



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

8 April 2026

Richard Klipin

National Insurance Brokers Association

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31 Market St

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via email: code@niba.com.au

Dear Mr Klipin

Insurance Brokers Code of Practice revision

The Australian Small Business and Family Enterprise Ombudsman (ASBFEO) welcomes the opportunity to make a submission to the National Insurance Brokers Association (NIBA) regarding revisions to the Insurance Brokers Code of Practice (the Code) following the 2025 Independent Review on the Code.

Insurance is compulsory for many small businesses who can face significant challenges in obtaining adequate cover on commercially viable terms. For example, in New South Wales the high and rising cost of insurance has consistently been highlighted in business surveys since December 2021. In December 2025, this issue was identified as the top concern for businesses.¹

Given these challenges, many small businesses rely on insurance brokers to navigate the insurance market through seeking advice, comparing options, and sourcing cover that is both affordable and appropriately tailored to their sector and risk profile. It is therefore important that brokers clearly communicate to their clients, including small businesses, their commitment to high standards of professional practice and ethical conduct.

The Code review process provides a practical mechanism to demonstrate this commitment and to reinforce the value brokers bring in helping small businesses access insurance. Full implementation of the Independent Review's recommendations would complete this commitment by strengthening accountability, consistency and transparency across the profession.

1. What outcomes would you most want to see from a revised Code to improve consumer protection in insurance broking?

To strengthen the Code and reinforce high standards of professional conduct and ethical behaviour, the ASBFEO encourages NIBA to adopt the Independent Review's recommendations in full, including reframing the Code as clear promises to clients (including small businesses). This would give clients greater confidence that their broker will act with professionalism, transparency

¹ Business NSW, NSW Business Conditions – Tough trading amid rising costs, Business NSW, December 2025, accessed 4 March 2026.



and integrity throughout the relationship, including during claims processes when trusted advice is critical.

Moreover, the ASBFEO supports strengthening the Code by making its commitments contractually enforceable rather than voluntary. As seen with the Banking Code of Practice, clients should be able to hold their insurance broker up to their commitments, including resolving complaints through internal dispute resolution or court action to enforce their rights.

Contractual enforceability holds insurance brokers to account and provides clearer, more practical rights in specific circumstances, such as where a client is experiencing vulnerability. It will also support the Insurance Brokers Code Compliance Committee (IBCCC) to monitor insurance brokers and enforce the Code.

2. Are there particular consumer cohorts or communities whose needs should be explicitly addressed in the Code?

The Code should explicitly recognise small businesses as a distinct cohort. Many of the insurance products small businesses require to operate their business fall outside the definition of a retail client and the narrow list of insurance products specified in the regulations.

As a result, small businesses are frequently treated as wholesale clients who are assumed to have capabilities akin to large corporations. This classification does not reflect the practical realities faced by most small businesses, who typically lack the size, resources, internal capability and specialist expertise associated with wholesale or sophisticated clients.

Many small businesses with fewer than 100 employees have limited administrative capacity and in-house risk management expertise, and low familiarity with complex regulatory and insurance market information. While they may have insurance needs similar to larger enterprises, they often lack internal capabilities, financial resilience, or specialist knowledge. Many small businesses are family-owned and operated, working within tight budgets, and depend heavily on insurance brokers to navigate complex insurance arrangements, assess risk, and secure appropriate cover.

This is why it is important to identify small business as a distinct cohort in the Code. We encourage NIBA to adopt a consistent and clear approach to defining small business by aligning with the Australian Financial Complaints Authority (AFCA) definition of a small business. AFCA defines a small business as an organisation with less than 100 employees, whereas the current Code defines a small business as a business employing less than 20 people, or if a manufacturer, less than 100 people.

Explicit recognition of small businesses within the Code would also support the inclusion of tailored protocols, such as specific arrangements for small businesses operating in catastrophe-prone areas. This will ensure timely and priority support during claims handling at a time when the small business is at its greatest vulnerability.

