Insurance

InterPrac Business Principle

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Purpose

This business principle is designed to provide guidance on Personal Insurance Advice provided by Authorised Representatives of InterPrac Financial Planning and to ensure that where Personal Insurance Advice is provided to a retail client, that advice adheres to Best Interest Duty and business requirements.

These guidelines aim to inform you, as a representative of InterPrac, of your responsibilities and obligations with respect to providing insurance advice to your clients, the use of third party systems used in the assessment, application and ongoing maintenance of personal insurance advice. This document also includes guidance on the legal and professional standards that InterPrac expects of all Advisers authorised to provide personal insurance advice.

Scope

These business principles apply to all Individual Authorised Representatives and Corporate Authorised Representatives of InterPrac Financial Planning.

This guidance has been developed to support our Representatives when preparing and providing personal financial product advice and strategic advice on personal insurances including Life, TPD, Trauma also known as Critical Illness and Income Protection also known as Salary Continuance insurance where the advice is provided to individuals and/or structures such as Companies, SMSF's and Trusts.

This guidance also discusses the expectations of InterPrac when Business Insurance advice is provided to an individual or company including Business Expenses, Key Person and Buy/Sell funding arrangements.

Policy

Authorisation and Training

Only Representatives that are authorised to provide insurance advice may provide a client with advice to acquire, maintain or dispose of a personal insurance financial product.

Only Representatives that are authorised to provide superannuation advice and insurance advice may provide advice to a client regarding the acquisition, maintenance or disposal of personal insurance policies held through a superannuation product.

If you are a **new authorised representative** to InterPrac, you will be issued with authorisation from InterPrac to provide Insurance and Superannuation advice if you meet the relevant competency and education requirements.

If you are an **existing authorised representative** of InterPrac not yet authorised to provide insurance and/or superannuation advice, you will need to demonstrate you have the relevant experience, competence and education to provide insurance advice before your authorisation in this area will be confirmed.

It may also be a requirement of the insurance provider you wish to recommend that you undertake that provider's accreditation process before you can gain access to their quoting tools, software or include their product in your recommendations. The insurance provider will generally inform you of their requirements when you apply for a new adviser code with them.

Please contact our Onboarding team on planning@interprac.com.au if you need help with setting up adviser codes for different product providers.

Obligations

As an Authorised Representative of InterPrac, you MUST:

- Be authorised to provide insurance advice.
- Consider the client's existing policies when providing advice. You must investigate if these policies can be varied to meet the client's needs (e.g. level of cover, features, structure). Note that off-APL approval is not required to recommend the retention/variation of an existing non-APL insurance policy.
- Adhere to *Business Principles: SMSF Advice* when recommending insurances within an SMSF.
- Adhere to Privacy requirements when collecting and storing sensitive information.
- Support your recommendations through use of appropriate risk comparison software (eg Life risk online, OmniLife, XPLAN risk researcher, AdviserLogic Risk Logic). Comparison can also include quotes prepared directly with the relevant insurers. The output of the completed research comparison must be considered in light of the client's relevant circumstances, needs and objectives and must be stored on file.
- Comply with any requirements stipulated by the insurer, including those associated with the use of technology platforms.
- When submitting an application online, ensure the application is completed in the presence of the client and read each declaration to the client as they appear on your screen and ensure you record the client's response accurately.
- Provide the following documents to the client (irrespective of whether the application is submitted by paper or online):
    - Advice document.
    - Product Disclosure Statement (PDS).
    - Policy quotation (including premium projections).
    - Copy of the application form (including the personal statement).
    - Copy of any other forms/statements provided to the insurer (e.g. pre-assessment form).
- Where appropriate, encourage clients to use the recommended provider's underwriting process (eg. tele-underwriting) to reduce the risk of non-disclosure.
- Have a process framework for insurance for your practice and review it regulary.

