an issue of primary concern for the Committee. Law alone can never be the answer.

The Code Review

A “living” Code is vital; it must always be relevant to the operation of and the services delivered by a rapidly evolving and responsive industry in an ever-changing marketplace beset with unparalleled risks.

It’s critical that developments and learnings from many different sources are able to be incorporated into the Code and regular, independent and professionally constructed Code reviews will be essential to making that possible. Current globalised risks of unprecedented and unpredictable magnitude challenge the ability of the insurance industry to protect society according to traditional norms.

The Code Review is ongoing, and the Committee has met with both the National Insurance Brokers Association (NIBA) and Marigold Magnaye, the Code reviewer, on a number of occasions to discuss the Code review process and discussion papers.

We have also provided NIBA submission papers, the first of which provided a substantial initial response to NIBA’s Discussion Paper. The second submission on 12 May 2021 advocated that, amongst other things, the Code should move beyond the existing legal obligations and seek to drive behaviour change and prescribe client outcomes, rather than subscriber actions.

The most recent submission on 26 May 2021 advocated for the Code to incorporate elements of a “Consumer Duty” similar to those in international jurisdictions, reflecting the Committee’s view that the future of financial services will likely involve a shift in culture and behaviour to focus more on consumer outcomes.

The May submissions were aided significantly by the work of Ravi Dutta-Powell, which we gratefully acknowledge. The Committee has no doubt that more emphasis must be placed on outcomes, behaviour and culture if Codes are to achieve their objectives.

Driving compliance

In the context of this challenging environment the Committee continued to undertake its usual Code based compliance and monitoring activities, including the collection and analysis of the Code subscribers’ self-reported breach and complaints data as part of the 2020 ACS Program.

The Committee’s activities for 2020-21 included:

- providing a webinar to support subscribers in effectively completing their ACS requirements, followed by video conferences with ten per cent of selected Code subscribers to verify and discuss the self-reported data and share examples of good industry practice.
- providing individualised Benchmark Reports to all Code subscribers, including high-level comparative trends to enable Code subscribers to review their compliance outcomes against industry and sector performance.
- developing a new database to capture all the data to enable robust comparison and establishment of risk factors. This was a massive undertaking as Code subscribers increased 56% from the previous year.
- conducting eight referrals for investigation, one held over from the previous year and seven new ones.

Current globalised risks of unprecedented and unpredictable magnitude challenge the ability of the insurance industry to protect society according to traditional norms.

We are developing a new database to capture all the data to enable robust comparison and establishment of risk factors. This was a massive undertaking as Code subscribers increased 56% from the previous year.

The Committee regularly reviews insurance brokers' compliance with Code obligations through our Own Motion Inquiry (OMI) process. This process also enables us to provide learning opportunities and encourage good practice when the Committee identifies areas for improvement. The Committee shares the OMI outcomes with the industry.

This year the Committee produced two OMIs:

- one dealt with the provision by Code subscribers of [add-on insurance products](#), and
- the other examined how [premium funding contracts](#) are used and explained to consumers, particularly in the context of financial hardship.

Engaging with stakeholders

The Committee continued its engagement with stakeholders representing both industry and consumer interests. This has always been an important activity for the Committee. The Code will not deliver its objectives if it's not well known and well used. This remains a work in progress.

In addition to the Code Review, the Committee engaged regularly with the NIBA Executive Committee and presented at the virtual NIBA Convention in 2020. We also worked with representatives of Steadfast to support the smooth transition of their members into Code subscription.

Our Code team regularly met with both representatives of ASIC and the AFCA Lead Ombudsman and case managers to discuss insurance and insurance broking issues.

The Committee also continued to leverage the newly established [website](#)¹ as an effective tool to build the compliance capability our Code subscribers with guidance and information to support best practice behaviour, including regular Tip of the Month articles.

Looking ahead

We have taken a small shift in our approach this year with this Annual Report providing an initial summary of the work the Committee has undertaken over the past 12 months. This will give our team reasonable time to fully understand the issues underpinning our complaints data before providing a comprehensive analysis and deeper insights in the full report due to be released later this year.

A priority over the coming months will be to complete this analysis and prepare our final Data Report before the end of the year.

The Committee will continue to support our Code subscribers to identify and implement best practice behaviours that deliver positive client outcomes.

Our compliance monitoring work will be key to this and we'll remain focused on ensuring our subscribers continue to embrace the robust self-reporting system that is so critical to both identify and address existing and emerging problems in the industry. Over the coming year, our major focus will be on delivering improvements in compliance by helping create positive shifts in the company culture of our subscribers that promote best practice in service and advice to clients.

Importantly, finalisation of the Code review will remain a priority and we will be working with our stakeholders at NIBA to facilitate this over the coming year.

Over the coming year, our major focus will be on delivering improvements in compliance by helping create positive shifts in the company culture of our subscribers that promote best practice in service and advice to clients.

¹ See www.insurancebrokerscode.com.au

Acknowledgments

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

I'm also grateful for the support of our Code team at the Australian Financial Complaints Authority (AFCA), with our Code Compliance and Operations Manager Daniela Kirchlinde having been pivotal in delivering support to the Committee throughout the year.

On 4 March this year we were sad to see Sally Davis depart from her role as General Manager – Code Compliance and Monitoring. Rene Van de Rijdt has taken on the role of Acting General Manager, while continuing to act as Investigation Manager. I am extremely grateful for Sally's many contributions during her time leading the Code team and Rene's hard work over recent months to keep the team operating until a replacement is permanently appointed.

I'd also like to extend my thanks to David Locke, AFCA's Chief Executive Officer and AFCA's Ombudsman Chris Liamos, with special thanks to John Price, AFCA's Lead Ombudsman, and well wishes for his retirement from this role.

Finally, I wanted to acknowledge our key stakeholders from the National Insurance Brokers Association (NIBA) and express my thanks to Chief Executive Officer Dallas Booth and former President Eric Harris for their ongoing contribution, and welcome incoming President Dianne Phelan. Engaged staff and stakeholders have been critical to delivering our progress over the past 12 months.

As the Report year came to an end, NIBA announced the retirement of Dallas Booth from his role as NIBA CEO. I have worked with Dallas in many roles for many years. He is a consummate professional. I thank him personally and on behalf of the Code enterprise for his contribution which has always been focused on delivering Code objectives. And we welcome to the role Philip Kewin who will succeed Dallas. The Committee looks forward to working with Philip.