3. How could the Code better support consumers who experience problems with their broker?

The Code should clearly articulate the dispute resolution processes available to all clients, including small businesses, and ensure these processes are easy to understand and navigate. To support awareness and informed engagement, all clients should be provided with a copy of the Code at the time their insurance policy is issued, so they clearly understand the standards of conduct they can expect and the avenues available if those standards are not met.



As applies in the Banking Code of Practice, the Code should outline the broker's commitment to take extra care with customers who are experiencing vulnerability, as opposed to only finding 'a suitable way to proceed'. The Code should explicitly set out how industry will support consumers and small businesses experiencing vulnerability, establishing clear expectations around broker conduct during claims handling, as well as transparent disclosure of coverage, premiums and commissions, particularly at times when clients are least able to navigate complexity.

4. Are there areas where the Code could better complement existing regulatory requirements?

The ASBFEO supports the Independent Review's recommendation to introduce a mandatory 28-day contact period prior to policy renewal. This measure is an important consumer protection for small businesses, as it helps ensure insurance coverage remains relevant and appropriate to a business's current circumstances and reduces the risk of policies renewing without adequate review.

In relation to conflicts of interest, the ASBFEO supports the consolidation of conflict management obligations into a single, standalone provision within the Code. At the same time, the Code could provide additional clarity by addressing high-risk remuneration or incentive arrangements that have the potential to influence broker recommendations, thereby strengthening confidence in the objectivity of advice. For example, the Code could include a 'Best Interests' test in section 6 to specifically prohibit insurance brokers from accepting volume-based bonuses that conflict with the client's need for the most affordable and effective cover.

The ASBFEO considers the Code an opportunity to set a high standard of professional practice that complements existing legislative requirements and, where appropriate, goes beyond the minimum standards set by regulations.

While the best interest duty obligations in section 5 provide an important baseline, the Code's revision also presents an opportunity for the industry to commit to a higher professional standard. This could include an expectation that brokers proactively review a small business' risk profile on a regular basis, recognising that risk exposures can change over time and not solely at the point of renewal.

5. Do you have any views on NIBA's proposed approach to the 14 recommendations?

The ASBFEO provides the following feedback on NIBA's positions:

Remuneration disclosure

- Regarding recommendation 3 of the Independent Review, we strongly endorse the obligation to provide all small business clients with remuneration disclosure, regardless of insurance product type.
- The ASBFEO supports recommendation 5 as it is intended to lift integrity and honesty among brokers by requiring remuneration disclosure in standardised templates at the time of quotation (even if provisional) and at the time of invoice.
- The current Code requires brokers to disclose a set list of information regarding remuneration at the same time as when the broker is providing advice to the client. When no advice has been provided the information must be provided to the client prior to payment. NIBA's response to the Independent Review states that 'NIBA supports dollar-based disclosure at the invoice stage' which is not consistent with the disclosing remuneration at the time of providing advice.



- The ASBFEO recommends that remuneration disclosures must be provided at the time of advice and no later. Withholding this information until prior to payment may not give small businesses sufficient time to make an informed decision.

Quality process

- The ASBFEO supports recommendation 9 in line with standard 9 in the Financial Adviser Standards and Ethics Authority's Financial Planners and Advisers Code of Ethics 2019. Adopting this standard will require insurance brokers to ensure that all advice and products are offered in good faith, with competence and based on information that is neither misleading nor deceptive.²

ASBFEO advocates for a revised Code that emphasises the importance of the broker-client relationship, especially for small businesses. The Code should be underpinned by principles of trust, confidence, integrity, high customer service, transparency and accountability.

If you require any further information, please do not hesitate to contact the Policy and Advocacy team via email at advocacy@asbfeo.gov.au.

Yours sincerely

Lynda McAlary-Smith

Australian Small Business and Family Enterprise Ombudsman

² Financial Adviser Standards and Ethics Authority (FASEA), 'Financial Planners and Advisers Code of Ethics 2019', FASEA, Department of the Treasury, 2019, accessed 2 April 2026.