



COMMUNITY
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Best Practice- Product Disclosure Statement

What is the Best Practice for providing the correct Product Disclosure Statement (PDS)?

The Product Disclosure Statement or Policy Wording is an important element in an insurance transaction. It is the PDS read in conjunction with the insurers policy schedule that sets out the cover provided by the insurance policy, and the terms and conditions of that cover for the insured. Providing the correct version will set the correct client expectations.

Why is this important?

Providing the incorrect version of the PDS can lead to the client's expectations not being met and a possible PI claim for their Broker. The incorrect versions may provide different sub limits, terms or conditions that may lead the client to believe they have a claim when the correct version does not have the same sub limits, terms or conditions.

What can we do?

Check the schedule provided in the quote or renewal to see if the insurer advises the PDS version – then go to the insurer website and obtain THAT version for your client or

- Request the insurer send you the applicable PDS for the quote/renewal

There is **no other way** to ensure you are providing your client with the correct version. The insurer **should** be providing a PDS with their quote/terms as it is their terms and conditions, but often, the insurer will leave it for the broker to source, leaving gaps that could become the broker's PI issue.



Best Practice dictates that if the PDS is not attached to your quote/terms, then you must ask the insurer for a copy of the applicable PDS or the version number and then source the PDS from the insurer's website.

We understand that this may take some time in the beginning, but as you become familiar with each insurer's PDS location the task will be less daunting and more secure for you, your client and your relationship with your insurer.