

## NOTICE OF FILING

This document was lodged electronically in the FEDERAL COURT OF AUSTRALIA (FCA) on 24/07/2018 4:47:59 PM AEST and has been accepted for filing under the Court's Rules. Details of filing follow and important additional information about these are set out below.

### Details of Filing

Document Lodged: Statement of Claim - Form 17 - Rule 8.06(1)(a)  
File Number: NSD1124/2018  
File Title: AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION v  
AMP FINANCIAL PLANNING PTY LTD ACN 051 208 327  
Registry: NEW SOUTH WALES REGISTRY - FEDERAL COURT OF  
AUSTRALIA



A handwritten signature in blue ink, reading 'Warwick Soden'.

Dated: 24/07/2018 4:48:05 PM AEST

Registrar

### Important Information

As required by the Court's Rules, this Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date and time of lodgment also shown above are the date and time that the document was received by the Court. Under the Court's Rules the date of filing of the document is the day it was lodged (if that is a business day for the Registry which accepts it and the document was received by 4.30 pm local time at that Registry) or otherwise the next working day for that Registry.

Form 17  
Rule 8.05(1)(a)



## Statement of claim

No. NSD1124 of 2018

Federal Court of Australia  
District Registry: New South Wales  
Division: General

### **Australian Securities and Investments Commission**

Plaintiff

### **AMP Financial Planning Pty Ltd ACN 051 208 327**

Defendant

### **Parties**

1. The plaintiff (**ASIC**):

- (a) is a body corporate established by s 7 of the *Australian Securities Commission Act 1989* (Cth) and continued in existence by s 261 of the *Australian Securities and Investments Commission Act 2001* (Cth) (**the ASIC Act**); and
- (b) is entitled to sue in its corporate name under s 8(1)(d) of the ASIC Act.

2. The defendant (**AMPFP**):

- (a) is a body corporate duly incorporated according to law and liable to be sued;
- (b) is and was at all material times part of the AMP group of companies (**AMP**) which included AMP Life Limited (**AMP Life**);
- (c) is and was at all material times the holder of an Australian financial services licence granted pursuant to s 913B of the *Corporations Act 2001* (Cth) (**the Act**);

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Filed on behalf of (name & role of party) Plaintiff, Australian Securities & Investments Commission

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(include state and postcode)

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### Particulars

Australian Financial Services Licence No 232706

- (d) at all material times carried on a business of providing financial product advice (within the meaning of s 766B of the Act) to persons who are retail clients (within the meaning of s 761G of the Act).

### AMPFP's Authorised Representatives

- 3. At all material times, AMPFP authorised persons (**Authorised Representatives**) by written notice pursuant to s 916A of the Act to provide financial product advice to retail clients on behalf of AMPFP.

### Particulars

AMPFP and the Authorised Representatives typically entered into an Authorised Representative Agreement which provided that the Authorised Representative agreed to be bound by terms stated in a document entitled "AMP Financial Planning Pty Ltd (AMPFP) Authorised Representative Master Terms" (**Master Terms**) which, among other things, set out the obligations of the Authorised Representative.

### Advice in relation to AMP Life Products

- 4. At all material times, the Authorised Representatives (or some of them) provided advice to clients in relation to insurance products issued by AMP Life, including insurance products with one or more of the following benefits (**AMP Life Products**):
  - (a) death cover;
  - (b) total and permanent disablement cover;
  - (c) trauma cover;
  - (d) income protection.
- 5. The advice referred to in paragraph 4 above was:
  - (a) financial product advice within the meaning of s 766B(1) of the Act;
  - (b) personal advice within the meaning of s 766B(3) of the Act;
  - (c) provided to retail clients within the meaning of s 761G of the Act; and

- (d) advice to which Division 2 of Part 7.7A of the Act applied as of 1 July 2013.

### **The Possibilities for Transfer and Rewriting of Insurance Cover**

6. At all material times, AMP Life permitted clients who had insurance cover in the form of an existing AMP Life Product and who sought to obtain insurance cover in the form of a replacement AMP Life Product:
- (a) to transfer their existing insurance cover to a replacement AMP Life Product subject to the rules concerning transfer described in paragraphs 7 and 8 below (**Transfer**); or
  - (b) to cause their existing insurance cover to be cancelled or lapsed, and to be replaced by a new AMP Life Product subject to the requirements for underwriting described in paragraphs 9 and 10 below (**Rewriting**).
7. At all material times, AMP Life permitted a Transfer:
- (a) between the following AMP Life Products:
    - (i) Flexible Lifetime – Protection (**FLP**);
    - (ii) Flexible Life - Super (**FLS**);
    - (iii) AMP Flexible Super – Flexible Protection (**AFS-FP**); and
    - (iv) AMP Flexible Super – Super Protection (**AFS-SP**) (from on or around March 2014);
  - (b) in the following circumstances:
    - (i) the client met the maximum entry age requirements and current product rules for the replacement AMP Life Product;
    - (ii) the client met the minimum premium or minimum sum insured requirements;
    - (iii) there was “like for like” transfer between the existing AMP Life Product and the replacement AMP Life Product in that there was no increase in the risk AMP Life was being asked to insure.

### **Particulars**

- (i) The rules concerning Transfer were set out in the following documents

**(Transfer Publications):**

- (A) a document entitled "Insurance transfers" dated around June 2010;
  - (B) a document entitled "Insurance Transfers – Transfer rules for AMP Life personal insurance products", undated but effective from December 2013;
  - (C) a document entitled "Insurance transfers" dated March 2014.
8. At all material times, AMP Life also permitted Transfer to occur where the client otherwise met the requirements for Transfer, but sought an increase in the sum insured, and in that situation:
- (a) AMP Life permitted a partial Transfer to occur in relation to the existing sum insured; and
  - (b) in respect of the amount of sum insured that was higher than the existing sum insured (**Topped Up Amount**) AMP Life required the client to undergo underwriting.
9. At all material times, when Rewriting occurred, insurance underwriting was required in respect of the replacement AMP Life Product.
10. At all material times, when a Transfer occurred, insurance underwriting was not required in respect of the replacement AMP Life Product issued to the client (except that in the case of a partial Transfer insurance underwriting was required in respect of the Topped Up Amount under the new AMP Life Product issued to the client).