In a similar vein, this is the last Report which will come from the participation of Julia Davis and myself. We have both served the maximum number of terms available to Code Committee members. Stakeholders generally and consumers in particular have had the benefit of Julia's great talents. David and I have been gifted by her presence in meetings and beyond. We wish her well and thank her.

May I conclude by thanking all those who have assisted me so generously in my role; your patience with me and your generous understanding is much appreciated. And a special thanks to those who trusted me in my role.

I give my best wishes to the future Committee and its secretariat as we strive to affect a positive shift in culture amongst our subscribers and work to finalise the new Code over the coming year.



Michael Gill
Independent Chair
Insurance Brokers Code Compliance Committee

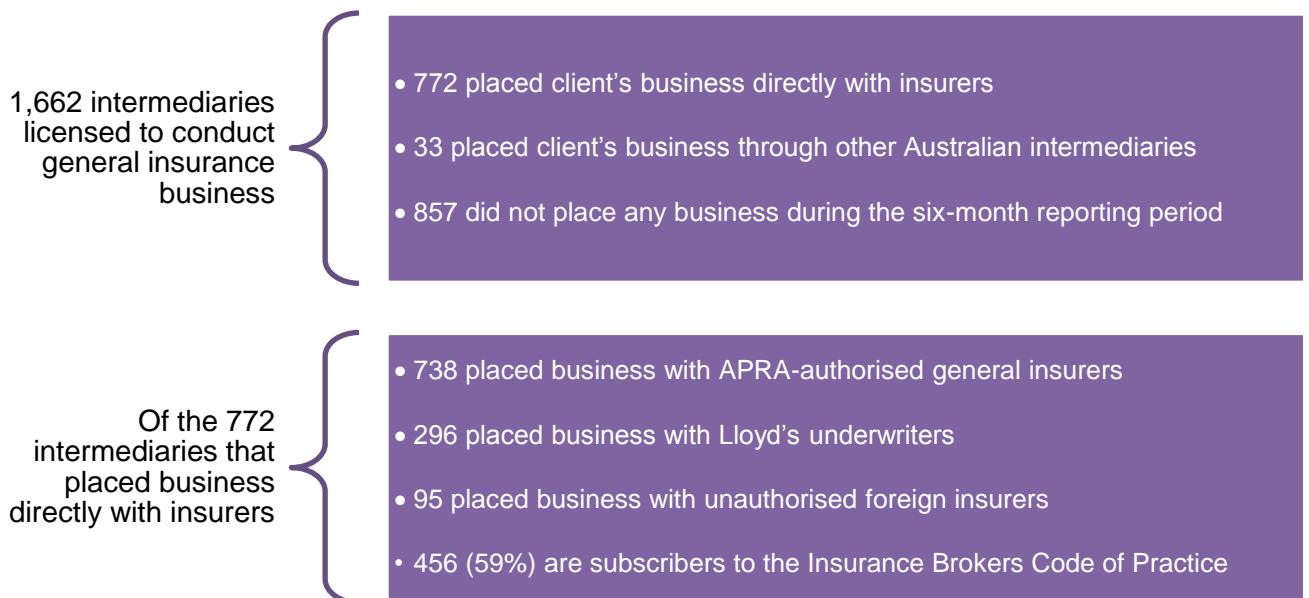
A snapshot of the insurance broking industry

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-authorized 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 31 December 2020, and published at the end of March 2021,² showed the following:



How much premium are brokers invoicing?

Between 1 July and 31 December 2020³, intermediaries invoiced \$14,850m in premium. Of this:

- \$11,859m was placed with APRA-authorized general insurers
- \$1,934m was placed with Lloyd's underwriters
- \$1,057m was placed with unauthorised foreign insurers.

² See <https://www.apra.gov.au/intermediated-general-insurance-statistics>

³ 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-authorized insurer gross written premium placed by intermediaries.

Value to economy and broader society

The industry also facilitates economic activity through its purchase of intermediate goods and services. In the 2018-19 financial year, the intermediated insurance industry contributed an estimated \$2.6 billion in gross value add (GVA) to the Australian economy and directly employed almost 15,000 full-time equivalent (FTE) workers. The industry also indirectly supported economic activities in other industries totaling almost \$900 million and supporting an additional 5,000 jobs.

Brokers facilitate a more efficient insurance market and risk management, which supports economic recovery and stability across a range of sectors and society. Brokers facilitate the efficient placement of risks in the economy by limiting uncertainty and closing information gaps between players in the market and encouraging competition amongst insurers.⁴

Our Code Subscribers

Code subscribers

As at 30 June 2021, there were 456 subscribers to the Code categorised according to the number of full-time equivalent (FTE) staff they employed (*Table 1*). This number of subscribers fell slightly over the past year (down from 467 in 2019) but still represents a 56% increase since 2018 when there were 293 subscribers.

Almost three quarters (73%) of our Code subscribers are micro businesses employing less than 20 FTE staff, and 56% of our Code subscribers say that small to medium sized businesses account for more than half of their clientele.

New South Wales and Victoria account for around a third each of the total subscriber number, with 148 (33%) and 137 (30%), respectively.

The complete list of Code subscribers is available on the Committee's [website](#).⁵

Categories of Code subscribers:

Category A – over 100 full time equivalent staff (FTE)

Category B – 51 to 100 FTE staff

Category C – 31 to 50 FTE staff

Category D – 21 to 30 FTE staff

Category E – up to 20 FTE staff

⁴ See Deloitte Report 'The economic value of insurance broking', September 2020

<https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-dae-niba-economic-value-of-insurance-brokers-151020.pdf>

⁵ See <https://insurancebrokerscode.com.au/about/about-the-code/code-subscriber-register/>

Table 1: Code subscribers by category, state (head office) and size of operation⁶

As at 30 June 2021	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Total	In %
Category A (over 100 FTE staff)	-	15	-	2	1	-	16	3	37	8%
Category B (51-100 FTE staff)	-	9	-	1	-	1	6	5	22	5%
Category C (31-50 FTE staff)	-	11	-	4	3	-	9	7	34	7%
Category D (21-30 FTE staff)	-	9	-	9	1	1	9	3	32	7%
Category E (up to 20 FTE staff)	2	104	1	59	22	9	97	37	331	73%
Total	2	148	1	75	27	11	137	55	456	
In %	<1%	33%	<1%	16%	6%	2%	30%	12%		
<i>In comparison to 30/06/2020</i>	4	148	1	78	31	10	137	58	467 ⁷	
<i>In comparison to 30/06/2019</i>	2	100	1	43	21	6	77	43	293	

Branches

Our Code subscribers operate out of 1,998 branches across Australia, increasing from 1,723 branches last year. The 37 Code subscribers in Category A (employing more than 100 staff) represent 59% of branches Australia-wide, with Category E subscribers accounting for 23%.

