

26,1982

ON APPEAL FROM THE SUPREME COURT OF NEW SOUTH WALES

COURT OF APPEAL

IN PROCEEDINGS 415 OF 1979 AND 416 OF 1979

BETWEEN: GENERAL ACCIDENT FIRE AND LIFE
ASSURANCE CORPORATION LIMITED

Appellant (Plaintiff)

AND: THE COMMISSIONER OF PAY-ROLL TAX

Respondent (Defendant)

AND BETWEEN: SENTRY LIFE ASSURANCE LIMITED

Appellant (Plaintiff)

AND: THE COMMISSIONER OF PAY-ROLL TAX

Respondent (Defendant)

TRANSCRIPT RECORD OF PROCEEDINGS

PART II

VOLUME II

Solicitors for the Appellant (Plaintiff)

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AND: THE COMMISSIONER OF PAY-ROLL TAX
 Respondent (Defendant)

TRANSCRIPT RECORD OF PROCEEDINGS

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(ALD 507 of 1978)

IN THE SUPREME COURT OF NEW SOUTH WALES

ADMINISTRATIVE LAW DIVISION

No. 507 of 1978

SENTRY LIFE ASSURANCE
LIMITED

Plaintiff

THE COMMISSIONER OF
PAYROLL TAX

Defendant

AGREED STATEMENT OF FACTS

DAWSON WALDRON,
Solicitors,
60 Martin Place,
SYDNEY. NSW 2000

231 0033 (WDC)
D.X. 355
050379
ZWDC5

1. Sentry Life Assurance Limited
(hereinafter referred to as
"Sentry") a company incorpo-
rated in the State of New
South Wales under the name of 10
Commercial & General Life
Assurance Limited and which
subsequently changed its name
by special resolutions duly
passed by its shareholders to
Commercial Life Assurance
Limited and then to Sentry
Life Assurance Limited and
having its registered office
until August 1976 at 115 Pitt 20
Street, Sydney, and from
that date at 61 Lavender
Street, Milsons Point, car-
ried on during the period
1st September, 1971, to 31st
December, 1976, the business
of life insurance at 115 Pitt

Exhibit A - Agreed Statement
of Facts (ALD 507 of 1978)

Street, Sydney and at branch offices at 69 & 87 Clarence Street, Sydney, until August 1976 and then at 61 Lavender Street, Milsons Point, and also since incorporation at 74-76 Crown Street, Wollongong. During the period 1st September 1971, to 31st December, 1976, Sentry made payments to the companies partnerships and individuals hereinafter referred to in respect of which the Commissioner of Payroll Tax has assessed payroll tax.

10

PAYMENTS MADE TO PROPRIETARY LIMITED COMPANIES THERE BEING
AN EXCLUSIVE AGENCY AGREEMENT BETWEEN THE PROPRIETARY LIMITED
COMPANY AND SENTRY.

Case 1 - ERIC PHILLIPS & ASSOCIATES PTY. LIMITED

- 1.1 Eric Phillips & Associates Pty. Limited a company duly
incorporated in the State of New South Wales on 12th
March, 1974 and having its registered office at 543 10
Pittwater Road, Brookvale (hereinafter referred to in
this case as "the Company") carried on business of a
life assurance Agent during the period 12th March,
1974 to 31st December, 1976 (hereinafter in this case
referred to as "the said period") at premises of
Sentry initially at 69 Clarence Street then from 87
Clarence Street, Sydney, and latterly from the com-
pany's own office at 543 Pittwater Road, Brookvale.
During a period of incapacity of one of the directors
hereinafter referred to the business was conducted 20
from the home of the directors at 32 Derwent Street,
Wheeler Heights. The directors of the Company during
the said period were Eric Noel Phillips and Carmel
Lorraine Phillips both of 32 Derwent Street, Wheeler
Heights both of whom were employed full time by the
Company.
- 1.2 On 1st May, 1973, Eric Noel Phillips entered into an
agency agreement with Sentry. On or about 12th March,

1974, this agency was assigned by Eric Noel Phillips to the Company by oral agreement and with the consent of Sentry. The agency was assigned on the basis that the agreement between the Company and Sentry remained in force during the said period. The document marked exhibit "S1" is a copy of the agreement between Eric Phillips and Sentry and sets out the terms applicable to the agreement between the Company and Sentry.