**The Commission Model in relation to AMP Life Products**

11. At all material times, Authorised Representatives were entitled to be paid the following commissions in relation to the sale of AMP Life Products to clients that were facilitated by the Authorised Representative:
- (a) an initial commission calculated as a percentage of the contracted premium for the first 12 months of the policy (**Initial Commission**); and
  - (b) ongoing commission calculated as a percentage of all premiums paid in each 12 month period from the commencement date of the policy (**Ongoing Commission**).

### Particulars

- (i) On or about 21 May 2010, AMP Life and AMPFP entered a Facilitation Agreement pursuant to which AMP Life agreed to pay commission to AMPFP for the facilitation by AMPFP or an Authorised Representative of the sale of financial products specified in the Facilitation Agreement to clients (**Facilitation Agreement**), which products included AMP Life Products.
  - (ii) The entitlement of an Authorised Representative to a share of the commission paid by AMP Life to AMPFP was governed by the terms of the agreement between AMPFP and the Authorised Representative or the Authorised Representative's practice. Typically, the Authorised Representative was entitled to a fixed share of the commission to which AMPFP was entitled.
12. At all material times, when Rewriting occurred, the commission paid by AMPFP to an Authorised Representative was typically the full amount of the Initial Commission payable to Authorised Representatives as pleaded in paragraph 11 above.
13. At all material times, when a Transfer occurred, the commission paid by AMPFP to an Authorised Representative was substantially less than the commission payable to Authorised Representatives if Rewriting occurred.

### Particulars

- (i) When a Transfer occurred, AMP Life paid to AMPFP either no Initial Commission or 50% of the Initial Commission depending on the particular AMP Life Products affected by the Transfer.
- (ii) Typically, when a Transfer occurred, the reduction in the Initial Commission received by the Authorised Representative (when compared with what the Authorised Representative would have received as Initial Commission on the sale of a different AMP Life Product if Rewriting had occurred) was 50% or 100% of the Initial Commission on the new AMP Life Product.
- (iii) When a Transfer occurred, AMP Life paid to AMPFP the same Ongoing Commission as would be payable if Rewriting occurred.

### Rewriting Risks

14. At all material times, a client who had insurance cover in the form of an existing AMP Life Product and who underwent Rewriting was exposed to the following detriment (**the**

**Rewriting Risks):**

- (a) the risk of being left uninsured for a period of time, or of otherwise not being paid for an insurable event when prior to the Rewriting the client had existing cover for the insurable event (**Event Risk**);
- (b) the inconvenience of going through the insurance underwriting process in respect of the replacement AMP Life Product, and the risks of going through that process which included the following:
  - (i) the risk that replacement insurance cover might be refused;
  - (ii) the risk that the replacement AMP Life Product might be offered on terms less favourable to the insured than those of the existing insurance cover (including, for example, new loadings or exclusions),  
  
(**Underwriting Risk**);
- (c) the risk that a 13 month exclusion period for suicide might recommence upon the commencement of the replacement AMP Life Product (**13 Month Suicide Exclusion Risk**);
- (d) the risk that the three-year period for avoidance of an insurance policy by an insurer by reason of innocent misrepresentation by the insured (pursuant to s 29(3) of the *Insurance Contracts Act 1984* (Cth)) recommenced upon the commencement of the replacement AMP Life Product (**3-year Non-Fraudulent Non-Disclosure Risk**).

**Rewriting Conduct and the Obligations Imposed on Authorised Representatives and AMPFP by Part 7.7A of the Act**

15. As of 1 July 2013, when an Authorised Representative provided personal advice to a retail client who had insurance cover in the form of an existing AMP Life Product, the Authorised Representative was required:
- (a) pursuant to s 961B of the Act, to act in the best interests of the client in relation to the provision of the personal advice to the client;
  - (b) pursuant to s 961G of the Act, to provide personal advice to the client only if it would be reasonable to conclude that the advice was appropriate to the client had the provider satisfied the duty under s 961B to act in the best interests of the client;
  - (c) pursuant to s 961J of the Act, if the Authorised Representative knew, or ought

reasonably to have known, that there was a conflict between the interests of the client and his or her interests to give priority to the client's interests when giving the personal advice to the client.

16. At all material times, Authorised Representatives knew, or ought reasonably to have known, of:
- (a) the availability of Transfer in the circumstances pleaded in paragraphs 7 and 8 above;
  - (b) the requirement for underwriting in the circumstances pleaded in paragraphs 9 and 10 above;
  - (c) the difference in the commission payable to an Authorised Representative when Transfer occurred, as pleaded in paragraph 13 above.

#### **Particulars**

The knowledge or imputed knowledge of AMPFP's Authorised Representatives can be inferred from the following matters:

- (i) The transfer between insurance products issued by the same insurer was common in the Australian financial services market, and so Authorised Representatives who provided advice on insurance were, or ought to have been, generally familiar with the possibility of a Transfer between insurance products issued by the same insurer.
- (ii) AMP Life's application forms for AMP Life Products included a reference to the availability of Transfer.
- (iii) Information about Transfer, including the Transfer Publications, was available to Authorised Representatives from Business Development Managers for or on behalf of AMP Life.
- (iv) The Transfer Publications set out the commission payable by AMP Life when a Transfer occurred.
- (v) Information about Transfer was made available to Authorised Representatives through an intranet "Portal" on an intranet page entitled "What you need to know about internal risk transfers within AMP", and that page contained links to guidelines for Transfers between AMP Life Products.



