

**Broker Exemption Declaration
Important Notice To The Broker**

Insured Name:

From 1 July 2008, brokers may not place business with a Direct Offshore Foreign Insurer (DOFI) unless the business fits within one of the following four exemptions:

- **Size of Insured** - the insured (i.e. the policy holder, not all the beneficiaries of the policy) has operating revenue derived in Australia or consolidated gross assets in Australia of \$200million or more, or 500 or more Australian employees (based on the average over the last 3 financial years)
- **Atypical Risks** – the risk is one of the following – nuclear, war, terrorism, satellite and space, biological risk, medical clinical trials, aviation liability, shipowner’s protection and indemnity (excluding pleasure craft)
- **Foreign Jurisdiction** - the law of a foreign jurisdiction requires the insurance to be placed with a DOFI, or
- **Unique Risk** – following a reasonable level of investigation and market analysis, an AFS licensed insurance broker has provided a written assessment that the business cannot reasonably be placed with an insurer authorised by APRA for one of the following reasons:
 - no authorised insurer will insure the risk, or
 - the terms (including price) on which any authorised insurer will insure against the risk are substantially less favourable to the insured than the terms on which the DOFI will insure against the risk, or
 - there are other circumstances that mean that insurance with an Australian insurer is substantially less favourable than with a DOFI.

DECLARATION

Insurance brokers who decide to use a DOFI are required to keep written records of their inquiries (including market research) and decisions including reasons for using a DOFI. If asked by an insured, brokers must provide a certificate that they have assessed that the risk cannot reasonably be placed with an APRA - regulated insurer. This allows an insured to use another intermediary, e.g. an insurance agent to place their business with a DOFI without breaching the prohibitions.

I of
(Account Executive) *(Broking Firm)*

Confirm we have retained all relevant information and complied with all relevant legislative requirements of the applicable Act regarding the placement of insurance and administration of that business with a Direct Overseas Foreign Insurer. Such documentation will be made available upon request.

Dated **Signature**