Not surprisingly, New South Wales, Victoria and Queensland account for the main share of branch numbers, with 620 (31%), 487 (24%) and 420 (21%), respectively.

Table 2: Number of branches (including head office) by state and size of operation

As at 30 June 2021	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Total	In %
Category A (over 100 FTE staff)	21	366	17	262	88	13	273	133	1,173	59%
Category B (51-100 FTE staff)	3	29	1	19	2	62	29	3	148	7%
Category C (31-50 FTE staff)	1	43	1	25	4	-	48	23	145	7%
Category D (21-30 FTE staff)	-	27	-	28	2	4	15	4	80	4%
Category E (up to 20 FTE staff)	6	155	1	86	29	11	122	42	452	23%
Total	31	620	20	420	125	90	487	205	1,998	
In %	2%	31%	1%	21%	6%	5%	24%	10%		
Compared to 30/06/2020	33	524	19	386	124	34	450	153	1,723	
Compared to 30/06/2019⁸	27	512	19	323	114	34	354	167	1,550	

⁶ Code subscribers are counted by Australian Financial Service Licence (AFSL).

⁷ 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.

⁸ This data was collected for the first time in the 2018 ACS.

The year in numbers

Our Code Subscribers

- ↑ **456** Code subscribers up from 293 in 2018 (a 56% increase)
- ↑ **1,998** branches Australia wide up from 1,723 in 2019
- ^ **73% (331)** of Code subscribers are microbusinesses employing less than 20 FTE staff

Due to the 56% influx of new subscribers, it is difficult to meaningfully compare this year's data with that of previous years.

Code Breaches

- ↑ **3,328** self-reported Code breaches⁹, up from **2,006** in 2019
- ↓ **44%** of Code subscribers self-reported breaches (down from 51% in 2019)
238 Code subscribers (56%) self-reported nil Code breaches, including 215 Category E subscribers and 3 Category A subscribers
- ½ **About half** of Code breaches since 2017 have related to Service Standard 5 'Buying Insurance' (49% in 2020, 43% in 2019, 49% in 2018, 51% in 2017)
- ¼ **About one quarter** of Code breaches since 2017 have related to Service Standard 1 'Legal Obligations' (22% in 2020, 23% in 2019, 24% in 2018, 23% in 2017)
- ↑ **Increase** of Code breaches since 2017 relating to Service Standard 7 'Money handling' (11% in 2020, 7% in 2019, 5% in 2018 and 2017)
- \$ **Impact** of Code breaches in 2020 included \$652,000 financial impact (pre-remediation) and affecting about 20,740 clients.

Definition of Breach

A failure to comply with the obligations of the Code in relation to the provision of an insurance broking service (defined with reference to the ASIC Regulatory Guide 78 – Breach Reporting by AFS Licensees, the Australian Standard AS 3806 2006 – Compliance Programs, Section 912D of the Corporations Act 2001).

Definition of Complaint

[An expression] of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required (as per [AS/NZS 10002:2014](#)).

⁹ Note: data in 2020 reflects self-reported data from 456 Code subscribers comparing to data in 2019 self-reported by 284 Code subscribers.

Complaints

- ↑ **1,778** self-reported complaints¹⁰, up from 1,292 in 2019
- ↓ **52%** of Code subscribers self-reported complaints (down from 60% in 2019)
- = **26%** of complaints identified a breach of the Code (same as 2019)
- ↑ **68%** of complaints were resolved within 21 days (up from 59% in 2019)

Chart 1: Product categories each reflecting over 5% of total self-reported complaints in 2020

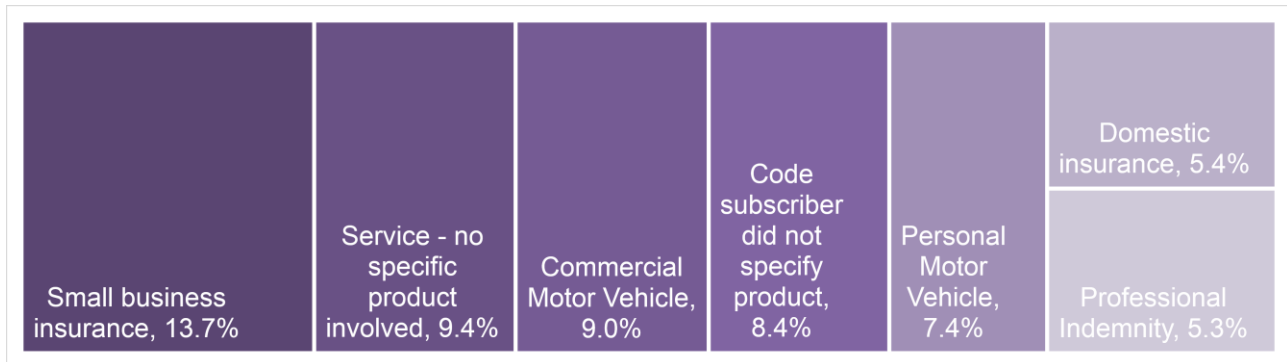


Chart 2: Issue categories each reflecting over 5% of total self-reported complaints in 2020