17. In this Statement of Claim, "**Rewriting Conduct**" means the provision of advice by an Authorised Representative to a client in circumstances where:
- (a) the client had insurance cover in the form of an existing AMP Life Product (**the existing cover**);
  - (b) the client replaced or sought to replace the existing cover by applying for insurance cover in the form of a replacement AMP Life Product;
  - (c) there was a requirement for underwriting in respect of the replacement AMP Life Product;
  - (d) either:
    - (i) the existing cover was cancelled or lapsed; or
    - (ii) the existing cover was ultimately neither cancelled nor lapsed but it was recommended that the client replace or seek to replace the existing cover; and
  - (e) the Authorised Representative failed to advise the client to undergo Transfer in circumstances where Transfer was available as pleaded in paragraphs 7 and 8 above.
18. At all material times, when an Authorised Representative engaged in Rewriting Conduct, there was non-compliance by the Authorised Representative with:
- (a) s 961B of the Act in that Rewriting rather than Transfer was not in the client's best interests in circumstances where:
    - (i) Rewriting exposed the client to the Rewriting Risks;
    - (ii) the client would not have been exposed to the Rewriting Risks if his or her existing cover had instead undergone Transfer;
    - (iii) there was no advantage for the client in undergoing Rewriting, rather than Transfer;
  - (b) s 961G of the Act in that advice to the client to undergo Rewriting rather than Transfer (or failing to advise the client to undergo Transfer) was not advice that was appropriate to the client in the circumstances described in (a)(i)-(iii) above; and
  - (c) s 961J of the Act in that advice to the client to undergo Rewriting rather than Transfer (or failing to advise the client to undergo Transfer) was not giving priority to the client's interests when giving the advice, in the circumstances described in (a)(i)-(iii) above,

and further where:

- (i) there was a significant incentive for the Authorised Representative to seek to influence the client to undergo Rewriting rather than Transfer because of the commission model pleaded in paragraphs 11, 12 and 13 above (**the Commission Model**); and
- (ii) in providing advice to a retail client who had existing cover and was permitted a Transfer of that cover, the Authorised Representative knew or ought reasonably to have known that there was a conflict between his or her interests and the interests of the client by reason of (A) the Commission Model and (B) the exposure of the client to the Rewriting Risks if Rewriting occurred.

### **Particulars**

ASIC refers to and repeats paragraph 16 above.

- 19. Further, or in the alternative, when an Authorised Representative engaged in Rewriting Conduct, there was a significant risk of non-compliance by the Authorised Representative with each of ss 961B, 961G and 961J of the Act for the reasons pleaded in the preceding paragraph.
- 20. As of 1 July 2013, AMPFP was required pursuant to s 961L of the Act, to take reasonable steps to ensure that Authorised Representatives complied with ss 961B, 961G and 961J of the Act.

### **AMPFP's Knowledge of Rewriting and the Rewriting Risks**

- 21. As of 1 July 2013 and at all material times during the period from 1 July 2013 to 30 June 2015 (**Relevant Period**), AMPFP knew or ought reasonably to have known, of the following matters:
  - (a) the risks of non-compliance by Authorised Representatives with ss 961B, 961G and 961J of the Act by reason of the matters pleaded to in paragraph 18 above;
  - (b) that since around December 2012, at least one of AMPFP's Authorised Representatives, Rommel Panganiban (**Mr Panganiban**), had engaged in Rewriting Conduct on a significant number of occasions;
  - (c) that Mr Panganiban had received substantially greater commission by engaging in Rewriting Conduct compared to what he would have received if his clients had undergone Transfer;

- (d) that there was reason to believe that Rewriting Conduct was widespread, and not limited to Mr Panganiban;
- (e) the Commission Model provided an incentive for AMPFP's Authorised Representatives to engage in Rewriting Conduct.

#### **Particulars**

The knowledge or imputed knowledge of AMPFP can be inferred from the following documents (including, documents prepared by and communications amongst persons engaged to perform services for AMPFP):

- (i) Emails between Todd Traynor and Kristi Young dated 17 December 2012 which were forwarded on 7 March 2013 to Jane Gregory (**Ms Gregory**), a Planner Supervision Consultant in AMP's Planner Supervision Group;
- (ii) Conversations between Ms Gregory and Matthew Buckler on or about 21 February 2013 and 27 February 2013;
- (iii) Conversations between Ms Gregory and Todd Traynor on or about 7 March 2013;
- (iv) Email from Ms Gregory to Emma Lawson dated 13 March 2013;
- (v) Review of Mr Panganiban's conduct arranged, supervised or carried out by Ms Gregory from March to June 2013;
- (vi) Email from Ms Gregory to Peter Bennett (**Mr Bennett**) dated 17 June 2013;
- (vii) Enquires made by Mr Bennett between around 19 June 2013 and 1 July 2013 of Robyn West, a manager in AMP's Professional Standards group:
  - (A) as to whether AMPFP had any policy which prohibited Rewriting Conduct; and
  - (B) as to whether the commencement of the best interest obligations in Part 7.7A of the Act on 1 July 2013 would prevent Rewriting Conduct.
- (viii) Email from Lynel Requin to Ivan Filipovic dated 2 July 2013;
- (ix) Emails sent to persons within AMPFP forwarding or enclosing the emails

referred to above.

#### **Failure by Mr Panganiban to Comply with ss 961B, 961G and 961J of the Act**

22. During the Relevant Period, Mr Panganiban:

- (a) was authorised by AMPFP by written notice pursuant to s 916A of the Act to provide financial product advice to retail clients on behalf of AMPFP;
- (b) engaged in Rewriting Conduct in relation to the provision of the advice referred to in Schedule A hereto, and failed to comply with ss 961B, 961G and 961J of the Act by reason of the matters pleaded in paragraph 18 above (**the Panganiban Rewriting Conduct**).

#### **Failure by Other Authorised Representatives to Comply with ss 961B, 961G and 961J of the Act**

23. During the Relevant Period, the Authorised Representatives referred to in Schedule B hereto:

- (a) were authorised by AMPFP by written notice pursuant to s 916A of the Act to provide financial product advice to the clients referred to in Schedule B hereto on behalf of AMPFP;
- (b) engaged in Rewriting Conduct in relation to the provision of the advice referred to in Schedule B hereto and failed to comply with ss 961B, 961G and 961J of the Act by reason of the matters pleaded in paragraph 18 above (**the Other Authorised Representatives' Rewriting Conduct**).

#### **AMPFP's Contraventions of s 961L of the Act**

24. During the Relevant Period prior to September 2014, in contravention of s 961L of the Act, AMPFP failed to take reasonable steps to ensure that Mr Panganiban complied with ss 961B, 961G and 961J of the Act.

