



National Insurance Brokers Association.



30 November 2009

Mr Adam Buttigieg
FOS Finance Manager
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Dear Adam

FOS Funding Model

I refer to the Chief Ombudsman's letter of 18 November 2009 inviting NIBA's comments on the proposed funding model.

NIBA supports the FOS Management's view that Option 2 offers a fair approach to allocating the FOS budget between members in a way that reflects both their business size and their recent use of the services of FOS. This approach appears to be the more equitable of the two options considered for insurance brokers that are mostly small in size and have few claims determined by FOS. In this regard NIBA agrees with the idea that a member who has only one dispute in the relevant twelve months period should not be charged the dispute levy.

NIBA expects that under its preferred option, a large number of insurance brokers will only be required to pay the minimum base levy of \$250. Larger insurance brokers and those with claims will of course have to pay more.

Yours sincerely

Noel Pettersen
Chief Executive Officer

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