As an Authorised Representative of InterPrac, you MUST NOT:

- Cancel any existing cover that you have recommended to be replaced until you have received confirmation that the new cover is in place.
- Proceed with any insurance applications if you suspect your client is not meeting their duty of disclosure requirements.
- Alter, or agree to changes to, the terms of the policies, without the consent of the client.
- Communicate a client's acceptance of a policy until an offer of terms is made by the insurer.
- Confirm acceptance of an insurance claim in any way on behalf of an insurer without receiving confirmation of their acceptance.
- Use the insurer's name or logo or hold any authority to undertake any activity on behalf of the insurer other than as expressly authorised via prior written consent obtained from the insurer.
- Admit liability for the acceptance of an insurance claim on behalf of an Insurance Company without receiving confirmation of their acceptance;
- Receive premium payments from your Clients other than in the form of cheques made payable to the Insurance Company or completed Direct Debit Forms; or

- Alter approved Insurance Company published material or computer software, without the prior written consent of the Insurance Company.

Client ID Verification

It is best practice to verify the identity of their clients when certain activities are undertaken. This includes when you arrange for a client to pay a premium for a personal insurance policy or where you arrange for the client to apply for, maintain or dispose of a personal insurance or business insurance policy.

The appropriate AML/CTF ID verification forms required will depend on whether the client is an individual, company, trust or partnership. These requirements apply to all new applications where appropriate identification has not been previously supplied or is not held on record.

Representatives must maintain all information collected from investors in a secure manner in accordance with the Act and any relevant privacy principles. Representatives must only disclose information to government, law enforcement agencies or other parties where it is required to do so by the laws of Australia.

The InterPrac Financial Planning identification process comprises the following components:

- Collection of appropriate certified ID documents to confirm the advice recipient and/or controlling parties of an entity
- Completion of an AML/CTF risk assessment should be actioned confidentially and not in the presence of the client.
- Completion of the relevant identification verification form' by the adviser

Please refer to the AML/CTF Business Principles for further details and reference materials to support this requirement.

Future Personal Risk Insurance Needs Analysis

It is a necessary component of appropriate personal insurance advice that you undertake a risk needs analysis to identify the actual level of cover required by each client to satisfy their known financial objectives and goals.

This is considered an integral part of Reasonable Inquiry to identify each client's relevant circumstances and forms the basis for discussions around what is important for each client in relation to the advice they have sought for personal insurances.

The following example can be used to assist in the insurance needs analysis for each client and should be included in your advice document. It is recommended that the insurance needs analysis is completed to define the actual amount of cover identified as needed by the adviser with consideration of all known goals and objectives of each client and should not be contrived to support the client directed amount of cover.

Requirement	Life	TPD	Trauma	Income Protection pa	Business Expenses pa
Capital Requirements					
Liabilities to Clear	$	$	$		
Future Expenditure Required[1]	$	$	$		
Future Education Expenses	$	$	$		
Medical Costs/Recovery Income	$	$	$		
Provision for Tax	$	$	$		
Other Provisions	$	$	$		
Other	$	$	$		
Total Capital Required	**$**	**$**	**$**	**$**	**$**
Capital Provisions					
Disposable Assets	$	$	$		
Continuing Income [2]	$	$	$		

Total Capital Available	**$**	**$**	**$**		
Insurance Needs					
Total Cover Required	$	$	$	$	$
less Existing Cover	$	$	$	$	$
Surplus/Shortfall	**$**	**$**	**$**	**$**	**$**

Notes:

[1] Present value calculation (<income needs in today's $>; <IRR%>, <period>, <risk free earnings rate %>)

[2] Includes consideration of the waiting period for income protection insurance.

Commissions

While commissions that are paid as part of the structural arrangement of a particular financial product are specifically identified as being exempt from FoFA disclosure requirements, if an adviser has represented to the client that such amounts are remuneration related to an Ongoing Fee Arrangement, the commission received by the fee recipient must also be included in the FDS.

