



ASIC

Australian Securities & Investments Commission

REGULATORY GUIDE 195

Group purchasing bodies for insurance and risk products

September 2008

About this guide

This is a guide for group purchasing bodies, i.e. persons who arrange or hold risk management products to cover others persons' risks but neither issue risk management products (other than interests in a risk management scheme) nor provide any financial product advice other than as a result of providing certain general information.

This guide explains the relief ASIC has given in Class Order (CO 08/1) *Group purchasing bodies* from the licensing and managed investments provisions (Chs 7 and 5C) of the *Corporations Act 2001*, and what group purchasing bodies must do in order to receive the benefit of this relief.

About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

Consultation papers: seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guides: give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Document history

This guide was issued on 30 September 2008 and is based on legislation and regulations as at 30 September 2008.

Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

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A Overview

Key points

Group purchasing bodies are persons who arrange or hold cover under risk management products for others but neither issue risk management products (other than interests in a risk management scheme) nor provide any financial product advice other than as a result of providing certain general information: see RG 195.1–RG 195.3.

The activities of group purchasing bodies may constitute providing financial services under Ch 7 of the Corporations Act and the arrangements these bodies enter into may constitute a managed investment scheme under Ch 5C: see RG 195.4–RG 195.5.

We have given group purchasing bodies relief from the AFS licensing and managed investment requirements because we believe the requirements are disproportionately burdensome to them: see RG 195.6–RG 195.8.

The relief is only available to ‘eligible’ group purchasing bodies (see Section B) and is subject to certain conditions (see Section C).

Group purchasing bodies

- RG 195.1 A variety of bodies do not issue risk management products but arrange cover under risk management products for others by applying for a risk management product themselves or arranging for it to be issued to the persons for whom they are acting. Some of those bodies, such as insurance brokers, provide financial product advice about risk management products. Other bodies do not give financial product advice (except when providing certain general information specified by ASIC relief for group purchasing bodies).
- RG 195.2 This regulatory guide is about the bodies that arrange or hold cover under risk management products for other persons but neither issue risk management products nor provide any financial product advice other than in providing certain general information. We call these bodies ‘group purchasing bodies’. For example, a group purchasing body may arrange for liability and accident insurance for members of the group purchasing body and require members to have cover under the insurance to remain a member, without expressing any opinion or recommendation about the insurance.
- RG 195.3 Generally, a group purchasing body enters into an arrangement with an issuer of risk management products to provide benefits to those who are to benefit from the cover (e.g. members or prospective members of the group

purchasing body). The group purchasing body may be able to secure lower premiums and greater convenience and availability of cover for consumers. Appendix 1 lists some typical group purchasing bodies and explains how group purchasing bodies' arrangements may operate.

How the Corporations Act would apply to group purchasing bodies

AFS licensing requirements

RG 195.4 A group purchasing body may be providing financial services by applying for or acquiring a risk management product, and holding the risk management product, on behalf of those to be covered. Alternatively, if the persons to be covered are to hold the risk management product themselves, the group purchasing body may be providing financial services by arranging for the persons to be covered to apply for and acquire a risk management product. If relief is not given for these activities, the group purchasing body may require an Australian financial services (AFS) licence under Ch 7 of the *Corporations Act 2001* (Corporations Act).

Managed investment scheme registration requirement

RG 195.5 Some group purchasing bodies may enter into arrangements that constitute a managed investment scheme. If relief is not given, such arrangements may require registration as a managed investment scheme under Ch 5C of the Corporations Act.

Overview of relief under CO 08/1

RG 195.6 Class Order (CO 08/1) *Group purchasing bodies* gives 'eligible' group purchasing bodies relief from:

- (a) the requirement in s911A(1) to hold an AFS licence for providing the following financial services in relation to risk management products:
 - (i) dealing (other than issuing);
 - (ii) providing a custodial or depository service; and
 - (iii) providing financial product advice, by providing certain general information when arranging for a person to be covered by a risk management product; and
- (b) the requirement in Ch 5C to register a managed investment scheme that relates to risk management products that are not issued by the group purchasing body or its associates and provides benefit only because of

access to cover through the risk management product on more favourable terms than would otherwise be available.

RG 195.7 Section B explains which group purchasing bodies are eligible for the relief under CO 08/1. Our relief is subject to certain conditions that are designed to ensure that risks to clients are minimised. These conditions are explained in Section C.