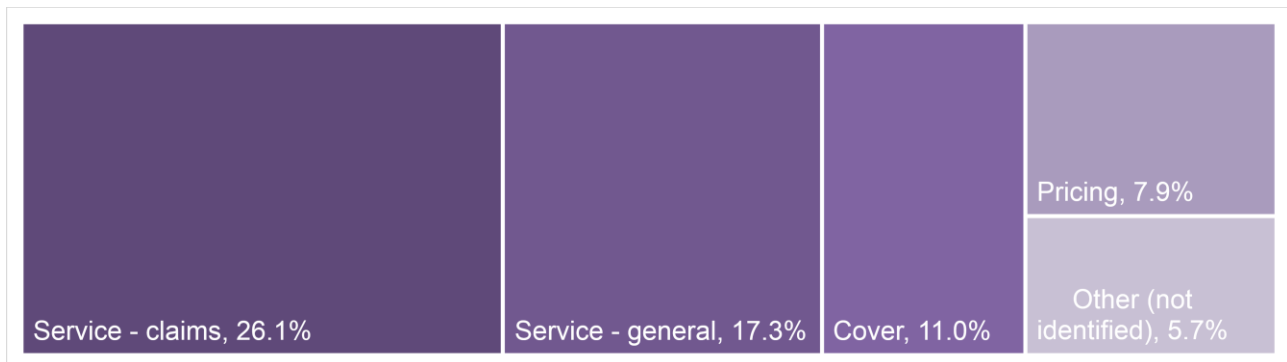
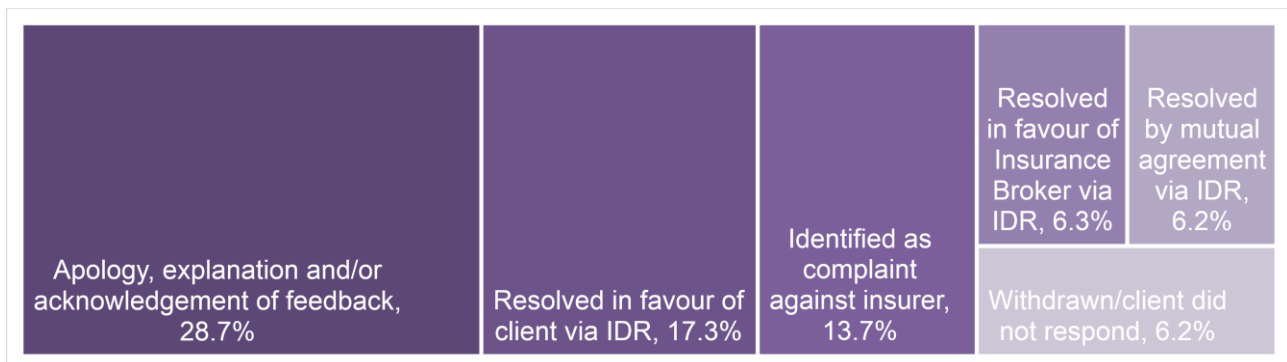


Chart 3: Outcome categories each reflecting over 5% of total self-reported complaints in 2020



¹⁰ Complaint categories in 2020 were adjusted to reflect [ASIC's internal dispute resolution updated draft data dictionary](#), therefore comparison to the 2019 data is not always possible.

Compliance with the Code

Our monitoring activities

Assessing insurance brokers' compliance with the Code of Practice is a key element of the Committee's monitoring activities. As part of this process, Code-subscribing insurance brokers must self-report Code breaches and complaints to us via our Annual Compliance Statement (ACS). The information we receive from organisations about how and why they have breached the Code helps us identify current and emerging risks, as well as provide guidance on good industry practice.

Breach reporting and compliance data

This Report reflects the high-level overview of data received via the ACS Program. A more detailed report will be published late in 2021-22 following a detailed analysis of the self-reported data and consultation with at least ten per cent of Code subscribers.

On 1 December 2019, the NIBA welcomed all Steadfast brokers to the Code community, resulting in the large increase we have seen in subscriber numbers. This year's review was the first time these new members were required to participate in the ACS Program.

Due to this influx of new subscribers, performance in a number of service standards will have experienced pronounced dips while new members familiarise themselves with requirements of our monitoring program. Consequently, it is difficult to meaningfully compare this year's data with that of previous years.

As new subscribers adapt to their new self-reporting obligations over the coming year, the Committee is confident our compliance monitoring will become increasingly accurate and insightful.

Code Breaches

Our subscribers self-reported 3,328 Code breaches this year, up from 2,006 in the year before.

It was concerning to note a decline in our self-reported breach culture with the number of Code subscribers self-reporting breaches dropping to 44%, down from 51% last year. However, as noted earlier, the dramatic increase of new subscribers to the ACS Program this year has made comparisons with previous years' compliance figures difficult to analyse, as the data set used has changed remarkably this year.

More than half (56%) of our Code subscribers failed to report any breaches whatsoever this year, including three of our large Category A subscribers.

Seven subscribers self-reported more than 100 breaches each, but this high number is largely attributable to a delay in issuing renewal notices within 14 days and the fact they had recorded each policy affected as a separate breach.

Since 2017, around half¹¹ of all reported Code breaches related to Service Standard 5 'Buying Insurance', with around a quarter related to Service Standard 1 'Legal Obligations'¹².

Given Service Standard 5 is the longest and most detailed section of the Code, it's unsurprising that it consistently attracts the highest number of Code breaches. Last year, the Committee

¹¹ 51% in 2017, 49% in 2018, 43% in 2019 and 49% in 2020.

¹² 23% in 2017, 24% in 2018, 23% in 2019 and 22% in 2020.

acknowledged that including more sub-sections within this category may improve the Code and provide greater insight into the issues of concern.

There is a steady increase in breaches relating to Service Standard 7 'Money handling' over the past years.¹³

Significant jump in self-reported complaints

This year, we saw the number of self-reported complaints jump significantly to 1,778 (up from 1,292 in 2019), with around a quarter of these complaints (26%) constituting a breach of the Code.

While the number of self-reported complaints rose, the number of Code subscribers who self-reported did not. Instead, we saw our self-reported complaints culture decline slightly, with 52% of Code subscribers self-reporting complaints this year, down from 60% in 2019. Once again, this result was significantly impacted by the influx of new subscribers to this year's ACS Program, making annual comparisons difficult.

Six subscribers self-reported between 51 and 100 complaints each, including four Category A subscribers, but just under half (48%) self-reported nil complaints, including one Category A subscriber.

Service continues to dominate complaints

Since 2015, service has been the most complained about issue and this year was no different. The top issue (43%) of all self-reported complaints related to service levels, including complaints relating to claims service (26%) and complaints relating to service in general (17%).

The remaining issues of complaint were spread across a number of different areas, with issues such as cover 11% and pricing 8% featuring.

Small business and motor vehicle insurance drives most complaints

Once again, small business insurance products attracted the most complaints, with 14% relating to small business insurance packages.