Commission Payable

The Life Insurance Framework (LIF) reforms have now been implemented, effective from 1 January 2018, and introduced changes to adviser commission arrangements and commission clawback obligations related to personal insurance products recommended through both personal and general advice models.

From 1 January 2019 the maximum upfront commission reduced to 77% and from 1 January 2020 the maximum upfront commission reduces to 66%. These rates are inclusive of GST.

Ongoing commission has been capped at a maximum of 22% per annum (incl. GST) from the point LIF reforms came into effect, with this cap expected to remain in place going forward.

Commission payment	1 January 2019	1 January 2020 and beyond
Initial	**77%**	**66%**
Ongoing	**22%**	**22%**

Where an insurance policy was in force before the LIF reforms came into effect and a client subsequently increases the amount of cover, upfront commission related to the increased premium amount may be calculated according to formulae outlined in the LIF reforms, and may be paid by the insurance company in line with the commission arrangements structured under the original application.

Commission payments are governed by the distribution agreements between InterPrac and the relevant insurance companies. InterPrac endeavours to establish these agreements with insurance companies who have products on the APL. Commission will only be received by InterPrac provided distribution agreements with insurance companies are established and remain in force.

Commission Clawback

The LIF reforms introduced new rules regarding clawback of commission payments, enforcing a 2 year clawback period. This means the insurance provider is entitled to:

- clawback 100% of the commission if the policy lapses (i.e. the policy is cancelled or not continued, or the policy cost is reduced) in the first year, and to
- clawback 60% of the initial commission in the event of a lapse in the second year

100% In year 1

60% In year 2

The reforms provide formulae for working out clawback amounts depending on when the lapse occurs.

If you are receiving any commissions as a result of the implementation of insurance advice with any insurance company, you agree to abide by the relevant clawback provisions imposed by the regulations and by each provider. By successfully implementing insurance advice and a resulting policy being issued, you are deemed to have accepted, understood and agreed to these provisions.

Please note that clawback applies to the current licensee if you have implemented insurance advice under previous licensee. Therefore, any clawback will be deducted from your commission statement as per the terms of the Representative Agreement with InterPrac.

Approved Products

All APRA (Australian Prudential Regulatory Authority) licensed insurers and their respective retail (or wholesale) products are approved for use. APRA licensed insurance companies cover all the major insurance companies operating in Australia and, as a result must adhere to stringent liquidity requirements and must satisfy regulatory guidelines providing comfort that they have the capacity to cover the claims of your clients.

Advisers need to undertake their own due diligence process when selecting which life insurer is to be recommended to a client. InterPrac approves the use of all life insurance comparison tools provided by software and comparison tools provided by Midwinter, XPLAN and AdviserLogic.

Advisers who do not use these software tools must use the online quotation tools available from the relevant insurance products being recommended which can be prepared using online tools such as Life Risk Online and OmniLife Research or can prepare quotes directly with the relevant insurers. To meet your Best Interest Duty, you need to have materials on file that demonstrate the comparison of at least three (3) different products including the client's existing policies where appropriate.

Each client's specific recommendation and the chosen product you believe best meets the needs of the client based on product features, benefits and price is then the one you must recommend.

InterPrac provides our Advisers with broad scope to recommend the risk product solution which they believe will best meet the needs and objectives of their clients but, where you are using a new provider or where you have not previously dealt with a provider, we strongly suggest that you consult with the Compliance team to ensure the viability of the provider and the product being considered until you are confident with the best options available.

Recommendations

Recommendations for insurances

In all circumstances (recommending a new policy, recommending holding an existing policy or recommending changes to an existing policy) you need to ensure the policy recommended to the client is appropriate and supports the objectives, financial situation and needs of the client in line with Best Interest Duty requirements. You must maintain file notes and evidence of reasonable investigation to this effect and your advice to the client should provide information in relation to why the recommendations are appropriate.