Why we give relief to group purchasing bodies

RG 195.8 We have granted class order relief to group purchasing bodies because we consider that compliance with Chs 7 and 5C is disproportionately burdensome to them. Given that the role played by group purchasing bodies is in many ways more like that of a buyer of risk management products rather than a seller, we consider there may be less need for strict compliance with the requirements of Chs 7 and 5C: see RG 195.23 to RG 195.25.

B Eligible group purchasing bodies

Key points

The activities of group purchasing bodies may constitute providing financial services under Ch 7 because they include dealing in a financial product, providing a custodial or depository service and providing financial product advice: see RG 195.9–RG 195.12.

The arrangements group purchasing bodies enter into may constitute a managed investment scheme under Ch 5C when contributions to the arrangements by clients are used to obtain cover under risk management products on more favourable terms: see RG 195.13–RG 195.14.

A group purchasing body will be eligible for relief if:

- it is independent (see RG 195.17–RG 195.20); or
- its activities in arranging cover under a risk management product are incidental to its not-for-profit activities (see RG 195.21–RG 195.22).

We have given relief because we consider regulation under Chs 7 and 5C is disproportionately burdensome and not necessarily appropriate given the activities of group purchasing bodies: see RG 195.23–RG 195.25.

How the Corporations Act would apply to group purchasing bodies

AFS licensing requirements

- RG 195.9 Section 911A(1) of the Corporations Act requires a person who carries on a financial services business in Australia to hold an AFS licence covering the provision of the financial services unless they are an authorised representative of an AFS licensee or otherwise exempted.
- RG 195.10 Holders of an AFS licence are required to comply with a number of obligations, including:
- (a) providing retail clients with a Financial Services Guide in certain circumstances;
 - (b) having a dispute resolution system and arrangements for compensating retail clients who suffer loss as a result of breaches of obligations by the licensee or its representatives; and
 - (c) meeting obligations relating to compliance arrangements and risk management.
- RG 195.11 Chapter 7 promotes confident and informed decision-making by consumers of financial products and fairness, honesty and professionalism by the

providers of financial services. Chapter 7 also requires that certain protections must be given to clients who are provided with financial services or who are acquiring financial products (e.g. for handling clients' money).

- RG 195.12 A group purchasing body may be providing financial services by applying for or acquiring a risk management product, and holding the risk management product, on behalf of those to be covered. Alternatively, if the persons to be covered are to hold the risk management product themselves, the group purchasing body may be providing financial services by arranging for the persons to be covered to apply for and acquire a risk management product. In providing general information to clients, as set out in the condition of relief discussed at RG 195.27, the group purchasing body might be providing financial product advice. If relief is not given for these activities, the group purchasing body may require an AFS licence under Ch 7.

Managed investment scheme registration requirement

- RG 195.13 Some group purchasing bodies may enter into arrangements that constitute a managed investment scheme because some of the contributions they receive from persons to obtain cover are pooled or used in a common enterprise to produce financial benefits for the contributors. These benefits may arise through better cover, lower cost of cover or more favourable terms of payment for cover. If relief is not given, such arrangements may require registration as a managed investment scheme under Ch 5C.
- RG 195.14 Chapter 5C imposes obligations on the operators of registered schemes to protect members. These include requiring the registered managed investment scheme to have a constitution and a compliance plan. The responsible entity of the scheme must also be a public company that holds an AFS licence authorising it to manage a registered managed investment scheme.

When are group purchasing bodies eligible for relief?

- RG 195.15 We will provide relief to a group purchasing body when it can be expected to be acting predominantly in the interests of those persons to be covered by the relevant risk management products. The relief does not apply to bodies that give financial product advice to clients other than as a result of providing the general information we require to be given under our conditions: see RG 195.27. The relief also does not apply to a body in the business of issuing financial products other than interests in a managed investment scheme under our relief.
- RG 195.16 A group purchasing body is eligible for relief in two situations:
- (a) the group purchasing body is independent; or

- (b) its activities in arranging for cover under a risk management product are incidental to its not-for-profit activities.