#### **Particulars**

In the period prior to September 2014, AMPFP failed:

- (i) to have in place and activate a process so that possible breaches of ss 961B, 961G and 961J of the Act were escalated to and dealt with at an appropriate

level of seniority and responsibility within AMPFP;

- (ii) to take reasonable steps to ensure that Mr Panganiban did not engage in the Panganiban Rewriting Conduct such as by counselling or disciplining him, cancelling his authorisation, imposing restrictions on his practice, requiring him to attend training or subjecting him to additional supervision;
- (iii) to adequately investigate, at an appropriate level of seniority and responsibility, and with an appropriate degree of urgency, the Rewriting Conduct engaged in by Mr Panganiban, including by way of a full file review;
- (iv) to adequately monitor Mr Panganiban's compliance with ss 961B, 961G and 961J of the Act;
- (v) to conduct meetings or interviews with Mr Panganiban and his practice leader to adequately address and have Mr Panganiban commit to cease to engage in his Rewriting Conduct;
- (vi) to take reasonable steps to consider whether the Rewriting Conduct engaged in by Mr Panganiban had disclosed weaknesses in AMPFP's compliance systems that might be further exploited by Mr Panganiban or other Authorised Representatives.

25. During the Relevant Period, in contravention of s 961L of the Act, AMPFP failed to take reasonable steps to ensure that Authorised Representatives (other than Mr Panganiban) complied with ss 961B, 961G and 961J of the Act.

#### **Particulars**

- (i) AMPFP failed to take reasonable steps:
  - (A) to determine whether, among the Authorised Representatives who provided financial product advice to retail clients about AMP Life Products, there were others (in addition to Mr Panganiban) who had engaged, or were engaging, in Rewriting Conduct in contravention of ss 961B, 961G and 961J of the Act; and
  - (B) to determine how common or widespread any such conduct was and what reasonable steps should be taken in order to ensure that it ceased;
  - (C) to then take the steps identified in (B);

- (ii) AMPFP failed to take reasonable steps to remove (or to request AMP Life remove) the incentive created by the Commission Model for Authorised Representatives to engage in Rewriting Conduct in contravention of ss 961B, 961G and 961J of the Act;
- (iii) AMPFP failed to take reasonable steps to implement appropriate policies and procedures designed to ensure that Authorised Representatives did not engage in Rewriting Conduct in contravention of ss 961B, 961G and 961J of the Act;
- (iv) AMPFP failed to take reasonable steps to consider whether the Rewriting Conduct engaged in by Mr Panganiban had disclosed weaknesses in AMPFP's compliance systems and to then take reasonable steps to remedy those weaknesses.

#### **AMPFP's Contraventions of s 912A of the Act**

26. During the Relevant Period, as the holder of an Australian financial services licence (**the Licence**), AMPFP was required:
- (a) pursuant to s 912A(1)(a) of the Act, to do all things necessary to ensure that the financial services covered by the Licence were provided efficiently, honestly and fairly;
  - (b) pursuant to s 912A(1)(c) of the Act, to comply with the financial services laws (which included s 961L of the Act);
  - (c) pursuant to s 912A(1)(ca) of the Act, to take reasonable steps to ensure that its representatives complied with the financial services laws (which included ss 961B, 961G and 961J of the Act).
27. During the Relevant Period, in contravention of s 912A(1)(a) of the Act, AMPFP failed to do all things necessary to ensure that the financial services covered by the Licence (being those services relating to the provision of the advice referred to in Schedules A and B hereto) were provided efficiently, honestly and fairly by reason of the matters pleaded in paragraphs 22, 23, 24 and 25 above.
28. During the Relevant Period, in contravention of s 912A(1)(c) of the Act, AMPFP failed to comply with s 961L of the Act by reason of the matters pleaded in paragraphs 24 and 25 above.

29. During the Relevant Period, in contravention of s 912A(1)(ca) of the Act, AMPFP failed to take reasonable steps to ensure that its representatives complied with ss 961B, 961G and 961J of the Act by reason of the matters pleaded in paragraphs 24 and 25 above.

**Relief**

30. In the premises, ASIC seeks the relief set out in the Originating Process.

Date: 24/7/18

*Nick Kelton*

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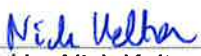
Signed by Nick Kelton  
Lawyer for the Plaintiff

This pleading was prepared by Nick Kelton, lawyer

**Certificate of lawyer**

I Nick Kelton certify to the Court that, in relation to the statement of claim filed on behalf of the Plaintiff, the factual and legal material available to me at present provides a proper basis for each allegation in the pleading.

Date: 24/7/18

  
\_\_\_\_\_  
Signed by Nick Kelton  
Lawyer for the Plaintiff



**Schedule A**

**Particulars of Mr Panganiban's Rewriting Conduct**

| Client Name | Date of Advice | Nature of previous insurance cover   | Date of cancellation of previous insurance cover | Date of commencement of new insurance cover | Nature of new insurance cover  | What insurance cover could have been transferred, but adviser failed to advise transfer | Rewriting Risks exposed to  |
|-------------|----------------|--|--|---|--|---|---|
| Customer 1  | 14 May 2014    | AFS- FP<br>Death \$ 797,619<br>TPD \$ 944,720<br>IP \$ 6,024 30d/ Age 65<br>(Waiting period/Benefit period) <sup>1</sup> | 5 May 2014                                       | 30 May 2014                                 | AFS- SP<br>Death \$400,000<br>TPD \$200,000<br>IP \$5,000 30d/5 years  | Death \$ 797,619<br>TPD \$ 944,720<br>IP \$ 6,024                                       | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 2  | 11 July 2014   | AFS – FP<br>Death \$1,193,087<br>TPD \$1,199,576<br>IP \$5,103 30d//Age 65   | 14 July 2014                                     | 23 July 2014                                | AFS- SP<br>Death \$700,000<br>TPD \$350,000<br>IP \$4,375 30d//Age 65  | Death \$1,193,087<br>TPD \$1,199,576<br>IP \$5,103                                      | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk<br>3-year Non-Fraudulent Non-Disclosure Risk.  |
| Customer 3  | 7 July 2014    | AFS- FP<br>Death \$584,827<br>TPD \$ 645,464<br>IP \$5,023 30d//2 years  | 3 July 2014                                      | 22 July 2014                                | AFS- SP<br>Death \$500,000<br>TPD \$250,000<br>IP \$3,125 30d// Age 65 | Death \$584,827<br>TPD \$ 645,464<br>IP \$5,023   | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk<br>3-year Non-Fraudulent Non-Disclosure Risk.  |