10

- 1.3 The total amount of commission received by the Company during the said period from Sentry was \$35,508.88 which amount represented 90% of the gross income of the Company during the period. The remaining 10% of gross income of the Company consisted of payments made to the Company by Sentry pursuant to a sickness and accident policy taken out by the Company with Sentry on the life of one of the directors, Eric Phillips arising out of the illness of the said Eric Phillips.

20

- 1.4 The Directors of the Company prepared each business day a list of persons whom they thought might need or be interested in life insurance and who they intended contacting that day. The names of those persons were obtained by the Directors of the Company from Clients for whom they had arranged insurance previously, or from friends and acquaintances who had given them the names of such persons or other leads or information.

Exhibit A - Agreed Statement
of Facts Case 1 Eric Phillips
& Associates Pty. Ltd.

Sentry did not make available to the Company during the said period the names of any persons for whom the Company could arrange life insurance nor any leads or information as to potential clients.

1.5 The Company had no authority to issue cover notes of insurance on behalf of Sentry and did not issue any cover notes of insurance during the said period. 10

1.6 The directors of the Company if a Client indicated to them that he would like insurance taken out suggested to the Client that the policy be taken out with Sentry. If the Client agreed the directors of the Company arranged for the Client to fill out a proposal form or occasionally filled this out on behalf of the Client. On approximately three occasions during the said period, clients indicated to the directors that they wished to insure with a Company other than Sentry.

The directors referred these Clients to another insurance agent who was a personal friend of theirs and who arranged insurance with the insurance company concerned. 20
The directors of the Company had a mutual arrangement with such friends that if they had clients who required insurance with Sentry they would refer the clients to the Company. No commission was received by the Company where insurance was arranged for such clients with a company other than Sentry.

Exhibit A - Agreed Statement
of Facts Case 1 Eric Phillips
& Associates Pty. Ltd.

- 1.7 The Directors of the Company collected from the client a cheque for the initial premium, such cheques always being made payable to Sentry. The proposal form and cheque for the initial premium was then lodged with Sentry.
- 1.8 Sentry then prepared a policy document which was given to the Company which subsequently forwarded it on to the Client. 10
- 1.9 When, as a result of non-payment of premiums by the insured, the policy lapsed within the first two years from the date when the policy was effected, a part of the commission paid to the Company was debited to the Company's account, that part being calculated in accordance with the agreement between the Company and Sentry.
- 1.10 Commission was paid to the Company in accordance with a monthly statement forwarded to the Company by Sentry without any deduction of income tax. No commission was deducted by the Company from the initial premium collected by it from the clients. All subsequent premiums were paid by the Client direct to Sentry, either direct by way of cheque through the mail or by bank authority or order on the client's employer which was arranged by the Company at the time the proposal form was completed by the Client. 20

Exhibit A - Agreed Statement
of Facts Case 1 Eric Phillips
& Associates Pty. Ltd.

1.11 During the period the Company operated from premises of Sentry in Clarence Street, Sydney, as more particularly described in paragraphs 12, 13 and 14 hereof and Milsons Point, North Sydney, and also from the home of the directors of the Company, at 32 Derwent Street, Wheeler Heights and from an office of the Company at 543 Pittwater Road, Brookvale.

10

1.12 During the period 12th March, 1974 to August, 1976 a specific office was set aside by Sentry in its offices in Clarence Street, for the use of the directors of the Company. One of the directors of the Company attended the office during that period most days each week. The first few hours each day were spent by the director making telephone calls to prospective clients on the list of persons referred to in paragraph 4 seeking to arrange an appointment with such clients to discuss their insurance needs. A telephone was available to the directors of the Company in the office supplied by Sentry. No charge was made by Sentry for the use of the telephone or the office during the said period.

