

Broker Commission Policy

Pen Underwriting ABN 89 113 929 516 AFSL 290518 is committed to assisting brokers to maintain high standards of professional practice in their dealings with clients and each other.

Rule 3 of the National Insurance Brokers Association Code of Conduct sets out broker's obligations with regard to Commission. We will work with you to facilitate Compliance with Rule 3.

As you are aware, a contract is formed when our Quotation terms are accepted by the client. Those terms include broker commission which the client has agreed to pay to the placing broker. We will honour that contract.

Where a Letter of Appointment is received by us from a new broker after cover has been bound and before the premium has been paid, we will pay the Commission to the placing broker.

We will not:

- Replace the existing contract
- Nett the terms
- Agree to commission being deducted by the client's new broker.

Where a Letter of Appointment is received by us for a mid-term policy and that policy is subsequently cancelled, subject to the terms of that policy, the return premium will be processed to the new broker. The new broker will be responsible for accounting to the original broker for any brokerage received for the cancelled policy.

Where a Letter of Appointment is received by us prior to policy expiry and, subject to the terms of that policy, an additional or extra premium becomes due upon expiry, the original broker and the new broker will be responsible for accounting to the other for any additional brokerage payable for that additional or extra premium.

NATIONAL INSURANCE BROKERS ASSOCIATION

Rule 3: Code of Conduct + Brokerage

1. General

This Rule applies where a Member (the new broker) is appointed to act for a client in relation to any contract of insurance (any existing policy) arranged for that client by another insurance broker (the original broker).

2. Brokerage

The new broker will:

- a) not claim or enforce any entitlement to brokerage in relation to any existing policy other than for the renewal or extension of such policy;
- b) not suggest to the client that any existing policy be cancelled unless to do so is in the interest of the client (other than by reason of the new broker thereby becoming entitled to brokerage on any contract of insurance arranged by the new broker to replace any such policy); and
- c) account to the insurer, or the original broker, for any brokerage received by the new broker in relation to any existing policy, as soon as is reasonably practicable after receipt of that brokerage.