



**Community**  
Underwriting

# OUR TERMS OF TRADE

These Terms of Trade set out the conditions under which Community Underwriting Agency Pty Ltd (Community Underwriting) will trade with any AFS Licensed Broker (Broker). Any Broker wishing to advise, arrange and deal in insurance products provided by Community Underwriting agrees to be bound by these Terms and Conditions of Trade.

**Effective Date: May 2017**

## 1. BACKGROUND

The Broker wishes to carry on a financial services business to provide general financial product advice for general insurance products, and deal in a financial product by applying for, acquiring, varying or disposing of an Insurance Product provided by Community Underwriting as an Agent.

The Broker agrees to be bound by these Terms and Conditions of Trade (Terms and Conditions). In consideration of Remuneration by Community Underwriting, the Broker Agrees to advise and deal in an Insurance Product provided by Community Underwriting as an Agent. Community Underwriting wishes to appoint the Broker in accordance with these Terms and Conditions and agrees to pay commission to the Broker in accordance with these Terms and Conditions.

## 2. RELATIONSHIP

Community Underwriting has authority from each insurer with whom it acts, to enter into this agreement and to bind the insurer(s) to the Terms and Conditions.

The Broker holds an Australian Financial Services Licence ('AFSL') that authorises them to deal, arrange and advise in certain general insurance products and they will advise Community Underwriting immediately if the AFSL is varied, suspended or cancelled.

The Broker acts as agent for their clients and is not an agent of Community Underwriting nor do these Terms and Conditions create any form of binder, employment or partnership relationship. Both parties agree to act at all times in good faith in their dealings with each other, and to comply at all times with any legal requirements.

## 3. FINANCIAL SERVICES GUIDE (FSG)

For retail products distributed by Community Underwriting, where there is no combined FSG/PDS, the Broker must issue an FSG on behalf of Community Underwriting to the Broker's client.



## 4. ARRANGING INSURANCE

### Closing Instructions

The Broker must provide Community Underwriting with all closing instructions within 30 days of attachment, renewal or endorsement of any policy arranged through Community Underwriting.

### Holding Covered - New Business

Where Community Underwriting has agreed the terms and conditions upon which it will accept a new insurance risk, it may provide cover under an interim insurance policy for a maximum of 30 days.

Any interim insurance policy must be signed or communicated by a representative of Community Underwriting. Any interim insurance policy entered into by Community Underwriting will end in accordance with section 38 of the Insurance Contracts Act 1984 (Cth).

The Broker will provide Community Underwriting with closing instructions prior to the expiry of the interim insurance policy. If closing instructions are not received before expiry of the interim policy, the Broker is deemed to have withdrawn the client's application for cover.

### **Holding Covered - Renewals**

Where Community Underwriting has offered renewal of any policy of insurance for a broker's client and that renewal has not been accepted by the expiry date of the policy, Community Underwriting will provide cover under an interim insurance policy on the same terms as the expiring insurance policy for a maximum additional period of 30 days. Any interim insurance policy entered into by Community Underwriting will end in accordance with section 38 of the Insurance Contracts Act 1984 (Cth), provided that the broker can satisfy Community Underwriting that prior to expiry of the insurance policy, the client intended to renew the policy with Community Underwriting.

### **Premiums for Interim Insurance Policies**

Community Underwriting agrees that any offer by it of a new or renewal insurance policy may be accepted by written notification of acceptance by the Broker to Community Underwriting (with or without payment of the Premium) before expiry of any interim insurance policy. Where Community Underwriting has issued an interim policy and the client does not proceed to purchase the agreed cover, then Community Underwriting will be entitled to charge the client a premium on a pro-rata basis for the period the interim policy was on risk.

### **5. DUTY OF DISCLOSURE**

*Sections 21 and 21A of the Insurance Contracts Act 1984 (ICA)* The law requires an insured to tell Community Underwriting everything known (or that could reasonably be expected to be known in the circumstances) which is relevant to Community Underwriting's decision to accept a risk. This duty applies prior to the insured entering into a contract of insurance and prior to each renewal, extension, variation or reinstatement of the contract of insurance. Each individual named as an insured has the same duty. The insured does not need to advise Community Underwriting of anything which:

- Reduces the risk;
- Is common knowledge;
- Community Underwriting already knows, or ought to know in the ordinary course of its business; or
- Community Underwriting indicates is not required.

