

Insurance brokers are required by ASIC (RG 175) to ensure that all client invoicing adheres to the regulatory guidelines, this includes **proper and effective administration** of the selected broking system (WinBEAT/INSIGHT/other) and document storage software (OfficeTech/other). In addition, there are **specific regulations** that apply to each category of invoice that must be exclusively considered.

Guildfords provides the following high-level guide to assist in understanding and meeting the requirements as mandated by pt 7.7 of the Corporations Act (2001).

### 3 Points to Ensure Proper and Effective Administration

All invoices are subject to general administrative requirements which can be summarised into the following 3 points:

- ▶ **Client file information must be correctly recorded on broking system and storage software. These include:**
  - ABN, address, contact information and ANZSIC code
  - Sensitive information such as TFN and credit card details should be redacted where applicable
- ▶ **Necessary and relevant documents must be provided in client invoices:**
  - Detailed insurance schedule
  - Product Disclosure Statement
  - Current Financial Services Guide
  - General Advice Warning / Advice
- ▶ **Client invoices and all correspondence should be stored accordingly on chosen storage software**
  - Adherence to Insurance Placement Guide (Follow tasks template)
  - Electronic filing should be done within an accepted time frame

*It is important that the full story of the transaction is viewable through diligent filing of all client and underwriting communications and detailed file notes.*

### Invoice Category Specific Regulations

Depending on the type of invoice, there are additional regulations that should be considered:

- ▶ **Renewal**
  - Communication should commence 6 weeks in advance of renewal date
  - Show evidence that a range of quotes from different underwriters have been sourced to ensure the client is presented with optimal deals
  - Renewals must have a close date (otherwise client is not insured)
- ▶ **New Business**
  - Schedule of Insurance must clearly outline who the underwriter is
  - New policies should be compared against previous policies to ensure client benefits are the same or improved
  - Show evidence that proper risk profiles and any coverage short falls have been discussed and accepted by the client
  - Premium payment options should be explained to the client
- ▶ **Endorsement/Cancellation**
  - Reason for endorsement/cancellation must be clearly outlined on the Invoice/Schedule **and** within broking system.
  - Client confirmation is required