Motor vehicle insurance products accounted for 16% of all complaints compared to 18% in 2019, with commercial motor vehicle insurance at 9% (same as last year) and personal motor vehicle insurance accounting for 7% (down slightly from 9% last year).

It was pleasing to see a decline in the number of complaints that failed to specify the insurance product involved, with subscribers categorising the complaint instead as relating to 'other' products. These complaints accounted for 8% of the total this year, dropping by two thirds from the 26% reported in 2019.

Complaint resolution

Pleasingly, our complaints resolution performance improved significantly over the past year with 68% of complaints resolved within 21 days (up from 59% in 2019). This represents a nine per cent improvement in performance on this measure and follows on from the guidance provided in a 2019 OMI report highlighting this issue, [Improving Complaints Handling Timeframes](#)¹⁴. This

¹³ 5% in 2017 and 2018, 7% in 2019 and 11% in 2020.

¹⁴ See <https://insurancebrokerscode.com.au/app/uploads/2020/03/201910-IBCCC-OMI-IDR-timeframes-Oct-2019.pdf>

improvement indicates that Code subscribers have considered the recommendations set out in the OMI and taken steps to put them into practice, which is gratifying.

While complaints are resolved more quickly, the number of complaints resolved in favour of the client dropped to 18% this year after seeing a significant spike upwards last year (27% in 2019 up from 18% in 2018). Most of them (17%) were resolved via internal dispute resolution (IDR).

The number of complaints resolved in favour of the insurance brokers dropped to 8% (down from 11% in 2019). The majority (6%) was resolved via IDR.

In about a third of cases (29%), the complaint was resolved with an apology, explanation and/or acknowledgement of feedback (up from 18% in 2019). Complaints resolved by mutual agreement dropped from 17% in 2019 to 7% in 2020, while the matter was either withdrawn or the client failed to respond in 6% of cases.

A new category, introduced in the 2020 statistics, reflected that 14% of complaints were identified as complaints against the insurer.

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, and*
- *train staff and authorised representatives accordingly.*

Inquiries and investigations

The Committee has discretionary powers to investigate an allegation that a Code subscribing insurance broker has breached its obligations under the Code. Anyone can contact us to report a concern that an insurance broker may have breached the Code. We can also undertake our own inquiries, referred to as ‘Own Motion Inquiries’, which do not depend on a specific allegation.

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, and
- 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, and
- train staff and authorised representatives accordingly.

Own Motion Inquiries

The Committee regularly reviews issues of compliance with Code obligations through our Own Motion Inquiries (OMI). These reviews enable us to share our experience with the industry and provide learning opportunities to encourage good practice where areas for improvement have been identified. The Committee published two OMIs in 2020-21.

Sale of Add-on General Insurance Products by insurance brokers (December 2020)

This [report](#)¹⁵ examines the sale of add-on general insurance products by Code subscribing insurance brokers, drawing on data collected via the 2019 ACS Program and in follow-up phone discussions.

The report suggested that generally good results for most insurance brokers should not obscure the fact that there is room for improvement. While only a small number of Code subscribers offer

¹⁵ See <https://insurancebrokerscode.com.au/app/uploads/2020/12/IBCCC-OMI-Sale-of-add-on-insurance-Dec-2020.pdf>

these products, the report urges them to demonstrate a commitment to fairness and implement change before they are required to. The Committee also encourages all Code subscribers to read the report and consider how the recommendations could be applied to similar areas in their business.

Premium Funding and dealing with clients in financial difficulty (June 2021)

This [report](#)¹⁶ examines the extent to which Code subscribers use premium funding contracts, how the premium funding contract is explained to the client and processes in place which deals with clients in financial difficulty. How financial institutions respond to vulnerable clients and those in financial hardship was flagged as a principal issue in the Royal Commission and this was specifically addressed by the Committee in its submissions to the review of the Code.

With 95% of subscribers offering this model to clients, mainly through third-party suppliers, the Committee gained significant insight into the role that brokers play as both intermediary and advocate in the relationship between client and funder.

The Committee noted that brokers are in an ideal position to represent each party when cases of financial difficulty arise. The Committee's recommendations for improvements in the area of premium funding and financial hardship – and the examples of good practice shared in the report – offer timely and important guidance for all points of the process.

The Committee reminded subscribers that assisting clients should be front of mind in all interactions and urged them to review and implement the report's recommendations, where appropriate, to ensure continuous improvement in this area.

We investigated eight Code breach allegations

In 2020-21 the Committee investigated eight matters concerning alleged breaches of the Code, including seven new matters received in 2020-21 and one matter which remained open at the end of 2019-20. No Code breaches were identified via these individual investigations.

Clause 5.1 of the *NIBA Insurance Brokers Code of Practice Procedures* notes that only a client can make an allegation of a Code breach.

Clause 5.6 of the *NIBA Insurance Brokers Code of Practice Procedures* notes that the Code Compliance Manager may at any time in its discretion review Code compliance by a Code Member.

Clause 5.8 and 5.24 of the *NIBA Insurance Brokers Code of Practice Procedures* governs the discretion of the Code Compliance Manager and the Committee to refuse to consider or continue considering an alleged breach of the Code which they believe is inappropriate.

Pursuant to the above clauses, the Committee took no individual action in any of the matters listed in Table 3. However, information and intel gathered from the matters inform the Committee's Priority and Risk Framework.

The Committee reviews these investigations on an ongoing basis and uses them to inform any future own motion inquiries or identify any areas of concern that can be addressed in the Annual Compliance Statement.

