

Strata insurance business arrangements

Record of strata insurance arrangements (to be prepared by Strata manager)

[Purpose: to offer transparent disclosure to enable interested OCs or lot owners to understand potential synergies in the business models and operations of their intermediaries and also potential conflicts of interest]

1. Reference details

Body corporate identifier:

Address of strata property:

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Name of strata manager – individual:

– firm:

Name of broker – individual:

– firm:

2. Business model characteristics – see schedule next page

Features of the arrangements not evident from the items in the schedule:

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3. Why this business model?

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4. What are the benefits of this model to the owners' corporation?

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Prepared by:

Date:

Strata Manager

STRATA INSURANCE DISCLOSURE HANDBOOK

Schedule of business model characteristics: strata manager to tick one box in each segment

... some segments have some overlap with others

A. Type of business model <ul style="list-style-type: none"> • SM has appointed preferred broker but no tied or financial connection to broker • SM operates with preferred broker(s), SM and broker have a direct shared interest in the combined commission and fee revenue • SM has its own licensed broking firm • SM is owned by the broking firm it appoints • SM and broker have cross ownership • SM and broker have a JV using a CAR and share the CAR's income • SM receives full commission (no broker) • Broker receives and retains full commission (no SM) 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
B. Third party entity between broker and strata manager <ul style="list-style-type: none"> • None • Corporate Authorised Representative (CAR)* or other third party entity 	<input type="checkbox"/> <input type="checkbox"/>
C. Remuneration structure <ul style="list-style-type: none"> • SM and broker share commission and fees between them • SM and broker share fees between them, no commission • SM and broker share commission between them, no fees 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
D. Premium: gross or net? <ul style="list-style-type: none"> • Gross: Commission in premium • Net: Premium contains no commission 	<input type="checkbox"/> <input type="checkbox"/>
E. Remuneration approach <ul style="list-style-type: none"> • Fees only, net premium • Commission rebate and broker fee, gross premium • Composite commission & broker fee, gross premium • Commission only, some rebated to SM (no broker fee) 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
F. Broker category <ul style="list-style-type: none"> • Specialist strata insurance broking firm, other business ancillary only • Specialist strata insurance division within a wider insurance portfolio • General broker with strata insurance as incidental part of a wider portfolio • No broker appointed 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
G. Strata manager category <ul style="list-style-type: none"> • Authorised Representative (AR)# as an agent of the broker (can arrange insurance) • Distributor# as an agent of the broker or the CAR (limited insurance role) • Referrer for the broker or CAR • No strata manager appointed 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

* If a CAR or other third party entity exists - <ul style="list-style-type: none"> • SM ownership 100% • Broker ownership 100% • Shared ownership SM and broker 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Income payable to SM and broker – <ul style="list-style-type: none"> • Policy by policy • Periodic profit share, dividends or similar 	<input type="checkbox"/> <input type="checkbox"/>
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AR and Distributor are both individuals authorised by the broker and subject to the broker's AFS licence. An AR can arrange insurances, a Distributor is limited largely to collecting premiums and notifying claims.
Distributor