<sup>1</sup> Waiting period (how long after the disability the client must wait before payments start)/ Benefit period (how long after the commencing payment the payments will continue).

| Client Name | Date of Advice | Nature of previous insurance cover   | Date of cancellation of previous insurance cover | Date of commencement of new insurance cover | Nature of new insurance cover   | What insurance cover could have been transferred, but adviser failed to advise transfer | Rewriting Risks exposed to  |
|-------------|----------------|--|--|---|---|---|---|
| Customer 4  | 4 June 2014    | AFS- FP<br>Death \$423,348<br>TPD \$1,108,473<br>IP \$10,250 30 d/ Age 65  | 2 June 2014                                      | 20 June 2014                                | AFS- SP<br>Death \$200,000<br>TPD \$100,000<br>IP \$10,000 30d/<br>Age 65 | Death \$423,348<br>TPD \$1,108,473<br>IP \$10,250                                       | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 5  | 23 July 2014   | AFS- FP<br>Death \$ 702,822<br>TPD \$1,138,561<br>IP \$ 5,023 30d/ Age 65  | 14 July 2014                                     | 21 August 2014                              | AFS- SP<br>Death \$800,000<br>TPD \$600,000<br>IP \$5,000 30d/<br>Age 65  | Death \$ 702,822<br>TPD \$1,138,561<br>IP \$ 5,023                                      | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 6  | 17 June 2014   | AFS- FP<br>Death \$513,827<br>TPD \$ 702,827<br>IP \$ 5,023 30 d/ Age 65   | 16 June 2014                                     | 2 July 2014                                 | AFS- SP<br>Death \$200,000<br>TPD \$100,000<br>IP \$6,250 30d/<br>Age 65  | Death \$513,827<br>TPD \$ 702,827<br>IP \$ 5,023  | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 7  | 15 May 2014    | AFS-FP<br>Death \$1,116,407<br>TPD \$ 1,116,407<br>IP \$11,062 30d/ Age 65 | 6 May 2014                                       | 5 June 2014                                 | AFS- SP<br>Death \$700,000<br>TPD \$450,000<br>IP \$10,000 60d/<br>Age 65 | Death \$1,116,407<br>TPD \$ 1,116,407<br>IP \$11,062                                    | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |

| Client Name | Date of Advice | Nature of previous insurance cover                                       | Date of cancellation of previous insurance cover | Date of commencement of new insurance cover | Nature of new insurance cover  | What insurance cover could have been transferred, but adviser failed to advise transfer | Rewriting Risks exposed to   |
|-------------|----------------|--|--|---|--|---|--|
| Customer 8  | 8 April 2014   | AFS-FP<br>Death \$ 458,071<br>TPD \$ 449,709<br>IP \$ 3,645 30 d/ Age 65 | 27 March 2014                                    | 29 April 2014                               | AFS- FP<br>Death \$250,000<br>IP \$3,125 60d/<br>Age 65                    | Death \$ 458,071<br>TPD \$ 449,709<br>IP \$ 3,645 <sup>2</sup>                          | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide<br>Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 9  | 30 June 2014   | AFS-FP<br>Death \$ 576,669<br>TPD \$ 711,242<br>IP \$ 6,195 30 d/ Age 65 | 30 June 2014                                     | 10 July 2014                                | AFS- SP<br>Death \$1,000,000<br>TPD \$750,000<br>IP \$5,437 30d/<br>Age 65 | Death \$ 576,669<br>TPD \$ 711,242<br>IP \$ 6,195                                       | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide<br>Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 10 | 15 May 2014    | AFS-FP<br>Death \$943,642<br>TPD \$898,827<br>IP \$9,111 30d/ Age 65     | 12 May 2014                                      | 27 May 2014                                 | AFS- SP<br>Death \$600,000<br>TPD \$350,000<br>IP \$7,500 30d/<br>Age 65   | Death \$943,642<br>TPD \$898,827<br>IP \$9,111  | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide<br>Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 11 | 8 August 2013  | AFS- FP<br>Death \$ 481,167<br>TPD \$ 926,366                            | Death N/A<br>TPD 10 May 2013                     | Death -<br>TPD 27 August 2013               | AFS- FP<br>Death \$481,166.60<br>TPD \$534,500                             | TPD \$ 926,366 <sup>3</sup>   | Event Risk;<br>Underwriting Risk;  |

<sup>2</sup> Amounts eligible for retention.

<sup>3</sup> Amount eligible for retention.

| Client Name                           | Date of Advice   | Nature of previous insurance cover                                       | Date of cancellation of previous insurance cover | Date of commencement of new insurance cover | Nature of new insurance cover   | What insurance cover could have been transferred, but adviser failed to advise transfer | Rewriting Risks exposed to  |
|---------------------------------------|------------------|--|--|---|---|---|---|
|                                       |                  | FLP<br>IP \$ 5,000 30d/ 5 years  | IP Unknown                                       | IP 27 August 2013                           | IP \$7,500 30d/<br>Age 65   |   | 3-year Non-Fraudulent Non-Disclosure Risk.  |
| Customer 12                           | 10 July 2014     | AFS- FP<br>Death \$ 370,631<br>IP \$ 3,425 30d/ 2 years                  | 7 July 2014                                      | 24 July 2014                                | AFS- SP<br>Death \$150,000<br>IP \$ 2,000 90d/ 2 years                      | Death \$ 370,631<br>IP \$ 3,425   | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 13                           | 15 April 2014    | FLS<br>Death \$ 141,230<br>TPD \$ 353,076                                | 23 April 2014                                    | 30 April 2014                               | AFS- SP<br>Death \$ 300,000<br>TPD \$ 200,000<br>IP \$ 1,562 30d/<br>Age 65 | Death \$ 141,230<br>TPD \$ 353,076  | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 14<br>1 <sup>st</sup> advice | 24 February 2014 | AFS-FP<br>Death \$1,050,000<br>TPD \$1,050,000<br>IP \$3,124 30d/ Age 65 | 11 February 2014                                 | 11 March 2014                               | AFS-FP<br>Death no change<br>TPD no change<br>IP \$3,437 30d/<br>Age 65     | IP \$3,124 <sup>4</sup>   | Event Risk;<br>Underwriting Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk.                                     |
| Customer 14<br>2 <sup>nd</sup> advice | 18 June 2014     | AFS-FP<br>Death \$1,050,000<br>TPD \$1,050,000<br>IP \$3,437 30d/ Age 65 | 13 June 2014                                     | 28 June 2014                                | AFS- SP<br>Death \$200,000<br>TPD \$100,000<br>No IP                        | Death \$1,050,000<br>TPD \$1,050,000  | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;   |