Independent

- RG 195.17 A group purchasing body is eligible for relief if it is independent—i.e. the group purchasing body:
- (a) is not associated with any product issuer, AFS licensee or representative except under a multinational pooling arrangement (MPA); and
 - (b) does not receive any form of remuneration (including commission) or other benefits that are reasonably attributable to the group purchasing activity, except for:
 - (i) payments that are paid over in full to those who pay for cover (e.g. commissions rebated to those covered) within a reasonable period;
 - (ii) payments from persons to be covered who are members of the body; and
 - (iii) payments under an MPA.

Multinational pooling arrangements

- RG 195.18 An MPA is an arrangement under which cover under life, total and permanent disability or income protection insurance is provided that:
- (a) is substantially arranged outside Australia and most of the persons covered are outside Australia;
 - (b) covers employees of, or persons contracted to provide services to, the group purchasing body or another entity in the economic entity of which the group purchasing body forms part; and
 - (c) provides for payments to be received by the group purchasing body based on claims experience for all those covered under the arrangement.
- RG 195.19 MPAs have been established for many years in Australia and they provide low-cost group insurance for a significant number of Australian employees. Under MPAs, a multinational company is able to provide insurance cover to employees of each nationally based company employer, by engaging a local life insurer to provide insurance to the national company via a reinsurer. The liabilities under the insurance contract are reinsured, and ultimately the premiums collected under these arrangements are pooled and fund the liabilities of the multinational pool. Reserves are established to fund future liabilities, and where the pool claims experience is favourable, some portion of the premiums may be passed back to the national company participants.
- RG 195.20 Group purchasing bodies that provide financial services under an MPA are eligible for our relief even if they retain remuneration received under the MPA. We recognise that it is unlikely that MPAs will be renegotiated to

ensure that the relevant Australian group purchasing body is independent. We allow relief because the potential for an MPA to result in any insurance not having been negotiated with regard to the interests of those to be covered is low and exclusion may deprive Australian clients of the benefit of insurance under the arrangement.

Note: While group purchasing bodies that receive a benefit under an MPA are eligible for relief, they must disclose the benefit as part of other general information about the insurance they are required to disclose: see RG 195.27.

Incidental to not-for-profit activities

- RG 195.21 A group purchasing body is eligible for relief if:
- (a) it is not operated to enable payments to its members; and
 - (b) its activities in arranging for cover under the risk management product are incidental to another relationship between the group purchasing body and the person to be covered (e.g. playing sport in a team operated by the group purchasing body).
- RG 195.22 For example, a not-for-profit community group or industry association may add an additional component on to the fees that it charges its members for arranging insurance that is incidental to other services to the members. The additional component is in order to subsidise other activities of the group or association that are ultimately aimed at benefiting members.

Why we give relief to group purchasing bodies

- RG 195.23 We have granted class order relief to group purchasing bodies because we consider that compliance with Chs 7 and 5C is disproportionately burdensome to them. We take this view because:
- (a) the costs associated with holding an AFS licence and with registering a managed investment scheme are significant. It is unlikely to be economical for group purchasing bodies to obtain an AFS licence or to register a managed investment scheme; and
 - (b) acting as the representative of an AFS licensee (such as the issuer or insurance broker) may put the group purchasing body in a position of conflict between its duties to those on whose behalf it arranges cover and to the AFS licensee on whose behalf it acts.
- RG 195.24 Increased compliance costs may result in group purchasing bodies being unable to continue to enter group purchasing arrangements for members or clients, or issuers ceasing to offer products designed to cover the interests of groups. This may increase insurance costs for consumers and/or reduce the availability of insurance cover. Where liability insurance is concerned,

increased costs or reduced availability would be likely to have a flow-on effect to the wider community.

RG 195.25 Given that the role played by group purchasing bodies is in many ways more like that of a buyer of insurance products rather than a seller, we consider there may be less need for strict compliance with the requirements of Chs 7 and 5C. We also take the view that class order relief provides more certainty as to whether or not the activities of group purchasing bodies are regulated by Chs 7 or 5C.

C Conditions of relief

Key points

Group purchasing bodies that are eligible for relief must meet key conditions relating to:

- disclosure of basic information to persons who are to be covered (see RG 195.27–RG 195.29);
- receipt of payments (see RG 195.30–RG 195.34); and
- notification of currency of risk management products (see RG 195.35–RG 195.37).

These conditions are summarised in Table 1.

