

ENFORCEABLE UNDERTAKING

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION ACT

SECTION 93AA

1. INTRODUCTION:-

This document ("enforceable undertaking") contains the undertakings offered by Trojan Insurance Brokers Pty Ltd (ACN 010 684 269) of Level 5, 122 Walker Street, Townsville, Queensland ("the company") to the Australian Securities and Investments Commission ("ASIC") pursuant to section 93AA of the Australian Securities and Investments Commission Act 1989 ("ASIC Act").

2. BACKGROUND:-

- 2.1 The company was incorporated on 7 April 1986. On 31 July 1986 it became a registered insurance broker as defined by the Insurance (Agents and Brokers) Act 1984. The principal business of the company is that of an insurance broker for general insurance.
- 2.2 The directors of the company are Barry Thomas Harrod and Phillip James Siganto. John Andrew Hurlock is the former director and secretary of the company.
- 2.3 ASIC has found that the common practice of the company was to hide details of the broker fee amount in the premium on the invoices forwarded to clients.
- 2.4 ASIC has formed the view that between August 1996 and March 1999 ("the relevant period") the company contravened section 32(2) of the Insurance (Agents and Brokers) Act 1984 in failing to disclose broker fees charged to clients separately from any premium and stamp duty amounts charged. As a result of the contravention, clients were unaware of the amounts of broker fees being charged by the company in certain circumstances.
- 2.5 The company admits that during the relevant period it did contravene section 32(2) of the Insurance (Agents and Brokers) Act 1984 in the manner outlined above, and has advised ASIC that since 1 July 1999 it has been disclosing details in respect of broker fees on clients' invoices.

3. UNDERTAKINGS:-

Pursuant to section 93AA of the ASIC Act, the company undertakes to:-

- (a) disclose any amount charged to a client as a broker fee separately from any premium, stamp duty or levy:-
- (b) maintain accurate computer records and client files including, but not limited to, all renewal invitations, endorsement notices, and closing instructions. The company further undertakes to maintain a permanent record of all renewal advice's and/or invoices forwarded to clients in respect of each and every insurance policy, and to make such files and/or records available for inspection by ASIC's representatives upon their request:-
- (c) instruct an independent auditor (to be agreed by both the company and ASIC) at the cost of the company, to conduct a quarterly review of any files as requested. The first review to commence 30 October 1999 representing the preceeding 4 months and thereafter on a quartely basis until 30 October 2001. An audit provided for in this clause shall be conducted in accordance with the relevant audit standards, including but not limited to, Auditing Standards and Auditing Guidance Statement issued by the Institute of Chartered Accountants in Australia. The auditor shall provide a written review opinion to ASIC regarding the compliance systems of the company, in particular, in respect of the undertaking contained in paragraph (a) above within 14 days of conducting the review:-
- (d) take all necessary action to ensure John Hurlock not take part in the management of the company.

4. ACKNOWLEDGEMENTS:-

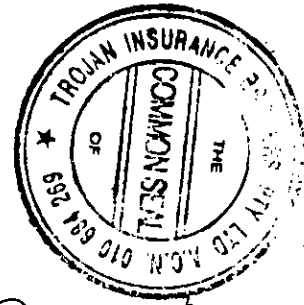
4.1 The company acknowledges that ASIC will:-

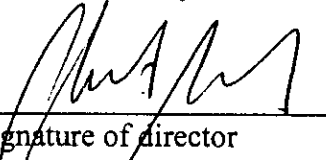
- (i) issue a media release on the execution of this undertaking referring to such terms that ASIC determines and which led to the execution of the undertaking;
- (ii) make this undertaking available for public inspection.

4.2 The company acknowledges that entering into this enforceable undertaking in no way derogates from the rights and remedies available to any person or entity arising from any conduct described in this enforceable undertaking.

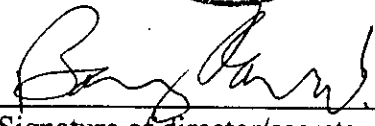
4.3 The company acknowledges that this enforceable undertaking has no operative force until accepted by ASIC.

THE COMMON SEAL of TROJAN
INSURANCE BROKERS PTY LTD
(ACN 010 684 269) the fixing of which
was witnessed by:





Signature of director




Signature of director/secretary

PHILLIP J. SIGANTO.
Name of director

BARRY T. HARROD.
Name of director/secretary

ACCEPTED BY THE AUSTRALIAN SECURITIES AND INVESTMENTS
COMMISSION PURSUANT TO SECTION 93AA OF THE AUSTRALIAN
SECURITIES AND INVESTMENT COMMISSION ACT BY ITS DUTY
AUTHORISED DELEGATE:


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[Name] A. J. ORCHARD
[Position] DIRECTOR ENFORCEMENT (VICTORIA)

This 14th day of July 1999