### **If you do not tell us**

If the insured does not comply with the duty of disclosure, Community Underwriting may reduce or refuse to pay a claim and/or cancel the contract of insurance. Once the contract of insurance has been entered into by the insured ongoing disclosure obligations may apply.

### **6. PAYMENT OF PREMIUM AND FEES**

The Broker will remit premium on a net basis and any applicable fees on a gross basis to Community Underwriting within 45 days of the policy inception. All collected premium and applicable fees are to be held in a trust account in accordance with statutory provisions.

Our bank details are:

Macquarie Bank BSB 182 222  
Account number 30-384-2074

### **7. REMUNERATION**

Community Underwriting will pay the Broker commission on each base premium in accordance with the rates agreed between the Parties. For the avoidance of doubt, the base premium is exclusive of statutory charges, any Fire Services Levy or any other fee. Any change to the Broker commission will be communicated by providing 30 days notice to the Broker.

### **8. GST / RECEIPT CREATED TAX INVOICE**

Unless otherwise stated, all amounts payable under or relating to these Terms and Conditions are inclusive of GST. Both parties agree that they are also parties to an Agreement in respect of a Recipient Created Tax Invoice (RCTI). For the purpose of dealing in general insurance products these Terms and Conditions apply to supplies to which a tax invoice relates. Community Underwriting may issue tax invoices for the supplies, in which case the Broker will not issue tax invoices for the supplies. Both Parties are registered for GST and will notify the other if the registration ceases. Both Parties agree to comply with the Australian Taxation Office requirements for a valid RCTI, which may be amended from time to time.

## 9. CLAIMS

The Broker will provide all reasonable assistance to Community Underwriting in respect of all claims and agrees that any claim will only be met upon receipt of all outstanding premium and other contributions for that contract of insurance.

## 10. MARKETING MATERIAL

The Broker must not change any of the marketing material or any other documentation provided by Community Underwriting, without the written consent of Community Underwriting. Where the material has originated from Community Underwriting such material remains the property of Community Underwriting and must be returned when requested.

## 11. INDEMNITY

Each party indemnifies the other for all claims, damages, judgments, losses, costs (party/party basis) and expenses to the extent that they arise out of or in connection with any breach by the other of its obligations under these Terms and Conditions. The indemnity survives the expiry or termination of these Terms and Conditions.

## 12. DISPUTE RESOLUTION

The Parties will attempt in good faith to negotiate any dispute between them in connection with these Terms and Conditions. If the Parties cannot resolve the dispute by negotiation, they will agree to the appointment of a mediator whose decision will be binding.

## 13. DISPUTE RESOLUTION

These Terms and Conditions may be varied by Community Underwriting without cause by providing Broker with 30 days notice. Further, these Terms and Conditions may be terminated without cause by either Party by providing 30 days written notice to the other. Community Underwriting reserves the right to rescind these Terms and Conditions immediately by providing written notice to the Broker, if the Broker is subject to an insolvency event, breaches a material term or condition or engages in serious misconduct or fraudulent activity.

As soon as practicable after any termination of these Terms and Conditions and in any event within 90 days, each Party must pay all money owed to the other if any, after taking into account any adjustments required and the Broker must return at its own expense, all documents and marketing materials supplied by Community Underwriting.

## 14. GOVERNING LAW

These Terms and Conditions will be governed by the laws of New South Wales and the Parties submit unconditionally to the non-exclusive jurisdiction of the Courts of New South Wales and any courts which may hear appeals from those Courts.



Community Underwriting are specialists in charity insurance, not for profit insurance and insurance for community organisations. We offer a range of insurance solutions customised to meet the needs of community organisations, including Association Liability. Contact us today!

Call us: 02 8045 2580 Email us: [enquiries@communityunderwriting.com.au](mailto:enquiries@communityunderwriting.com.au)

[www.communityunderwriting.com.au](http://www.communityunderwriting.com.au)

AFS No 448274 ABN: 60 166 234 715