20

1.13 The directors of the Company did not attend the office of Sentry every day. When the directors had previously arranged appointments with persons in the vicinity of their home, they would make telephone calls to clients from their home and not attend the offices of Sentry

Exhibit A - Agreed Statement
of Facts Case 1 Eric Phillips
& Associates Pty. Ltd.

on those days. After the first few hours each day, the directors of the Company usually spent the remainder of the day interviewing clients. Approximately 25% of clients interviewed were interviewed in an interview room in Sentry's offices. The remaining clients were interviewed at the client's homes, places of work or other places arranged that were convenient to the client.

10

1.14 As well as an office and telephone, Sentry made available to the Company a secretary who did all typing required by the Company. This typing consisted almost exclusively of letters written to clients by the Company enclosing the policy document or other letters to clients concerning the policy or the payment of premiums where those premiums were overdue. No charge was made by Sentry to the Company for the provision of these secretarial services.

20

1.15 When a premium was not paid by the insured on the due date, Sentry notified the insured by letter and forwarded a copy of the letter to the Company and the directors of the Company then endeavoured to contact the insured and informed him that the policy would lapse if the premium was not paid. The directors of the Company knew their clients personally and usually called on the clients and collected from them the cheque

Exhibit A - Agreed Statement
of Facts Case 1 Eric Phillips
& Associates Pty. Ltd.

made payable to Sentry for the amount of the premium if it was overdue.

1.16 The Directors of the Company when they had any questions or if they wished to discuss any matters with Sentry contacted the Divisional Sales Manager of Sentry.

1.17 The Divisional Sales Manager did not make any suggestions to the Company as to how it should conduct its agency business. The Company occasionally received from Sentry brochures and the directors of the Company occasionally attended voluntary meetings arranged by Sentry for agents engaged by it. A meeting was called by the Divisional Sales Manager of Sentry only when there was a significant change in the tax law affecting insurance premiums or a change in the type of insurance policies offered by Sentry. The meetings were held at Sentry's premises. The director of the Company did not attend any initial training course conducted by Sentry. 10

1.18 Eric Phillips one of the directors of the Company was ill during the period 16th December, 1975 to August, 1976. The directors of the Company notified the Divisional Sales Manager of Sentry of this fact. The directors also arranged for another agent of Sentry to attend to current matters of the Company which the 20

Exhibit A - Agreed Statement
of Facts Case 1 Eric Phillips
& Associates Pty. Ltd.

directors could not attend to during that time. The Company continued to receive commission except in respect of any new policies that were effected by the other agent. During that period the directors of the Company were not otherwise absent.

- 1.19 When a medical examination was required in connection with an insurance policy, the directors of the Company arranged this with the Client. Sentry supplied to the Company a list of doctors where it was necessary for the client to see a specialist because of some particular medical condition. In all other cases the Company arranged for a medical examination to be conducted by the client's own doctor. 10
- 1.20 All communications with Sentry, that is delivery of proposals and picking up of policies, were undertaken by hand.
- 1.21 The Company received no benefits by way of remuneration from Sentry other than commission. 20
- 1.22 Sentry provided for the Company in respect of one of its directors Eric Noel Phillips life and disability insurance cover. The Company was not required to pay any premiums in respect of this insurance.
- 1.23 As far as the directors of the Company are aware, no clients of the Company for whom insurance was arranged died during the said period. The directors of the

Exhibit A - Agreed Statement
of Facts Case 1 Eric Phillips
& Associates Pty. Ltd.

Company informed their clients that in the event that they wished to make a claim under any policy, they should first contact the directors of the Company. The Company did not receive any notice of any claims during the said period.