Recommendations to maintain existing policies

Where it is in the client's best interest to maintain their existing insurance policy for reasons (eg. unfavourable medical history, occupation, policy conditions not available elsewhere, a likelihood of exclusions or loadings being applied to a replacement policy, etc.) then you should recommend the client retain their existing policy.

Recommendations to alter an existing policy

If, due to changes in a client's circumstances (eg. changes in debt levels, cover requirements, income levels etc) the sum insured or structure of an existing insurance policy is no longer suitable for a client, you need to consider whether or not it is in the client's best interest to apply to make changes to their existing insurance policy/ies, or to apply for a new policy.

If their existing insurance policy is not approved, you do not need to seek approval under the non-approved product process. You do however need to determine whether there is a more suitable insurance policy that is on the InterPrac Approved Product List and, if so, you need to recommend that product.

Execution only

Execution only is not 'advice'. It is implementation or transaction service only.

Given the processes of policy research, implementation, or amendment, it is virtually impossible to provide an insurance solution relying upon Execution Only. However, it is possible that cancellation of an existing policy might validly rely on this principle.

Even though advice is not being provided, the Best Interest Duty obligation still exists with the adviser and also adviser is not obliged to act upon the client requirement.

For further guidance please also read the Execution Only section in the *Advice Process Business principle*.

Client direction / Scaled Advice

Provision of an insurance scaled advice would be if a client directs altering an amount of a pre-existing insurance benefit (reduction / increase) or changing a term of a pre-existing policy eg. waiting period reducing premium costs or changing policy providers.

If a client directs to reduce amount identified by the Adviser in the Risk Needs Analysis then an appropriate file note needs to be completed and a warning must be recorded in an SoA as to the effect that the lesser amount will have on the client's needs. Even though it is client directed the obligation still exists with the adviser and we discourage routinely acting on clients' direction alone.

Best practice would be to avoid it and rather ask more questions to uncover the true scope of the advice. *(Corporations Act 'safe harbour' s961B 2c, e(i) ; ASIC RG 175.301, 302 ; FASEA Code of Ethics Stds 5,6)*

Affordability

To satisfy your professional duty of care to a client, satisfy the requirements imposed under the Best Interest Duty and other professional charters applicable to our industry, it is very important that your advice is developed to ensure the client is properly advised on the level of insurance required to protect themselves, provide for their dependants and their family and to meet their known goals and objectives.

Specifically, you are required to undertake a full insurance needs analysis and advise the client of the risks of under insurance, both verbally and in the advice document.

Regardless of whether the client requests a specific sum insured, or there is an affordability issue, your advice document must show the full needs analysis, the shortfall in the cover and explain the financial impact to the client in the event of a claim.

To meet these requirements, InterPrac expects that you will:

- Base your recommendations on the client's overall position, taking into consideration not only the client's full insurance needs but also whether the client can fund the insurance premium associated with being fully insured. The issue of affordability may be initiated by the client or it may become apparent to you during the data collection process.
- If the client states they don't want to pay the premium, consider alternative funding mechanisms (e.g. super) if insurance is a priority for the client.
- Assist the client with prioritisation of goals/needs that conflict with their insurance needs e.g. cash flow required for discretionary expenses and/or saving for retirement.
- If the client indicates an affordability issue, obtain cash flow information which supports this. If they decline to provide this information, your strategy and product recommendations must be based on a full needs analysis. Affordable options may be documented as alternative strategies.