<sup>4</sup> Amount eligible for retention.

| Client Name              | Date of Advice | Nature of previous insurance cover  | Date of cancellation of previous insurance cover | Date of commencement of new insurance cover | Nature of new insurance cover  | What insurance cover could have been transferred, but adviser failed to advise to transfer | Rewriting Risks exposed to  |
|--------------------------|----------------|---|--|---|--|--|---|
| Customer 15              | 6 May 2014     | AFS-FP<br>Death \$712,242<br>TPD \$616,824<br>IP \$4,883 30d/ Age 65  | 27 March 2014                                    | 21 May 2014                                 | AFS- SP<br>Death \$450,000<br>TPD \$100,000<br>IP \$4,375 30d/ 5 years | Death \$712,242<br>TPD \$616,824<br>IP \$4,883   | 3-year Non-Fraudulent Non-Disclosure Risk.<br>Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 16 <sup>5</sup> | 2 June 2014    | AFS-FP<br>Death \$595,020<br>IP \$9,289 30d/ Age 65   | 19 May 2014                                      | 13 June 2014                                | AFS-SP<br>Death \$200,000<br>IP \$9,062 60d/Age 65                     | Death \$595,020<br>IP \$9,289  | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk.   |
| Customer 17              | 21 July 2014   | Mercer Super trust account<br>Death \$429,200<br>TPD \$429,200<br>AFS-FP<br>Death \$1,102,500<br>TPD \$473,193<br>IP \$6,316 30d/Age 65 | 7 July 2014                                      | 25 July 2014                                | AFS- SP<br>Death \$500,000<br>TPD \$250,000<br>IP \$4,375 30d/ Age 65  | Death \$1,102,500<br>TPD \$473,193<br>IP \$6,316   | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk.   |

<sup>5</sup> Customer 16 had 50% loading applied to the new IP cover.

| Client Name  | Date of Advice   | Nature of previous insurance cover   | Date of cancellation of previous insurance cover | Date of commencement of new insurance cover | Nature of new insurance cover   | What insurance cover could have been transferred, but adviser failed to advise transfer | Rewriting Risks exposed to  |
|--|------------------|--|--|---|---|---|---|
| Customer 18  | 4 June 2014      | AFS-FP<br>Death \$410,785<br>TPD \$389,785<br>IP \$5,740 30d/Age 65        | 19 May 2014                                      | 11 June 2014                                | AFS- SP<br>Death \$300,000<br>TPD \$200,000<br>IP \$5,000<br>30d/Age 65 | Death \$410,785<br>TPD \$389,785<br>IP \$5,740  | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 19  | 5 May 2014       | AFS-FP<br>Death \$351,741<br>IP \$9,609 30d/ Age 65                        | 28 April 2014                                    | 16 May 2014                                 | AFS-SP<br>Death \$200,000<br>TPD \$100,000<br>IP \$9,375 30d/ Age 65    | Death \$351,741<br>IP \$9,609   | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 20<br>1 <sup>st</sup> advice <sup>6</sup> | 20 February 2014 | AFS- FP<br>Death \$ 1,050,000<br>TPD \$ 525,000<br>IP \$ 2,488 60d/ Age 65 | 11 February 2014                                 | 27 February 2014                            | AFS- FP<br>Death no change<br>TPD no change<br>IP \$2,457 30d/ 2 years  | IP \$ 2,488 <sup>7</sup>  | Event Risk;<br>Underwriting Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk.                                     |
| Customer 20<br>2 <sup>nd</sup> advice <sup>8</sup> | 16 June 2014     | AFS- FP<br>Death \$ 1,050,000<br>TPD \$ 525,000                            | 20 June 2014                                     | 28 June 2014                                | AFS- SP<br>Death \$500,000<br>TPD denied                                | Death \$ 1,050,000<br>TPD \$ 525,000<br>IP \$ 2,457                                     | Event Risk;<br>Underwriting Risk;   |

<sup>6</sup> Customer 20 was only able to establish new IP cover with a benefit period of 2 years.  
<sup>7</sup> Amount eligible for retention.

<sup>8</sup> TPD cover was denied. Although Customer 20 was able to establish IP cover with a benefit period of 5 years, it was a lower level of cover than that which was in place prior to the first critical SOA.

| Client Name | Date of Advice   | Nature of previous insurance cover                                     | Date of cancellation of previous insurance cover | Date of commencement of new insurance cover | Nature of new insurance cover   | What insurance cover could have been transferred, but adviser failed to advise to transfer | Rewriting Risks exposed to  |
|-------------|------------------|--|--|---|---|--|---|
|             |                  | IP \$ 2,457 30 d/ 2 years  |  |   | IP \$2,500 30d/5 years  |  | 13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk.                                      |
| Customer 21 | 24 February 2014 | AFS- FP<br>Death \$684,292<br>TPD \$936,282<br>IP \$5,103 30d/ Age 65  | 13 February 2014                                 | 28 February 2014                            | AFS- FP<br>Death \$500,000<br>TPD \$700,000<br>IP \$4,375 30d/ Age 65 | Death \$684,292<br>TPD \$936,282<br>IP \$5,103 <sup>9</sup>                                | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 22 | 31 July 2014     | AFS-FP<br>Death \$645,427<br>TPD \$838,364<br>IP \$5,740 30d/ Age 65   | 28 July 2014                                     | 22 August 2014                              | AFS-SP<br>Death \$500,000<br>TPD \$400,000<br>IP \$4375 30d/65        | Death \$645,427<br>TPD \$838,364<br>IP \$5,740   | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 23 | 23 January 2014  | AFS- FP<br>Death \$300,000<br>TPD \$300,000<br>IP \$ 2,453 90d/ Age 65 | 21 January 2014                                  | 4 February 2014                             | AFS- FP<br>Death \$130,788<br>TPD \$210,788<br>IP \$2,500 30d/ Age 65 | Death \$300,000<br>TPD \$300,000<br>IP \$ 2,453 <sup>10</sup>                              | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;   |

<sup>9</sup>Amount eligible for retention.

