**LETTER OF APPOINTMENT (LOA) INCLUDING TERMS OF ENGAGEMENT**

CLIENT LETTERHEAD

[Date]

To Whom It May Concern:

**Letter of Appointment**

Effective from *[INSERT DATE]*, we/I appoint *[INSERT NAME AND ADDRESS OF BROKER ENTITY]* to manage all our/my insurance requirements in respect of the following services;

*(DELETE THOSE THAT DO NOT APPLY)*

Advising in matters relating to risk identification and transfer;

Arranging our general insurance requirements;

Negotiating policy coverage, policy renewal, policy changes and cancellations;

Reviewing and advising in matters relating to claim circumstances and management;

Advising in matters relating to risk management;

Advising and arranging statutory insurances as required eg. Workers’ Compensation;

Attending to correspondence and the provision of advice as may be required.

We/I acknowledge having read and accepted the Terms of Engagement and Financial Services Guide produced by *[INSERT NAME OF BROKER ENTITY]* and outlined on the following page.

We/I authorise our current insurer(s) to provide *[INSERT NAME OF BROKING ENTITY]* with all information they request regarding our insurances and claims history in respect of the following classes of insurance.

*[LIST CLASSES OF INSURANCE and NAME OF INSURER and NAME OF INSURED IF DIFFERENT FROM THE NAME ON LETTERHEAD]*

This appointment replaces any existing arrangement in place between us and any other insurance intermediary formally appointed to advise on or arrange or negotiate our insurance requirements as described above.

This appointment is invalid if the insurances described above have not been arranged by the insurance broker appointed by this letter or if this letter is not submitted to the insurers within 90 days of the effective date described.

Yours faithfully,

Client name

Title/capacity of the company’s representative

\*\*for ‘broker’, read also authorised representative, if applicable

### Terms of Engagement for [insert Client’s name, ABN. No.]

The Terms of Engagement used will depend upon the complexity and nature of the client and the services which the NIBA member provides. The following example can be adapted to suit members’ particular needs.

In regard to, [insert details of the policies as there may only be one or some of the policies that the broker is looking after under a binder arrangement but not the whole program] [insert name of broker entity] will act on your behalf as an insurance broker.

*[OR]*

When providing advice, we are acting on behalf of the insurer and not the client.

**Our Team**

[insert details of the team providing the service (if applicable)]

**Our Services**

As your insurance broker, we will provide the following services; [Modify to reflect the services you will provide]

Pre-placement services

* Help you identify and assess your risks and develop a proposal to submit to a potential insurer/insurers;
* Providing advice on risk mitigation and management strategies;

Insurance placement and premium financing

* Seek insurance quotes (for more information on how we will seek quotes see “Approaching the Market”);
* Negotiate policy coverage and policy renewal annually or as otherwise agreed in your service plan;
* Seek to bind coverage where you have authorised us to do so (except in urgent circumstances where unless you instruct otherwise, we may choose to bind insurance on your behalf if we consider that is in your best interests);
* Obtain and provide a quotation for premium funding;

Post-placement services

* Prepare and manage claims if an insured event occurs;
* Advocate on your behalf during the claims process;
* Facilitate policy changes and/or cancellations as per your instructions;

**Approaching the market**

We will seek quotes from the broader general insurance market before making a recommendation. We have arrangements with [INSERT NUMBER HERE] insurers and underwriters, which enables us to find the right insurance product for you.

*[OR]*

We have arrangements with a limited number of insurers and underwriters. When providing you with our recommendation we will only recommend products from these insurers and will not seek quotes from the broader general insurance market.

**Remuneration**

In return for the services we provide, we will receive a commission usually between x and x per cent of the premium paid (excluding relevant taxes, charges and levies) which is paid to us by the insurer.

*[OR]*

In return for the services we provide, a fee will be charged in lieu of commission. This fee will be agreed with you prior to placement. [Subscribers may wish to elaborate on how this fee is calculated]

*[OR]*

In return for the services we provide, we will receive a commission usually between x and x per cent of the premium paid (excluding relevant taxes, charges and levies) which is paid to us by the insurer and a fee, payable by you.

**Policy Cancellation** [if retaining commission]

If a cover is cancelled before the expiry of the period of insurance, we reserve the right to refund to you only the net return premium we receive from the insurer and not refund any part of the brokerage and/or broker fee we receive for arranging the cover. A broker fee may be charged to process the cancellation.

**Payment Terms**

You are required to pay outstanding premiums to [insert name of broker entity] within the time set out on our invoice.

**Our advice to you**

When providing advice we will take into consideration your personal objectives, financial situation or needs before making a recommendation. In order to provide this advice, we rely on you to provide accurate and complete information.

*[OR]*

When making a recommendation, we will not take into consideration your personal objectives, financial situation or needs. Before taking any action, you should consider whether the advice we have provided is appropriate to you having regard to your individual circumstances. Clients should obtain and read the relevant product disclosure statements before making a decision.

**Period of Engagement**

Unless we agree otherwise, our appointment is for [insert number of years] commencing [insert date] This appointment may be cancelled by [insert cancellation details ie in writing, 30 days notice etc].

We also provide you with a Financial Services Guide (FSG). This document contains important information about our relationship with yousuch as

* Our status as a licensed financial services provider;
* disclosure obligations on your part and ours;
* potential conflicts of interest that we have in our dealings with insurers and other service providers;
* professional indemnity insurance arrangements;
* internal and external complaints resolution procedures
* details of our privacy policy

We willnotify you of any changes to terms of trade or services provided.

Signed (Broker) Dated

\*\*for ‘broker’, read also authorised representative, if applicable