¹⁶ See <https://insurancebrokerscode.com.au/app/uploads/2021/06/IBCCC-OMI-Premium-Funding-Report-June-2021.pdf>

Table 3: Details of investigations

<i>Details as at 30 June 2021</i>	<i>Number of Investigations</i>
Total Investigations	
Open as at 1 July 2020 from previous period 2019-20	1
Received new during 2020-21	7
Closed as at 30 June 2021	8
Open as at 30 June 2021	-
Age status of closed Investigations	
Closed within 30 days since registration	2
Closed within 60 days since registration	3
Closed within 90 days since registration	-
Closed over 90 days since registration	2
Closed over six months since registration	1
Source of Investigations	
Referral from AFCA Ombudsman	1
Referral from AFCA systemic issue team	3
Own motion investigation raised by Compliance Manager	1
Breach allegation directly lodged by consumer	3
Provisions of the Code investigated¹⁷	
Service Standard 1 - compliance with the law	1
Service Standard 2 – manage conflict of interest	1
Service Standard 5 - buying insurance	6
Service Standard 6 - remuneration	1
Service Standard 7 – appropriate money handling	1
Service Standard 8 – training	1
Types of products and services involved in Investigations	
Commercial business	3
Commercial motor vehicle	1
Farm	1
Personal Home and Building	1
All classes (general insurance)	2
Outcome of the Investigations	
No breach identified following investigation	1
No action taken (Code Procedures 5.1 – only a client may make a complaint concerning an alleged breach of the Code)	3
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)	1
No action taken (Code Procedures 5.8 (e) – insufficient information has been provided by the complainant to allow the Code Compliance Manager to properly consider the alleged breach)	1
No action taken (Code Procedures Section 5.24 (d) - the substance of the alleged breach is/has already been considered in another forum)	2

¹⁷ Some investigations included more than one provision of the Code.

Change and engagement

The Committee engages with stakeholders to analyse the external financial services environment, share our experience of Code compliance and influence positive changes in industry conduct. This work includes empowering consumers to access their rights under the Code; supporting Code subscribers to comply with the Code; and providing Code training to help industry and consumers understand and uphold their rights and responsibilities under the Code.

Over the past year, the Committee produced guidance resources to help subscribers improve their Code compliance and measure their performance against the industry.

We have also produced several reports, articles, webinars and other online resources to help Code subscribers improve the quality and consistency of their compliance reporting, as well contributing to NIBA's review of the Code.

Our contribution to the Code review

We wrote to NIBA and met various times with NIBA and the Code reviewer during 2020-21 to provide the Committee's views on the discussion paper and provided three formal submissions in response.

In February 2021, NIBA issued a discussion paper for public consultation, including proposed changes for consideration.

On 9 April 2021, the Committee's [first submission](#)¹⁸ outlined its response to the questions detailed in the discussion paper. It addressed the areas that the Committee has identified as being a priority, and then responded in detail to NIBA's ten identified issues, before addressing additional Code review themes.

On 14 May 2021, our [supplementary submission](#)¹⁹ focused on how to ensure that the Code does not simply repeat legal obligations and is instead used to drive behaviour change in the industry by prioritising consumer outcomes over subscriber actions.

Our [final submission](#) on 26 May 2021, explored opportunities to create a shift in culture and behaviour by drawing on examples from international jurisdictions to deliver better consumer outcomes and protections.

We look forward to continuing to consult with NIBA and the Code reviewer, and to working with Code subscribers to eventually transition to the revised Code and implementing any subsequent changes to the role of the Committee under the new Code and its revised Charter.

Creating positive behaviours

While the Committee's work in monitoring compliance with the Code and guiding subscribers towards good practice will continue, we are moving beyond technical compliance to a focus on good behaviour. This is in line with our vision and addresses concerns raised in the Financial

We wrote to NIBA and met various times with NIBA and the Code reviewer during 2020-21 to provide the Committee's views on the discussion paper and provided three formal submissions in response.

¹⁸ See <https://insurancebrokerscode.com.au/resources/ibccc-submission-to-nibas-code-review-discussion-paper-9-april-2021/>

¹⁹ See <https://insurancebrokerscode.com.au/resources/ibccc-supplementary-code-review-submission-14-may-2021/>

Services Royal Commission, which found that issues were often caused by the underlying behaviour of institutions rather than by existing laws and regulations.

The data supplied by Code subscribers for the Annual Compliance Statement (ACS) is a critical part of this strategy, allowing us to establish and benchmark current behaviours and share these as an invaluable self-improvement tool for subscribers.

Over the coming year, the Committee will continue to promote better compliance through supporting step-changes in behaviours by helping Code subscribers to better understand their culture and its significance, and to enact meaningful changes that will result in improved practice.

As part of this strategy, the Committee engaged Ravi Dutta-Powell, Senior Advisor at Behavioural Insights (Australia) Pty Ltd, to review two years of self-reported Code breach data. This year's initial report "Promoting better behaviour in the insurance broking industry" identified a number of themes that carried over from the previous year, including:

- inconsistency in the quality of breach reporting amongst brokers
- manual error or a failure to follow policies and procedures were the key driver of the most common breaches, and
- reported breaches may not necessarily indicate poor performance, but that a broker has processes in place to identify issues.

The report also identified a range of principles that would help drive good behaviour, including:

- establishing multiple processes or "lines of defence"
- conducting random audits
- the need to understand the root cause of any breaches, and
- that the Committee should work to ensure that brokers are more focused on consumer outcomes and are able to demonstrate their breaches aren't systemic.

The findings also **identified** a number of behavioural biases²⁰ that can affect brokers and unconsciously lead to poor practices. These included:

- the tendency to see minimum legal requirements as the goal, and
- the tendency to stick with the status quo until something bad happens.

These findings will help shape the Committee's activities over the coming year, including its response to the Code review.

Ultimately, the insights we are gaining into industry behaviour will help us understand the underlying themes and drivers of poor behaviour, so we can respond by encouraging and contributing to real positive change for industry and consumers alike.

Behavioural biases than can affect brokers and unconsciously lead to poor practice, include:

- *the tendency to see minimum legal requirements as the goal, and*
- *the tendency to stick with the status quo until something bad happens.*

²⁰ See <https://insurancebrokerscode.com.au/it-is-much-more-than-law-and-regulation/>

Our stakeholder engagement

Throughout the past year, we continued to engage with many stakeholders including our Code subscribers, as well as industry and consumer representatives, and regulators.

Our Code team liaised regularly with AFCA's lead ombudsman and case managers in relation to insurance and insurance broking issues.

The NIBA Executive Committee continued to be an important stakeholder, particularly in light of our ongoing focus on the Code review, as did Code reviewer Marigold Magnaye.

The Committee prioritised opportunities to support our subscribers' ability to effectively participate in our compliance monitoring activity. We continued to engage with Steadfast representatives to ensure their members were adjusting to their role as Code subscribers.

We also delivered a webinar to help new subscribers effectively participate in the 2020 ACS Program, and we will continue to work with a representative sample to verify the data collected.

All Code subscribers were provided with individual Benchmark Reports, including high-level comparative trends to enable Code subscribers to review their compliance outcomes against industry and sector performance.

