

FAQs for strata owners and committees

These helpful FAQs have been created to assist strata owners and committees to understand informed consent.

What is informed consent?

Informed consent means that the Owners Corporation understands and agrees to our office receiving a commission paid by the insurer for arranging your strata insurance and providing personal advice related to the policy. This consent is only valid if it's based on clear and upfront information, which we provide to you before any commission is received.

Why is informed consent required?

Following the 2018 Financial Services Royal Commission, new laws were introduced to improve transparency in the financial services industry. One of the key changes is that brokers must now obtain informed consent before receiving commission for providing personal advice on strata insurance.

What do I need to know about informed consent?

Informed consent means the Owners Corporation understands and agrees to the broker receiving a commission from the insurer, but only after the broker has provided clear, upfront information, including:

- The name of the insurer, which can be found on your current insurance policy or renewal notice
- The commission amount (as a percentage or range)
- The services provided in return
- That personal advice is being given
- That consent is required before any commission is received
- Once consent is given, it cannot be withdrawn

This ensures you know how the broker is being paid and can decide how you'd like to proceed.

What this means for you

While brokers have always received commission from insurers for arranging insurance, the new legislation requires that this arrangement is fully disclosed to owners and that your formal consent is recorded before a policy can be placed, renewed or varied. This consent is not about additional cost (commissions are paid by the insurer), but about ensuring you are aware of:

- The broker's relationship with the insurer
- The commission amount or range
- The services provided
- Your right to make an informed decision

What is personal advice vs general advice?

- **Personal advice** is tailored to your specific needs or situation
- **General advice** is not tailored, it provides general information about insurance options

When is informed consent required?

You'll be asked to give informed consent when:

- You're receiving personal advice
- The insurance policy is a retail product, such as residential strata insurance
- The broker will receive commission or a financial benefit

How do you give consent?

You can provide consent by:

- In writing or via email
- Verbal consent can also be provided

What is a commission?

A commission is a payment made by the insurance company to the broker for arranging your policy. This is not an added cost to you - your premium does not increase as a result of this payment.

What if you don't obtain consent?

The broker cannot receive a commission for giving personal advice.

- You can receive general advice only
OR
- You can choose to receive personal advice for a fee (instead of a commission)

Does this apply to renewals or changes to your policy?

Yes, in some cases. A new or updated consent will be required if:

- The insurer changes
- The commission amount increases
- The policy is varied
- It's the second renewal of a policy originally placed before 9 July 2025

What if the committee has questions about the commission?

If there are concerns, here are some key points:

- The commission is paid by the insurer, not by the Owners Corporation, and does not affect your premium
- The informed consent process ensures transparency, not added cost
- You have options:
 - Proceed with general advice only
OR
 - Engage the broker under a fee-for-service model for personal advice

If you'd like more information, please call the Whitbread Insurance Brokers Informed Consent hotline on 1300 959 673.

What do I need to do as a committee member or owner?

- Review the Informed Consent Form
- Ask questions if anything is unclear by calling the Whitbread Insurance Brokers Informed Consent hotline on 1300 959 673
- Send approval to:
informedconsent@whitbread.com.au

Where can I find more information?

If you have any questions or need further clarification you can:

- **Visit** www.whitbread.com.au/informed-consent
- **Call** 1300 959 673
- **Email** informedconsent@whitbread.com.au

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