From 30 September 2009, if the conditions are not met, the group purchasing body must notify ASIC promptly after it has reason to believe it has materially failed to comply with the conditions, or the relief will no longer apply (see RG 195.38–RG 195.39).

Overview of conditions of relief

Table 1: Conditions of relief for eligible group purchasing bodies under CO 08/1

Key conditions		Explanation
A. Disclosure of general information	The group purchasing body must ensure that clients to be covered by the risk management product are provided with certain basic information about the risk management product and arrangements for clients to be covered: see RG 195.27–RG 195.29.	This condition ensures that members or prospective members receive basic information about their rights and how they are covered. It also ensures that persons to be covered are directed to obtain advice about the product from an AFS licensee (e.g. the issuer or the broker).

Key conditions		Explanation
<p>B. Receipt of payments by group purchasing bodies</p>	<p>The group purchasing body must ensure that the making of certain payment by a person to the body has the effect of:</p> <ul style="list-style-type: none"> • where the product is to be issued to the person—as between the person and the issuer, discharging any liability of the person under or in respect of the product to the extent of the payment; or • where the product has been or is to be issued to the group purchasing body—as between the person and the issuer, discharging the liability of the body under or in respect of the product in relation to the person to the extent of the payment. <p>This condition only applies if the payment is made by a person to the group purchasing body under an arrangement under which the body will make a payment to the issuer of the risk management product for or under the product that will enable the person to be covered by the product and either:</p> <ul style="list-style-type: none"> • the cover is to be issued to that person; or • where the product is issued to or is held by the group purchasing body, the cover is to apply by extension to that person as a named individual under the terms of the product (including any schedule to the product) if an additional payment is made to the issuer of the risk management product. <p>See RG 195.30–RG 195.34.</p>	<p>This condition is intended to protect persons who pay money for cover to apply to them as a risk management product holder or as a specified individual where the risk management product is issued to or held by the group purchasing body. The condition seeks to ensure that the person paying the group purchasing body in that situation is not denied cover merely because of failure by the group purchasing body to pay the issuer.</p>

Key conditions		Explanation
<p>C. Currency of policy and notification of cancellation or non-renewal</p>	<p>The group purchasing body must:</p> <ul style="list-style-type: none"> • promptly notify in writing each person to whom it is providing financial services and who may reasonably expect that they are covered, if the cover will not take effect for the period that has been represented to the person it would take effect or if the cover is or is likely to be cancelled or not renewed. The group purchasing body does not have to give the notification if the group purchasing body reasonably believes that substantially similar cover applies or will apply for the relevant period under another risk management product. The obligation to provide the notification must be enforceable by each person relying on cover; and • establish a facility by which persons who may be relying on the cover may, by reasonable steps, check with the issuer or an AFS licensee, or an authorised representative acting on behalf of the issuer or licensee, without charge, that the product has been issued to the person or the body and remains current. <p>See RG 195.35–RG 195.37.</p>	<p>The condition in relation to notifications is designed to address the risk that the risk management product might not be entered into within a reasonable amount of time or that it may not be renewed or may be cancelled without the knowledge of the person expecting to be covered.</p> <p>The condition in relation to a facility to enable the client to check the currency of a risk management product is designed to address the risk that the group purchasing body may not notify clients promptly as required.</p>

Rationale for the conditions of relief

RG 195.26 We have made the relief in CO 08/1 subject to the three conditions set out in Table 1 to address key risks that the AFS licensing regime would otherwise address and to reduce the potential loss of consumer protections for retail clients.

Disclosure of general information

RG 195.27 Group purchasing bodies must disclose the following general information to persons to be covered by the risk management product:

- (a) general factual information about the nature of the cover provided by the product (including the period for which the cover will apply) and the role of the group purchasing body in providing the financial services to which the product relates;
- (b) a statement that the body will ensure that a person who requests a copy of the terms and conditions of the product will be given, without charge, a copy within a reasonable time after the request;

- (c) information about any amounts payable by the person to obtain the cover under the product;
- (d) if the body will receive payments (rebates) from the issuer of the product or any AFS licensee or their associates to arrange for the issue of a risk management product or for a person to be covered by an existing risk management product, the amounts (if any) that will be paid to the person to be covered by the product from those rebates or, if the amounts cannot be ascertained, general information about how the amounts will be determined;
- (e) a statement that the body does not hold an AFS licence and that the person should consider obtaining their own financial product advice about the product from a person who is able to give such advice under an AFS licence;
- (f) sufficient information about the facility through which persons to be covered may check the currency of the product with the issuer, an AFS licensee or an authorised representative (e.g. sufficient information to identify the product and access the facility); and
- (g) information about the obligation of the group purchasing body to compensate the client for any loss or damage if the body fails to notify members when required.