We also provided Code subscribers with guidance, via our regular *Tip of the Month* articles on the Committee's website and our Own Motion Inquiry Reports. These resources can be found on the Committee's [website](#).²¹

We continued to participate in various stakeholder conferences and events throughout the year, including presenting virtually at the NIBA Convention 2020.

Tips of the Month

We published six Tip of the Month²² articles to provide guidance to Code subscribers.

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 and can be found on our website "Resources" page.

- **"It is much more than law and regulation"**,²³ April 2021
A review of the 2019 self-reported Code breach data provided useful insights and flagged culture-based issues the Committee will work to address in order to promote good practice.
- **"2020 Annual Compliance Statement"**,²⁴ November 2020
An introduction to the 2020 Annual Compliance Statement.
- **"Rising to meet the Challenges"**,²⁵ October 2020
The Insurance Brokers Code Compliance Committee releases its Annual Review of 2019-20.

²¹ See www.insurancebrokerscode.com.au

²² See <https://insurancebrokerscode.com.au/news/#filter=.tip-of-the-month>

²³ See <https://insurancebrokerscode.com.au/it-is-much-more-than-law-and-regulation/>

²⁴ See <https://insurancebrokerscode.com.au/2020-annual-compliance-statement/>

²⁵ See <https://insurancebrokerscode.com.au/rising-to-meet-the-challenges/>

- **“Committee embraces updated ASIC guidance on handling of complaints and disputes”**,²⁶ September 2020

ASIC’s updated guidance on Internal Dispute Resolution establishes new requirements for complaints-handling across the financial services sector.

- **“Be clear about the scope of covered services”**,²⁷ August 2020

A recent case review by the Committee demonstrating the importance of clearly communicating the scope of covered services to clients.

- **“A snapshot of 2019 ACS Data can help shape your future”**,²⁸ July 2020

A preliminary overview of the self-reported breach and complaints data from the 2019 Annual Compliance Statement.

For information and news about the Insurance Brokers Code Compliance Committee, check out:

www.insurancebrokerscode.com.au

²⁶ See <https://insurancebrokerscode.com.au/committee-embraces-updated-asic-guidance-rg271/>

²⁷ See <https://insurancebrokerscode.com.au/be-clear-about-the-scope-of-covered-services/>

²⁸ See <https://insurancebrokerscode.com.au/acs-data-can-help-shape-your-future/>

About the Code Compliance Committee

The Insurance Brokers 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.

Committee Members

The Committee comprises of three members – an independent Chair, and Industry Representative and a Consumer Representative. The Committee also has alternate appointments for the Industry and Consumer Representative positions to cater for situations where there might be a conflict of interest or an unavailability to attend meetings.

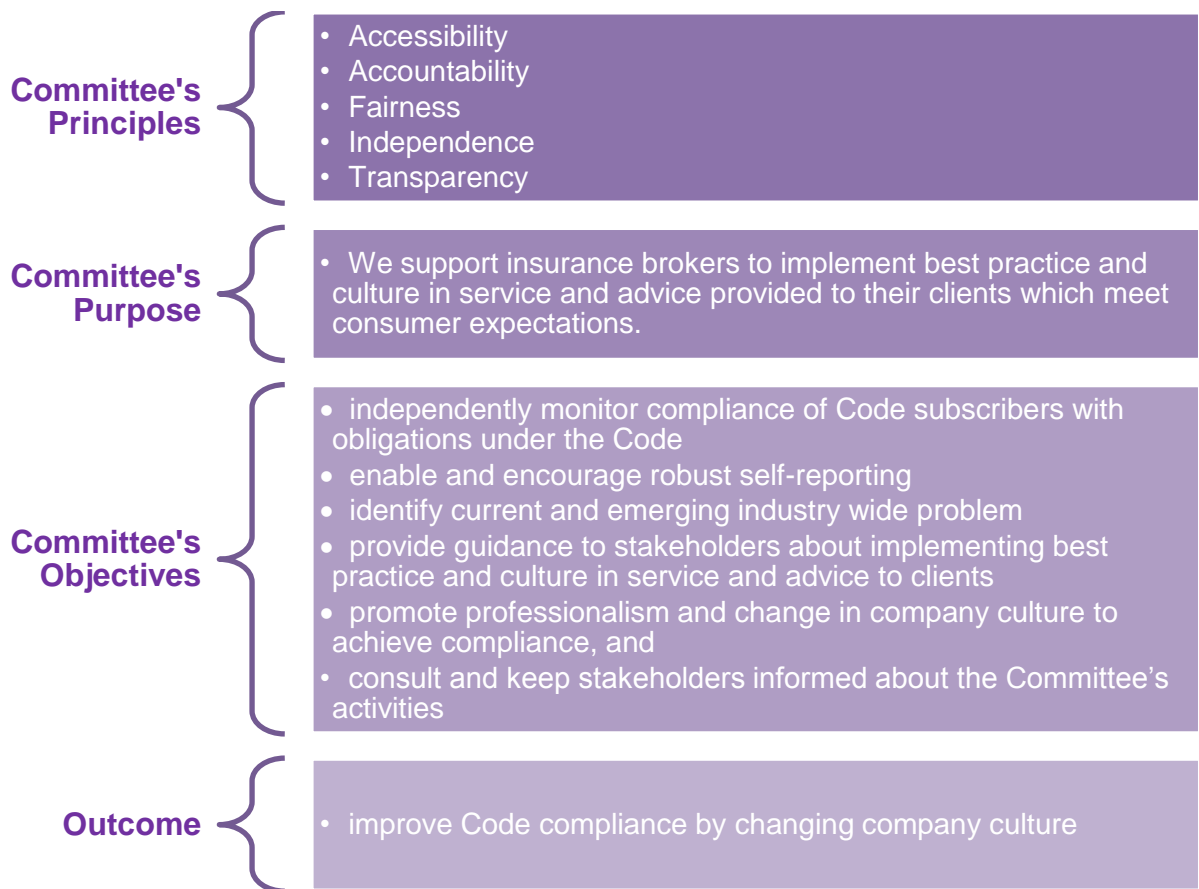
In 2020-21, the Committee met 12 times. Meetings were mainly held virtually, with some of the meetings in 2021 included Committee members meeting face to face in Sydney.