1.24 During the said period, as far as the directors of the Company are aware, no disputes arose relating to any policy arranged by the Company or any claim relating thereto.

10

1.25 Except as hereinbefore set out the facts contained in the preceding 24 paragraphs applied without significant variation during the said period.

Case 2 - GOLDRING INSURANCES PTY. LIMITED

- 2.1 Goldring Insurances Pty. Limited, a Company incorporated in the State of New South Wales and having its registered office at 7th Floor, 45 Macquarie Street, Sydney (hereinafter referred to as "the Company") carried on the business of a life insurance and general insurance agent during the period 15th February, 1974 10 to 31st December, 1976, from premises initially from 205 Avoca Street, Randwick and then from premises at 3rd Floor, 188 George Street, Sydney.
- 2.2 On 15th February, 1974, the Company entered into an agency agreement with Sentry. That agreement remained in force during the period 15th February, 1974, to 31st December, 1976 (hereinafter in this case referred to as "the said period"). The document marked exhibit "S2" is a copy of that agreement.
- 2.3 The total amount of commission received by the Company 20 during the said period from Sentry was \$100,416.20 which amount represented a major portion of the gross income of the Company during the said period. The balance of the income of the Company consisted of commission received from other insurance companies notwithstanding the provisions of Exhibit "S2".
- 2.4 The directors of the Company during the period were Raymond and Hazel Goldring both of 64 Torrington Road,

Exhibit A - Agreed Statement
of Facts Case 2 Goldring
Insurances Pty. Limited

Maroubra. Raymond Goldring was employed full time by the Company and his wife had no business interests other than as a director of the Company. The directors spent approximately 30% of their working time each day speaking on the telephone to people whom they thought might want insurance. The names of those people were ascertained by the directors of the Company from various sources including: clients they had arranged insurance business for previously and; various acquaintances who supplied the Company with the names of people who might want insurance.

10

2.5 The directors of the Company did not during the period obtain the names of any such persons or any other leads or information as to potential clients from Sentry.

2.6 The Company always used its own stationery which did not mention Sentry but proposal forms were supplied to the Company by Sentry.

20

2.7 When a Client indicated to the directors of the Company that he wished to take out a policy of insurance with Sentry the directors of the Company filled out or arranged for the Client to fill out a proposal form which was signed by the Client.

2.8 The directors of the Company collected from the Client a cheque which was always made payable to Sentry for

Exhibit A - Agreed Statement
of Facts Case 2 Goldring
Insurances Pty. Limited

the first premium. Subsequent premiums were always paid direct by the Client to Sentry.

- 2.9 The directors of the Company then arranged for the proposal form and cheque for the first premium made payable to Sentry to be lodged with Sentry.
- 2.10 When a Client indicated to the Directors that he did not want to insure with Sentry the directors then arranged for insurance to be taken out with the insurance company the Client chose notwithstanding the provisions of clause 4 of Exhibit "S2". The Company received commission from the other insurance company either pursuant to an agreement previously entered into with that Company or by agreement in relation to that particular policy. 10
- 2.11 When a medical examination was required by Sentry, this was arranged by the directors of the Company with a doctor nominated by Sentry or the Client's doctor if it was inconvenient for the Client to see the doctor appointed by Sentry. 20
- 2.12 Insurance Policy documents were prepared by Sentry and picked up by the directors of the Company from a "pigeon hole" at the office of Sentry. All correspondence from Sentry to the Company was placed in that pigeon hole.
- 2.13 The Directors of the Company when they needed to

Exhibit A - Agreed Statement
of Facts Case 2 Goldring
Insurances Pty. Limited

contact Sentry about any specific matter, contacted the Divisional Sales Manager of Sentry. The Divisional Sales Manager inspected proposal forms lodged by the Company and informed the directors of the Company if any correction or additional information was required or if any premium was overdue. The Divisional Sales Manager never gave the Company or its directors any directions as to how they could find Clients or obtain insurance business or conduct its agency at all nor did he give the Company or its directors any information or leads as to potential clients.

