



PROVISION OF INSURANCE SERVICES

Under the Deed for the provision of Scheme Services, a Scheme Agent must not enter into any contract, understanding, or arrangements to provide insurance or other related services with any Employer for which it provides any Services, except as outlined below.

Authorised insurers

Where a Scheme Agent or a Related Body Corporate is authorised by the Australian Prudential Regulation Authority to provide new or renewal insurance, or re-insurance, within Australia, the Nominal Insurer approves such a Scheme Agent to write Policies of insurance for clients, including Employers for which the Scheme Agent provides Scheme Services, for other classes of general insurance.

In providing such insurance, the Scheme Agent must ensure that the provision of Services under the Deed is not compromised and that:

- (a) all data, other than publicly available data, and Confidential Information belonging to the Nominal Insurer or other Personal Information, including details of Employers, Workers or Third Party Service Providers is not used for any purpose in the conduct of any other insurance business
- (b) all Key Personnel nominated within the Deed are required to give priority to the provision of Scheme Services and, where Key Personnel are involved in other lines of insurance, this involvement must not limit the Scheme Agent's ability to perform the required Services under the Deed.

Nominal Insurer approval required in all other circumstances

In all other circumstances, the Scheme Agent must seek the approval of the Nominal Insurer where:

- (a) a Scheme Agent wishes to enter into arrangements to provide other related insurance services, including brokerage, Claims management or other similar services with an Employer to whom it provides Services, or
- (b) a Scheme Agent wishes to provide services that are to be paid by the Nominal Insurer as a Pass-Through Cost.

The Nominal Insurer will consider each request for Approval on a case-by-case basis for each product, service or line of business.

As part of the process of seeking Nominal Insurer Approval, the Scheme Agent will be required to demonstrate to the Nominal Insurer an appropriate framework for managing possible conflicts in relation to the:

- (a) commitment of resources to other lines of business, including details of any agreements relating to 'first use of resources in a crisis'
- (b) management of shared IT systems across business lines, including mitigation strategies in the event of an IT failure and an explanation of the impact of a shared system on potential costs and timing of implementation of Variations under the Deed

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- (c) involvement of Key Personnel under the Deed in other lines of business
- (d) decision-making in relation to the selection of Third Party Service Providers
- (e) protocols around the management, storage and use of Scheme data, Confidential Information belonging to the Nominal Insurer, and Personal Information relating to Employers, Workers and Third Party Service Providers
- (f) viability of other business lines and potential impact on capacity of the Scheme Agent to provide Scheme Services
- (g) risk assessment of the impact of other business lines on the infrastructure and operations of the Scheme Agent.
- (h) any other conflict or risk the Scheme Agent considers relevant.

References

Deed, clause 44.4

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