RG 195.28 This information must be provided as soon as practicable after the group purchasing body has reason to believe that the financial services to which the product relates will be provided to the person, and if the person to be covered by the product may elect whether to be covered or not, before the election is made.

Product Disclosure Statements and s1012H

RG 195.29 The disclosure condition outlined in RG 195.27 is limited to basic information rather than information required to enable a person to make a decision whether to obtain cover. This is because, in the case where the cover is to be extended on the election of a person who would acquire it as a retail client, s1012H imposes an obligation on an issuer to take reasonable steps to ensure that a person who elects to be covered is given a Product Disclosure Statement.

Receipt of payments by group purchasing body

RG 195.30 Group purchasing bodies to which our relief applies will not need to comply with s985B, which has special rules on the status of money paid to licensees for insurance products that transfer risk to the insurer in some circumstances.

The condition at item B in Table 1 is intended to have an effect that is similar to s985B.

- RG 195.31 This condition of our relief addresses the risk that money paid by a person for cover is not paid to the issuer, and as a result the cover does not apply. When the condition applies, the group purchasing body must ensure that the insurer agrees that the money is to be taken at the issuer's risk when received by the group purchasing body. The condition does not affect any right that the issuer may have against the group purchasing body to claim any money not paid. It only means that the cover cannot be denied for the failure to make the payment.
- RG 195.32 The condition at item B applies only in relation to risk management products where the individuals covered are named as covered either because they are the holder of the risk management product or their name has been inserted into the specification of who is covered under a risk management product held by the group purchasing body. In those cases there will be a clear relationship between money paid to a group purchasing body for cover and money that the group purchasing body is to pay the issuer for cover to extend to the person. If the issuer does not wish to assume the risk of non-payment by the group purchasing body, it can require that payments should be made directly to the issuer. If the issuer elects to allow payments to be collected by the group purchasing body and then for a corresponding payment to be made to it, it is appropriate to treat the group purchasing body as the issuer's agent to receive the payments.
- RG 195.33 The effect of the condition at item B is merely that the issuer will be required to treat the payment as having been received. It does not have the effect that cover is provided if this depends on anything other than the mere receipt of payment, e.g. an underwriting decision by the issuer.
- RG 195.34 The condition at item B does not apply when there is no payment by the person to be covered but rather merely an offset, e.g. under a salary sacrificing arrangement.

Notifications about currency of policy

- RG 195.35 The condition at item C in Table 1 to establish a facility for checking the currency of cover provides some degree of comfort to the client that they remain covered.
- RG 195.36 A group purchasing body may establish such a facility by ensuring that an AFS licensee with the relevant information responds to enquiries, e.g. through the internet. Another option could be providing a 'phone in' service by which clients are able to phone the issuer to check the status of their policy. To support this condition, group purchasing bodies need to provide

information to their members about the relevant risk management product and the availability of the facility.

- RG 195.37 A group purchasing body could satisfy the requirement that it be subject to a legally enforceable obligation to clients to meet the notification requirements in a number of ways. For example, it could:
- (a) enter a deed poll;
 - (b) include a binding obligation in its constitution where the constitution has legal effect as a contract; or
 - (c) undertake, in the document providing the general information required under our conditions, that in consideration of the client making payments or performing some other act at the request of the body, the body will provide the relevant notifications.

When the conditions of relief are not met

- RG 195.38 If, after 30 September 2009, the conditions are not met, the group purchasing body must give ASIC full written particulars of matters that give it reason to believe that it has materially failed to comply with the conditions of CO 08/1. These written particulars must be given within 10 business days of the group purchasing body having reason to believe it has materially failed to comply or the relief will no longer apply. We have provided a transitional period until 30 September 2009 so as to avoid any unnecessary costs in complying with the conditions.
- RG 195.39 When notified of non-compliance, we will consider if the group purchasing body should be excluded from ongoing relief or, where appropriate, if orders should be sought to compel compliance with conditions of exemption under s601QA.