Compliance Manager

AFCA provides Code monitoring and administration services to the Committee and NIBA, by agreement. AFCA has appointed a dedicated team of staff (Compliance Manager) within its office to undertake that task.

What drives the Committee

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.



The Committee members

Michael Gill - Independent Chairperson

LLB (Sydney) FAICD

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

Appointed: 1 Jan 2014 **Term expires:** 31 Dec 2021 (Final Term)

Michael has practised at DLA Piper since 1968, having previously been both Chairman and Sydney Managing Partner for Phillips Fox, its predecessor firm. Since 2008 he has been a Consultant to the firm and he continues to be recognised as one of Australia's leading insurance lawyers.

For many years he was the principal lawyer for the National Insurance Brokers Association (NIBA) and was instrumental in drafting the original Insurance Brokers Code of Practice. He has represented numerous insurance brokers in professional indemnity, regulatory and compliance matters.

A passionate supporter of the not-for-profit sector, Michael regularly assists in pro bono activities both here and overseas, and is an Ambassador for New Perimeter, an organisation that provides long-term, high-impact pro bono legal support in less developed and post-conflict countries.

Michael has previously held positions as 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.



Julia M Davis - Consumer Representative

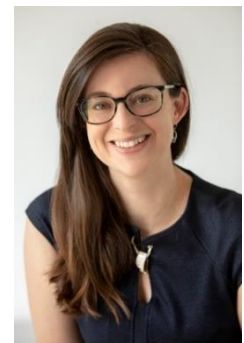
BA, JD, LLM, GradDip (Law)

Appointed: 1 Jan 2014 **Term expires:** 31 Dec 2021 (Final Term)

Julia is the Senior Policy & Communications Officer at the Financial Rights Legal Centre, where she has been working to help advise and empower consumers in financial stress since 2013.

She is passionate about social justice and helping vulnerable people catch a break. She is a high energy and dynamic person who thrives on being a voice for groups that cannot advocate for themselves. She wants to influence systemic changes in law and industry practice that benefit people and help embed those changes so systems do not slip backwards.

Julia has a Juris Doctorate from the University of Florida Levin College of Law and a Masters in Human Rights Law from the London School of Economics. She is the Chair of Board for the Tenants Union NSW.



David Duffield - Industry Representative

FAII, ARM, QPIB

Appointed: 1 Jan 2017 **Term expires:** 31 Dec 2022

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 Brokers 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

Drew Macrae - Alternate Consumer Representative

BL, BA (Mass Comm)

Appointed: 17 May 2019 **Term expires:** 16 May 2022

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

Drew has worked in policy development and advocacy for close to 20 years. 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.



John JT Phillips - Alternate Industry Representative

FAIM

Appointed: 1 Jan 2014 **Term expires:** 31 Dec 2022

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.



The Compliance Manager

René Van de Rijdt - Acting General Manager, Code Compliance and Monitoring / Investigation Manager

LLB, BPD

Appointed: 5 March 2021 - current

René van de Rijdt has been the Acting General Manager – Codes at AFCA and Acting CEO of the Banking Code Compliance Committee since March 2021. In this role, René leads the strategic direction and operational management of the Code team, ensuring delivery of its compliance and monitoring obligations for relevant industry associations and five independent Code Compliance Committees across the banking, customer owned banking, general insurance, life insurance, and insurance broking industries.

René has worked in the Code team since 2017, initially as the Code Compliance Investigations Manager, and at AFCA and its predecessor schemes since 2011. René has a background in law and external dispute resolution and holds a Bachelor of Law from Monash University and a Bachelor of Planning and Design from the University of Melbourne.



Sally Davis - General Manager, Code Compliance and Monitoring

GAICD, B.Comm, LLB, Grad Dip (Arts)

Appointed: September 2015 – 4 March 2021

Sally Davis was General Manager – Codes at AFCA and CEO of the Banking Code Compliance Committee until March this year.

Sally had 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.



Daniela Kirchlinde - Code Compliance and Operations Manager

B.Comm, Grad Dip (Finance and Investment)

Appointed: October 2009 – current

In addition to this role, Daniela also manages compliance for the Customer Owned Banking Code of Practice. Prior to her current role, Daniela had worked as Complaints and Compliance Manager at AFCA and its predecessor schemes since 1995.

Daniela has a background in dispute resolution and broad insurance industry experience in Australia, England and Germany. She holds a Bachelor of Commerce from the Cologne University (Germany) and a Graduate Diploma in Finance and Investment from the Australian Securities Institute Melbourne.



About the Code

The 2014 Insurance Brokers Code of Practice ([the Code](#)) sets standards of good industry practice for the 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, which remains ongoing.

Service standards

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.

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

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.*

Financial Details for the period 1 July 2020 to 30 June 2021

	30 June 2020	30 June 2021
Staff costs		
Gross salaries (including Committee remuneration, leave provisions, super, training and recruitment)	\$273,620 ²⁹	\$347,235 ³⁰
Operating expenses		
Professional Assistance	\$18,965	\$45,594
Communications, Stakeholder Relations & Travel	\$14,204	\$5,310 ³¹
Technology	\$19,628	\$21,585
Occupancy and Office Costs	\$14,771	\$20,804
Total Salaries and Expenses	\$341,189	\$440,528
Total Funding from NIBA	\$376,362	\$376,365
Allocated funds from operating reserve 30 June 2020 to reduce cost to NIBA ³²	\$0	\$50,000
Allocated funds from operating reserve 30 June 2021 to fund deficit of 2020-21 period ³³	\$0	\$14,163
Annual Surplus/(Deficit)	\$35,175³⁴	\$0

²⁹ Based on 1.5 full time equivalent (FTE) staff, including 0.2 FTE (1 day/week) for the position of the Code Compliance and Operations Manager.

³⁰ Based on 2.0 FTE staff, including 0.3 FTE (1.5 days/week) for the position of the Code Compliance and Operations Manager.

³¹ Reduced costs due to COVID19 travel restrictions.

³² \$50,000 allocated to reduce costs to NIBA for the 2020-21 period as agreed by the Insurance Brokers Code Compliance Committee on 14 May 2020.

³³ The Insurance Code Compliance Committee agreed on 15 July 2021 to fund the deficit for the 2020-21 period from the remaining overall operating reserves from previous years.

³⁴ Allocated to the overall operating reserves as agreed at the Insurance Brokers Code Compliance Committee meeting 2 September 2019.