

Tips for selecting a broker

When looking for business insurance there are some things you need to understand. Below are some questions that may assist you in your choice of broker. You will benefit most by developing a close business relationship where the broker understands your future plans, the associated risks and how you like to do business.

What Do You Need? - Do you need business or domestic cover, personal service, special risk management services and technical advice? Would you prefer to work with a small or large firm?

Request Expressions Of Interest – Select a few brokers and ask them for a proposal to assist you with obtaining the right insurance for your needs.

Things you should check include:

- qualifications and registration with official bodies/associations (such as NIBA)
- who would be the Account executive
- experience with your type of business
- their competitive advantage over other brokers
- their range of services
- size of their 'typical' client
- how they bill for work
- potential referees

The information you obtain should assist you get a feel for who may be right for you.

Is your broker qualified?

It's important to know that someone who provides a service to you is qualified. Below is some important information which will allow you to question a broker about their qualifications to look after your insurance needs. While many brokers have insurance qualifications, some do not possess **broking** qualifications.

All brokers are required to be licensed by the Federal Government's Australian Securities and Investments Commission (ASIC). All brokers are regulated by ASIC and must comply with the requirements of the Australian Financial Services Licensing. They are also required to participate in a Government approved consumer complaints handling scheme.

Is your broker a QPIB?

QPIB stands for Qualified Practising Insurance Broker. It is a strict system of professional accreditation, introduced by NIBA in 1992, to ensure the highest professional standards. Brokers who are QPIBs are obliged to meet and maintain rigorous standards of knowledge, skills and behaviour.

- **Experience** - QPIBs have at least three years experience in broking or seven years in an advisory role in the industry.

- **Continuing Professional Education (CPE)** -For QPIBs, qualification is an ongoing process - they are required to keep their skills up to date through continuing education - a minimum of 24 hours per year. Every QPIB must also submit an annual declaration form providing full details of this continuing education which is subject to an audit.
- **Association Membership** - QPIB employers must be members of NIBA or of a similar overseas association accredited to run the QPIB program
- **Insurance Qualifications (either formal or through senior professional assessment)** - Brokers seeking QPIB status must have formal qualifications including Diploma of Financial Services (Insurance Broking) or SPA 1.
- **Code of Conduct** - In addition to adhering to the laws of the Insurance (Agents and Brokers) Act, as NIBA members, QPIBs are further bound by NIBA's strict Code of Conduct. This Code of Conduct must be clearly displayed in their offices and all employees must be aware of its provisions. Failure to comply with the Code can mean a maximum \$10,000 fine or expulsion from NIBA.