

Why Introduce New Best Practice for Strata Insurance Disclosure?

- ✓ To elevate SCA members in the eyes of strata committees and consumers
- ✓ To eliminate some of the poor insurance practices and bad actors who undermine confidence
- ✓ To improve relationships, conversations, understanding and outcomes relating to insurance between strata managers, committees and consumers

The **3** Principles of Best Practice Strata Insurance Disclosure



DISCLOSE

Strata committees can clearly see and understand what actions are being taken, which parties are involved and who is being remunerated in relation to their insurance policy.



DOCUMENT

Strata committees understand their choices, options and fee breakdowns as they relate to their insurance policy.



COMMUNICATE

Strata committees receive clear, timely, accurate information about their insurance policy.

Best Practice Strata Insurance Disclosure Process

DISCLOSE

Disclose the eight (8) financial items including:

- ▶ Base premium, ESL/FSL, stamp duty, underwriting agency fee, broker fee, GST
- ▶ Commission (\$)
- ▶ Allocation of remuneration (\$)
- ▶ Conflicts of interest (short explanation)
- ▶ Declaration of acting in best interests

DOCUMENT

- ▶ Document the eight (8) financial items by following SCA's best practice guide templates and step-by-step instructions
- ▶ Align paperwork and processes between the strata manager and insurance broker/underwriter

COMMUNICATE

(the above disclosure requirements)

- ▶ At time of quotation with at least 30 days where possible
- ▶ Once the policy has been renewed (the invoice)
- ▶ At the Annual General Meeting (AGM)

What next?

SCA will be conducting training, education and information sessions in Q1 and Q2 2024.

Following a transition period, these practices will be assessed as part of SCA Code of Conduct.



Scan this code to access the Guide via the SCA Member Centre