# Unfair Inducements Policy

Any person acting on behalf of [Name of firm] must not:

1. offer, give, solicit or accept an inducement; or
2. direct or refer any actual or potential business in relation to an insurance mediation activity carried out in the name of [Name of firm] to another person;

If it is likely to conflict to a material extent with any duty that [Name of firm] owes to its customers including:

1. Principle 1 to act with integrity
2. Where Principle 6 applies, to treat customers fairly,
3. Principle 12 applies to act to deliver good outcomes for retail customers, and
4. The customer’s best interest rule.

## Definition

An inducement is a benefit offered to the firm, or any person acting on its behalf, with a view to the firm or the person, adopting a particular course of action. This can include, but is not limited to cash, cash equivalents, commission, goods, hospitality or training programmes.

The inducement offered does not need to be related to the firm’s sales process itself. For example, [Name of firm] has a duty to its customers to act with due care, skill and diligence, where it is acting for them at the claims stage.

## Clarification

[Name of firm] or any person acting on its behalf is not prevented from:

1. accepting assistance so that the quality of the service to customers is enhanced; or
2. giving or receiving indirect benefits (such as gifts, hospitality or promotional competition prizes); providing in either case this is not likely to give rise to a conflict with the duties that the firm owes to its customer.

## Action required by all employees

Any benefit offered to or by any representative of [Name of firm] outside of those that normally form part of negotiations with customers and insurers concerning premium, our earnings and policy terms and conditions, must be disclosed to [Director’s Name]. If appropriate the the benefit offered to or by any representative of the firm must be entered in the firm’s Gifts and Hospitality Register.

## Monitoring

The identification and examination of any inducements will form part of our monitoring procedures.

## Remedial action

Where the existence of an inducement is identified as causing, or which may cause, a course of action to be adopted, that conflicts to a material extent with any duty that we owe to our customers, the matter must be referred to the Board of Directors and a decision taken (and recorded) as to how the situation shall be remedied.