<sup>10</sup> Amounts eligible for retention.

| Client Name | Date of Advice | Nature of previous insurance cover  | Date of cancellation of previous insurance cover | Date of commencement of new insurance cover | Nature of new insurance cover  | What insurance cover could have been transferred, but adviser failed to advise transfer | Rewriting Risks exposed to  |
|-------------|----------------|---|--|---|--|---|---|
| Customer 24 | 18 June 2014   | AFS-FP<br>Death \$1,119,018<br>TPD \$1,119,018<br>IP \$10,000 30d/ Age 65 | 9 June 2014                                      | 1 July 2014                                 | AFS-SP<br>Death \$500,000<br>TPD \$300,000<br>IP \$10,000 60d/<br>Age 65 | Death \$1,119,018<br>TPD \$1,119,018<br>IP \$10,000                                     | 3-year Non-Fraudulent Non-Disclosure Risk.<br>Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 25 | 16 June 2014   | AFS-FP<br>Death \$740,805<br>IP \$9,328 30d/ Age 65                       | 9 June 2014                                      | 28 June 2014                                | AFS-SP<br>Death \$1,000,000<br>TPD \$500,000<br>IP \$8,125<br>30d/Age 65 | Death \$740,805<br>IP \$9,328   | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk.   |
| Customer 26 | 5 May 2014     | AFS-FP<br>Death \$441,000<br>TPD \$441,000<br>IP \$5,103 30d/ Age 65      | 29 April 2014                                    | 9 May 2014                                  | AFS-SP<br>Death \$500,000<br>TPD none<br>IP \$4,375 30d/ 2 years         | Death \$441,000<br>TPD \$441,000<br>IP \$5,103  | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk.   |
| Customer 27 | 19 May 2014    | AFS-FP<br>Death \$1,500,000<br>TPD \$1,500,000<br>IP \$10,088 30d/ Age 65 | 9 May 2014                                       | 4 June 2014                                 | AFS-SP<br>Death \$1,000,000<br>TPD \$500,000                             | Death \$1,500,000<br>TPD \$1,500,000<br>IP \$10,088                                     | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;   |



| Client Name | Date of Advice | Nature of previous insurance cover                                       | Date of cancellation of previous insurance cover | Date of commencement of new insurance cover | Nature of new insurance cover   | What insurance cover could have been transferred, but adviser failed to advise to transfer | Rewriting Risks exposed to  |
|-------------|----------------|--|--|---|---|--|---|
| Customer 28 | 4 June 2014    | AFS-FP<br>Death \$1,050,000<br>TPD \$1,050,000<br>IP \$3,844 30d/ Age 65 | 2 June 2014                                      | 10 June 2014                                | AFS-SP<br>Death \$1,000,000<br>TPD \$350,000<br>IP \$3,750 30d/<br>Age 65 | Death \$1,050,000<br>TPD \$1,050,000<br>IP \$3,844   | 3-year Non-Fraudulent Non-Disclosure Risk.<br><br>Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 29 | 4 June 2014    | AFS-FP<br>Death \$1,050,000<br>TPD \$1,050,000<br>IP \$3,945 30d/ Age 65 | 2 June 2014                                      | 7 June 2014                                 | AFS-SP<br>Death \$1,000,000<br>TPD \$350,000<br>IP \$3,437 30d/<br>Age 65 | Death \$1,050,000<br>TPD \$1,050,000<br>IP \$3,945   | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk.   |
| Customer 30 | 29 May 2014    | AFS-FP<br>Death \$972,173<br>TPD \$1,260,293<br>IP \$10,088 30d/ Age 65  | 19 May 2014                                      | 11 June 2014                                | AFS-SP<br>Death \$1,000,000<br>TPD \$400,000<br>IP \$9,687 30d/<br>Age 65 | Death \$972,173<br>TPD \$1,260,293<br>IP \$10,088  | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk.   |

**Schedule B**

**Particulars of the Other Authorised Representatives' Rewriting Conduct**

| Client Name | Adviser        | Date of Advice   | Nature of previous insurance cover | Date of cancellation of previous insurance cover | Date of commencement of new insurance cover | Nature of new insurance cover  | What insurance cover could have been transferred, but adviser failed to advise transfer | Rewriting Risks exposed to   |
|-------------|----------------|------------------|------------------------------------|--|---|--------------------------------|---|--|
| Customer 31 | James McCarthy | 17 July 2014     | FLS<br>Death \$ 371,655            | 31 July 2014                                     | 14 August 2014                              | AFS- SP<br>Death \$678,959     | Death \$371,655   | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non- Disclosure Risk. |
| Customer 32 | James McCarthy | 13 February 2014 | FLS<br>Death \$248,880             | 12 June 2014                                     | 16 July 2014                                | AFS – FP<br>Death \$ 1,449,906 | Death \$248,880   | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non- Disclosure Risk. |
| Customer 33 | James McCarthy | 6 May 2014       | FLS<br>TPD \$78,588                | 18 May 2014                                      | 13 July 2014                                | AFS-SP<br>TPD \$ 130,779       | TPD \$78,588  | TPD<br>Event Risk;   |