- If you determine there is a genuine affordability issue (i.e. supported by cash flow information), include the full amount of cover the client requires in the strategy section of the advice document, in addition to the affordable levels of cover. The product recommendations will be based on the affordable levels of cover.
- Within the advice document, highlight the gap between the full cover required and the cover agreed upon due to affordability issues, and detail the impact of being under-insured in the context of the client's specific circumstances. For example, if the client declines advice regarding income protection, but they are reliant on their income to meet their mortgage repayments, the house may have to be sold if an insurable event occurs.
- When recommending insurance within super, demonstrate that you have considered the impact of the proposed premium on the client's super balance. This can be achieved and is expected to be demonstrated in your advice by including appropriate projections that compare the client's super balance with vs without premium funding over a period of at least five years.
- For super based insurance recommendations it is necessary to explain in your recommendations the implications of the client having to satisfy a condition of release in order to access an insurance benefit payment and to also discuss the potential taxation consequences relating to lump sum benefits paid through a super based policy.
- Where the recommended insurances are reduced due to affordability, recommend the regular review of these insurances through an ongoing advice service package.
- Ensure that any reduction in scope due to affordability is directed by the client.
- Where the client limits the scope by directing the level of cover, document the client's rationale for the level of cover in a file note as well as the advice document. This will assist you in determining any appropriate ancillary benefits, whether stepped or level premiums are suitable, etc.
- A client's estate planning goals should also be taken into consideration when recommending insurance. At the very least it should be recommended that they consult with an estate planning lawyer. It is also important to provide recommendations for nomination of beneficiaries when the insurance is held in superannuation.

These requirements are designed to ensure you provide comprehensive insurance advice which the Client can consider, rather than limiting your advice due to affordability and client directed cover alone.

In addition, you must ensure that in completing the Authority to Proceed the client documents in their own words their reasoning for amendment to any recommended cover level and their understanding of the potential implications of this change to your recommendations.

Affordability tests

To assess affordability, it is recommended sufficient information is collected to confirm the client's overall cashflow position is stable, (eg. by verifying constant assessable income over the last 2 years) and by confirming with the client there is no expected change to their remuneration, employment arrangements or any other significant change that would have a negative impact on their cash flow position.

Where a direct ownership arrangement is recommended, the client must have adequate after tax cash flow to afford the premiums. Representatives can apply the following tests when providing insurance recommendations. The metrics below are based on the percentage the premium may be against the insured's salary and/or Super Guarantee payment.

The test variables are based on:

- gross income – defined as salary or business income before deductible expenses and tax and excluding salary packaged income and Fringe Benefit Tax;
- gross super guarantee (SG) payment – defined as gross employer contributions to superannuation based on the compulsory SG rate payable;

The evidence on file and information within your advice must incorporate:

1. Premiums as a % of gross income
2. Premiums as a % of gross Super Guarantee
3. It is always preferable to obtain cash flow details from your clients
4. The impact on current and future annual cash flows to demonstrate affordability through use of projections*

** The need to project the superannuation balance over a minimum of 5 years based on indexed SG payments, the Insurance premiums over five years and an average total after tax return on the Fund's balance of 5%.*

Electronic systems for applications

If you are submitting an application, personal statement, or any other relevant form to an Insurance Company electronically on behalf of a Client, you must ensure that you:

- only complete an application for insurance in the presence of and with the assistance of the client to be insured;
- fully inform the Client of their duty of disclosure and that you have obtained their agreement and confirmation on the respective acknowledgement before implementing your advice;
- read each declaration to the Client (as they appear on screen) as you complete the electronic form(s); and
- take reasonable steps to ensure that the information captured within these electronic forms is an honest and complete representation of the Client, and that all relevant information has been captured and entered before submitting the electronic form.

Some providers require you to print a hard copy of all forms that are to be submitted electronically once they have been completed. The provider may also require the client sign and/or acknowledge the information provided is an accurate representation of their relevant circumstances and that they have read and understood any and all declarations and/or disclosures within these forms.

In this case, you must go through the completed form with the client to ensure you have correctly recorded this information before obtaining the client's signature and/or acknowledgement.

You must comply with any such request as stipulated by the insurance provider as part of their terms and conditions for submitting applications online.

If you are submitting a personal statement electronically on behalf of a client you must ensure that you obtain a copy of the completed personal statement and send this to the client in either hard copy or soft copy format. You must keep a record on file of the correspondence to the client that was sent (eg. the cover letter or the e-mail). In addition, you must highlight the client's Duty of Disclosure Obligations when corresponding with your client.

