

UNDERSTANDING INFORMED CONSENT FOR SELF-MANAGED STRATA SCHEMES



We know that understanding insurance for your strata scheme can be challenging. That's why BCB is committed to working openly and collaboratively with strata schemes.

We support complete transparency in the insurance industry, and we're proud to give you a choice in how we manage your insurance renewals.

Introducing informed consent – a new industry standard

Informed consent is the formal approval provided by a strata scheme that allows an insurance broker to obtain insurance quotations that include commission as part of the premium.

It's part of new ASIC regulations that require brokers to obtain clear, prior consent from customers in each policy period when they provide personal advice and commission is included within the premium offered by the insurer.

Does this increase the cost of insurance?

Providing informed consent **does not increase your premium** or the amount of remuneration BCB earns for managing your strata insurance policy.

The cost of insurance is determined by the insurer, the policy coverage, and any broker fees or commissions.

- If you **provide informed consent**, BCB can arrange insurance quotes for your property that include commission.
- If you **don't provide informed consent**, we must charge our remuneration separately as a broker fee. You will see this clearly listed in the documents we provide.

The important change is that you will now formally choose and approve the method of broker remuneration before we obtain quotes.

Why is informed consent necessary?

Transparency. Ensures strata schemes are fully informed about the broker's remuneration.

Choice. Allows you to choose how brokers are paid (commission or fee-for- service).

Compliance. Aligns with updated financial services laws and industry best practice under ASIC's regulatory framework.

Trust. Reinforces BCB's ongoing commitment to acting in your best interests and delivering full disclosure.

How it Works – Step by Step

STEP 1

Renewal period

When your insurance renewal is due, we will contact you to request your informed consent using our **Informed Consent email template**.

STEP 2

Requesting quotations

We'll approach insurers for quotations based on the consent you provide.

STEP 3

Renewal Report

Your renewal report will:

- confirm the quotations
- show the remuneration for each option
- present this in accordance with the **SCA Strata Insurance Disclosure Best Practice Guide**.

Frequently Asked Questions

1 What if we don't provide informed consent?

We can't obtain quotations including commission or place cover without a strata scheme's informed consent. This may delay your renewal and risk a lapse in insurance coverage if not resolved in time.

We are also required to charge our remuneration separately as a Broker Fee.

2 Who gives consent?

The strata scheme provides consent – typically via the Committee, through a Committee Meeting, or by instruction from a nominated member of the strata scheme.

3 Will this affect our cover or policy terms?

No. Your policy coverage is not affected by how the broker is paid. The important change is that you will now formally choose and approve the method of broker remuneration before we obtain quotes.

We're with you every step of the way

BCB is here to support you. If you have any questions or need help understanding informed consent, please contact your BCB Broker directly or visit our website for more resources.

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QUESTIONS?

Please contact your nearest BCB office for any queries or advice.



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