| Client Name | Adviser        | Date of Advice   | Nature of previous insurance cover        | Date of cancellation of previous insurance cover | Date of commencement of new insurance cover | Nature of new insurance cover                 | What insurance cover could have been transferred, but adviser failed to advise transfer | Rewriting Risks exposed to   |
|-------------|----------------|------------------|---|--|---|---|---|--|
|             |                |                  | IP \$ 3,227 30 d/2 years                  |  |   | IP \$ 3,227 30 d/2 years                      | IP \$ 3,227 <sup>11</sup>   | Underwriting Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk.<br><br><b>IP</b><br>Event Risk;<br>Underwriting Risk. |
| Customer 34 | Darron Mink    | 16 July 2013     | FLS<br>Death \$ 275,512<br>TPD \$ 275,512 | 28 July 2013                                     | 9 August 2013                               | AFS-PP<br>Death \$750,000<br>TPD \$750,000    | Death \$275,512<br>TPD \$ 275,512 <sup>12</sup>   | Event Risk;<br>Underwriting Risk.  |
| Customer 35 | Geoffrey Needs | 26 February 2015 | FLS<br>Death \$125,865                    | 8 March 2015                                     | 8 April 2015                                | AFS - SP<br>Death \$702,204<br>TPD \$ 792,204 | Death \$125,865   | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk.    |

<sup>11</sup> Underwriters identified that Customer 33 had IP cover that should have been transferred. A decision was made to reinstate and transfer the IP cover.

<sup>12</sup> According to underwriting notes, it appears that transfer was effected by AMP Life. TPD cover that had lapsed was reinstated and transferred.

| Client Name               | Adviser        | Date of Advice    | Nature of previous insurance cover                                   | Date of cancellation of previous insurance cover | Date of commencement of new insurance cover | Nature of new insurance cover   | What insurance cover could have been transferred, but adviser failed to advise transfer | Rewriting Risks exposed to   |
|---------------------------|----------------|-------------------|--|--|---|---|---|--|
| Customer 36 <sup>13</sup> | Geoffrey Needs | 23 January 2015   | FLS<br>Death \$ 625,411<br>TPD \$ 274,176                            | 6 March 2015                                     | 11 May 2015                                 | AFS-SP<br>Death \$ 500,000<br>TPD \$ 794,423<br>IP \$10,562<br>30d/Age 65 | Death \$625,411<br>TPD \$ 274,176   | Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non- Disclosure Risk. |
| Customer 37 <sup>14</sup> | David Fong     | 20 September 2013 | FLS<br>Death \$ 616,585<br>TPD \$ 616,585<br>IP \$12,708 30 d/Age 65 | 25 September 2013                                | 7 December 2013                             | AFS-FP<br>Death \$ 616,585<br>TPD \$ 616,585<br>IP \$12,708 30d/ 2 years  | Death \$616,585<br>TPD \$ 616,585<br>IP \$12,708 <sup>15</sup>                          | Event Risk;<br>Underwriting Risk.  |
| Customer 38 <sup>16</sup> | Calvin Barlow  | 26 August 2013    | FLS<br>Death \$ 197,871<br>TPD \$ 197,871                            | 12 September 2013                                | 21 November 2013                            | AFS-FP<br>TPD \$ 200,000<br>IP \$ 4,062<br>90d/Age 65                     | Death \$197,871<br>TPD \$197,871  | Event Risk;<br>Underwriting Risk;  |

<sup>13</sup> Customer 36 was offered the new cover with conditions. Death Cover, TPD and IP were all offered with a 50% loading. The TPD and IP cover was also offered with a mental health exclusion.

<sup>14</sup> Underwriting notes indicate that the underwriters established that Customer 37 already had an existing policy and were questioning what to do with that policy. The underwriting notes also indicate difficulty getting bloods and medical history from Customer 37. Eventually a decision was made to cancel the application "due to requirements not received". The cover was reinstated and transferred.

<sup>15</sup> Note insurance was ultimately transferred.

<sup>16</sup> Decision was made to offer TPD and IP but with an exclusion applied to any disorder of left or right or both ears.

| Client Name               | Adviser        | Date of Advice  | Nature of previous insurance cover                                 | Date of cancellation of previous insurance cover | Date of commencement of new insurance cover                          | Nature of new insurance cover  | What insurance cover could have been transferred, but adviser failed to advise transfer | Rewriting Risks exposed to  |
|---------------------------|----------------|-----------------|--|--|--|--|---|---|
| Customer 39               | James McCarthy | 4 December 2013 | FLS<br>Death \$ 71,715<br>TPD \$ 71,715<br>IP \$ 2,242 90d/2 years | 8 December 2013                                  | 24 December 2013.  | AFS-FP<br>Death \$ 234,036<br>TPD \$ 264,036<br>IP \$ 3,510<br>180d/Age 65 | Death \$ 71,715<br>TPD \$ 71,715<br>IP \$ 2,242   | 3-year Non-Fraudulent Non-Disclosure Risk.<br><br>Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk. |
| Customer 40 <sup>17</sup> | James McCarthy | 18 June 2014    | FLS<br>Death \$ 550,698<br>TPD \$ 550,698                          | 26 June 2014                                     | <b>Death</b><br>10 September 2014<br><b>TPD</b><br>25 September 2014 | AFS-SP<br>Death \$657,667<br>TPD \$550,698                                 | Death \$ 550,698<br>TPD \$ 550,698 <sup>18</sup>  | <b>Death</b><br>Event Risk;<br>Underwriting Risk;<br>13 Month Suicide Exclusion Risk;<br>3-year Non-Fraudulent Non-Disclosure Risk.                                   |

<sup>17</sup> Revised terms advised that Customer 40 was not going to be offered TPD or IP cover and Death cover was available with 50% loading due to multiple health issues. However, reinstatement and transfer of TPD cover was later allowed.

<sup>18</sup> TPD cover was later reinstated and transferred.

| Client Name | Adviser | Date of Advice | Nature of previous insurance cover | Date of cancellation of previous insurance cover | Date of commencement of new insurance cover | Nature of new insurance cover | What insurance cover could have been transferred, but adviser failed to advise transfer | Rewriting Risks exposed to               |
|-------------|---------|----------------|------------------------------------|--|---|-------------------------------|---|--|
|             |         |                |                                    |  |   |                               |   | TPD<br>Event Risk;<br>Underwriting Risk. |