You must ensure that any disclosures that have been completed in conjunction with the personal statement are also included in the copy of the documentation sent to your client.

When using any technology provided by an insurance provider (eg quoting software and website access) for the implementation, maintenance or management of client information and/or the implementation of insurance advice you must:

- read, understand and comply with any guidelines or terms and conditions as stipulated by the owner and/or provider of the technology platform.
- ensure that you are using the most up-to-date version of the technology platform and install and abide by any upgrade or change of guidelines as stipulated by the owner and/or provider of the technology platform. This is to ensure that you are providing only current product information, illustrations and quotes to your clients.
- take reasonable steps to ensure a unique log in and/or password details remain secure and confidential.

Other insurance types or requirements

Insurance and Gearing Advice

If you are providing a Client with Gearing Advice (including Margin Lending Advice) you must consider the client's insurance needs and adhere to the insurance analysis requirements as stipulated in the *Gearing Business Principles*.

Insurance and SMSF clients

For any recommendations in relation to insurance to be held via Self-Managed Super Funds, please refer to the *Business Principles: SMSF Advice*. This includes if you are not accredited to provide advice in relation to a SMSF but wish to make an insurance recommendation to the trustees of a SMSF or the members of a SMSF.

Business Insurances

Where a client is self-employed it is appropriate to also consider business insurances including Business Expenses, Key Person and Buy/Sell agreement funding arrangements. In providing business insurance advice please ensure the client file and advice demonstrate the following items:

- an appropriate needs analysis is completed to confirm the client's needs for each type of cover
- file notes and correspondence are stored pertaining to referral of clients to, and subsequent dealings with, other professional service providers, such as solicitors, accountants and business valuation firms.
- retain evidence of business insurance decisions/objectives via documents such as file notes, meeting minutes, buy/sell agreements and business valuations.
- determine if the individual(s) seeking the advice is (are) authorised to do so by the business by sighting documentary evidence and retaining it on file. Only an individual authorised by the business can sign the data collection document.
- obtain financial statements for the business to support your needs analysis.
- involve all business owners/directors/trustees in the data collection process when providing business insurance advice.
- general insurance needs are dealt with and appropriately referred to an authorised adviser for the purpose of reviewing and implementing cover such as Professional Indemnity, Public Liability, Building and Contents insurances, etc. Representatives of InterPrac Financial Planning are not authorised to provide advice on these insurance products.

Record keeping and reviews

Regular Reviews

Strategies involving insurance should be reviewed regularly (at least every two years), or if there is known substantial changes to their situation. For example, an increase in total debt position or other significant life event occurring.

Reviews will necessarily include updating the client's risk profile, relevant circumstances, needs and objectives using an approved fact finding process or tools.

Duty of Disclosure

When an insurer assesses an application for insurance they do so on the basis that the details contained in the application, personal statement or any other form (whether paper-based or online) are a complete and accurate representation of the client's circumstances and that the client has read and understood all associated materials.

There can be serious consequences for failure to comply with the duty of disclosure or misrepresenting the information provided to an insurer. For example, in certain circumstances insurance companies may have grounds to avoid or vary the insurance contract or take other action or proceedings in situations where they consider that inaccurate or misrepresented information has been used to obtain insurance.

For these reasons it is important to ensure that the client is aware of their obligations and that you do not proceed with any applications or provide any information to an insurance company in situations where you are aware that the client has not satisfied their Duty of Disclosure.

Before deciding on the issue of a policy, the provider needs to know exactly what risk they are insuring and how likely it will be that the client may make a claim. The client must answer the questions completely, accurately and honestly as they have a responsibility (Duty of Disclosure) to tell the insurer everything that they may know or be reasonably expected to know that is relevant to the insurer's decision to issue the policy, and on what terms.