Appendix 1: Group purchasing arrangements

Typical group purchasing bodies

- RG 195.40 Group purchasing bodies may include:
- (a) professional associations, industry bodies, community groups and sporting clubs;
 - (b) bodies that are established to pool the buying power of their members to negotiate better terms from issuers of risk management products;
 - (c) employers who arrange insurance for employees; or
 - (d) commercial organisations that provide services to clients and arrange risk management products for clients to cover the costs of additional services if required or to cover losses associated with the use of the service.

How do group purchasing arrangements operate?

- RG 195.41 Group purchasing arrangements may involve:
- (a) **Group policies:** These involve a single contract of insurance between the insurer and the group purchasing body. The insurance product covers individuals if they are named or are within a class specified in the contract (e.g. a member or prospective member of the group purchasing body). Typically, each member receives the same type and level of cover.
 - (b) **Master policies:** These involve a contract between the group purchasing body and the insurer that sets out the agreed terms of insurance cover available to a class of persons who can be covered (e.g. members or prospective members of the group purchasing body). Typically, individuals must make a separate application for coverage; in some cases, an individual may obtain a different level of cover depending on their particular circumstances. The group purchasing body may or may not also be insured under the master policy; and
 - (c) **Individual policies:** the group purchasing body arranges for members of a defined class of people to directly enter into contracts of insurance with the insurer, without any contract between the group purchasing body and the insurer.
- RG 195.42 In some cases, the group purchasing body may receive a commission or other forms of remuneration or benefit for arranging the insurance.

- RG 195.43 Generally, a group purchasing body does some or all of the following:
- (a) engages an insurance broker (i.e. an AFS licensee) to advise on an appropriate insurance policy;
 - (b) negotiates via the insurance broker the terms of the insurance policy and the premium to be paid by any individual accepted for coverage under the policy;
 - (c) enters an arrangement (either a group policy or a master policy) with the interests of those to be covered in mind;
 - (d) notifies those that are covered, or are entitled to obtain coverage, under the policy;
 - (e) acts as a conduit between the individuals covered and the insurer, which may involve:
 - (i) forwarding application forms (for master policies) and premiums to the insurance broker or issuer; and
 - (ii) forwarding certificates of insurance, policy wording and renewal notices.
- RG 195.44 Generally, the group purchasing body is not involved in the claims process. Even if the individual who is covered is not a party to the insurance contract (for group policies), the individual members typically still make claims directly to the insurer or broker. The insurer or broker typically directly pays claims money to the individual member.

Key terms

Term	Meaning in this document
AFS licence	Australian financial services licence under s913B that authorises a person who carries on a financial services business to provide financial services Note: This is a definition contained in s761A.
Ch 7(for example)	A Chapter of the Corporations Act (in this example numbered 7)
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of the Act
eligible group purchasing body	A group purchasing body that is eligible for relief under Section B of this guide
group purchasing body	A body that arranges for the issue of a risk management product or for a person to be covered by an existing risk management product.
multinational pooling arrangement (MPA)	An arrangement under which cover under life, total and permanent disability or income protection insurance is provided that: <ul style="list-style-type: none"> • is substantially arranged outside Australia and most of the persons covered are outside Australia; • covers employees of, or persons contracted to provide services to, the group purchasing body or another entity in the economic entity of which the group purchasing body forms part; and • provides for payments to be received by the group purchasing body based on claims experience for all those covered under the arrangement
RG 169 (for example)	An ASIC regulatory guide (in this example, numbered 169)
risk management product	A contract of insurance or a facility for managing financial risk that is a financial product other than a general insurance product that an AFS licensee must not deal in because of s985D of the Corporations Act
s911A (for example)	A provision of the Corporations Act (in this example numbered 911A)

Related information

Headnotes

Group purchasing body, group insurance, master insurance policy, financial products, insurance, facility for managing financial risk, risk management product, Australian financial services licence, AFS licensee, financial services, managed investment schemes

Class orders

CO 08/1 *Group purchasing bodies*

Legislation

Corporations Act Ch 5C, 7, s911A(1), 981B, 985B, 1012H

Consultation papers and reports

CP 80 *Group insurance arrangements*

Advisory

AD 08/29 *ASIC gives relief for group insurance* (30 September 2008)