Details of the client's Duty of Disclosure are provided in every application for insurance, with every provider, whether online or paper based and applies up to the date of acceptance by the insurance company. The duty to inform an insurer includes any changes to the clients' personal medical situation during the underwriting process and the completion of any additional documents (i.e. the signing of an acceptance form for sub-standard terms). It also applies to any pre-assessment undertaken by an insurer.

To ensure the client understands their responsibility and Duty of Disclosure Authorised Representatives of InterPrac are required to:

- inform and advise each client of their duty of disclosure under the Insurance Contracts Act and the consequences of non-disclosure, incomplete disclosure, misrepresentation or providing fraudulent information. Standard text in your advice templates can guide your discussions;
- explain the Duty of Disclosure content and seek confirmation that your Client has read and understood their obligations with respect to their duty of disclosure before they sign and date the document including any other statements or forms; and
- maintain a record of this discussion with your Client (i.e. via a file note, copy of correspondence to the client etc).

When recommending and/or implementing insurance advice you must provide the client with a copy of:

- relevant Product Disclosure Statements (PDS) for the products that you are recommending (whether the advice is implemented or not) and any relevant Supplementary Product Disclosure Statement (SPDS);
- policy and product illustrations and/or quotes (i.e. premium cost and ongoing projections);
- the application form as used by the Insurance Company to assess the
- of the completed personal statement as used by the insurer to assess the client risk;
- any other form(s) that have been completed by the client and used for the purpose of applying for insurance, including any forms submitted for pre-assessment.

Where an insurer mandates that you provide the client with a hard copy of any completed forms, PDS or product illustrations, including gaining additional acknowledgement from the client that it is an accurate reflection of their circumstances, you must comply with this request.

It is recommended that you maintain a copy of the correspondence that confirms you adhered to this request. We also recommend that you do this as a matter of best practice, regardless of whether it is required by the insurer.

Privacy

The National Privacy Principles specify that personal (or sensitive) health information which contains identifiers (i.e. the Clients' personal details such as name, date of birth etc) can only be retained whilst the purpose for which it is collected remains. As such, you must adhere to the National Privacy Principles, which means you must:

- only collect information which is relevant to the insurance cover sought and applied for;
- not use the information for any other purpose than the purpose it was collected for;
- ensure that the information is stored securely and only accessible by those people who have a legitimate business reason to have access to the information; and
- destroy all personal/sensitive health information within 7 business days of receiving a written request to do so from the client.

Consequences

Failure to meet InterPrac Business Principles may result in additional supervision, training, disciplinary action, banning or cessation of your proper authority under InterPrac's licence. We will always try to assist you where possible if you notify us when applicable.

Support

If in doubt, contact a member of the Compliance team to assist you.

Michael Butler	**michael.butler@interprac.com.au**	**0431 774 688**
Shane Miller	**shane.miller@interprac.com.au**	**03 9209 9783**
Tadeya Pacnik	**tadeya.pacnik@interprac.com.au**	**03 9209 9743**

Tools

InterPrac provide a number of documents and tools, available on the Adviser Resource Centre, to assist you in meeting these obligations and to ensure completeness of your client files and advice in satisfying the requirements. Some of the documents expected to be completed and stored on file to demonstrate satisfaction of the Best Interest Duty and related obligations include:

- Fact Find
- Insurance Needs Analysis
- Insurance Quoting tools (Life Risk Online, OmniLife, …)
- Insurance module of any financial planning software (AdviserLogic, Xplan, MidWinter, …)
- Advice documents - Statement of Advice and Record of Advice templates
- Insurance Strategy text

Guidance and Associated Documentation

Further guidance in support of Best Interest Duty and related obligations can be seen in additional business rules including:

- Best Interest Duty Business Principle
- Advice Process Business Principle
- SMSF Advice Business Principle
- Advice Types Business Principle
- Gearing and Margin Lending Business Principle
- InterPrac Compliance Manual v 4.0