10

2.14 The directors of the Company arranged for the Client to fill out a bank authority at the time of signing the proposal form authorising the Client's bankers to deduct the amount of subsequent premiums from the Client's bank account and pay these direct to Sentry when the Client asked for payment to be arranged that way.

20

2.15 When as a result of non-payment of premiums by the insured the policy lapsed within the first two years from the date it was effected a part of the commission paid to the Company was debited to the Company that part being calculated in accordance with the agreement between the Company and Sentry.

2.16 When premiums were overdue Sentry contacted the

directors of the Company who attempted to contact the Client in an endeavour to have the premiums paid.

- 2.17 The directors of the Company kept in contact with Clients to ensure that premiums were paid and to get further business from the Clients. The Company was not required to do this by Sentry.
- 2.18 The Company's gross commission was paid to it by Sentry monthly without any deduction of income tax. 10
- 2.19 The Company during the period never made use of any facilities of Sentry such as secretarial assistance or offices and the directors of the Company made no enquiry of Sentry to see if these facilities were available.
- 2.20 Although the agreement between the Company and Sentry states that it is an exclusive one the Company did in fact have agreements with insurance companies other than Sentry. 20
- 2.21 The directors of the Company did on two or three occasions during the period attend sales talks arranged by the Divisional Sales Manager of Sentry. Various new types of insurance policies and the classes of people such insurance related to were discussed at these meetings. The directors of the Company did not attend any initial training course conducted by Sentry.
- 2.22 The directors of the Company were never absent from

Exhibit A - Agreed Statement
of Facts Case 2 Goldring
Insurances Pty. Limited

the Company's business during the said period for any period exceeding a week. Sentry was not notified of any absences.

- 2.23 Premium notices were sent direct to the Client by Sentry and not to the Company.
- 2.24 No person for whom the Company arranged insurance died during the said period.
- 2.25 When the Client had any query or disputed any aspect of a policy, the Client contacted the directors of the Company and the directors of the Company then contacted Sentry on the Client's behalf. The Company pursued the matter with Sentry on behalf of the Client until such time as the Client was satisfied about the matter.
- 2.26 Except as hereinbefore set out the facts contained in the preceding 25 paragraphs applied without significant variation during the said period.

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PAYMENTS MADE TO PARTNERSHIPS OF AGENTS OPERATING UNDER AN
EXCLUSIVE WRITTEN AGENCY AGREEMENT IS STANDARD FORM WITH
SENTRY.

Case 3 - PETER J. MULLENS & ASSOCIATES

- 3.1 Peter John Mullens and Christine Mullens trading as
Peter J. Mullens and Associates (hereinafter referred
to in this case as "the Partners") carried on business 10
as life insurance agents and general insurance agents
during the period 1st January, 1976 to 31st December,
1976 (hereinafter referred to as "the said period")
from premises 1/61 Hume Street, Crows Nest, shared
with another life insurance agent.
- 3.2 On 8th March, 1976, the Partners entered into an agency
agreement with Sentry. That agreement remained in
force during the said period. The document marked
exhibit "S3" is a copy of that agreement.
- 3.3 The total amount of commission received by the Part- 20
ners during the said period was \$19,876.60 which
amount represented 80% of the gross income of the
Partners during the said period. The remaining 20%
of income of the Partners consisted of general insur-
ance commissions.
- 3.4 The Partners spent approximately the first two hours
each day confirming and making appointments with po-
tential clients by telephone from the Partners office

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at 1/61 Hume Street, Crows Nest. The next three hours were spent meeting clients the Partners has already spoken to on the telephone.

3.5 The names of all clients obtained by the Partners were obtained from their own sources. Existing policy holders may have been referred to the Partners by the Divisional Sales Manager or other Sentry employees on approximately one or two occasions, during the said period the agent who originally handled their business having left or being away or for some other reason being unable to attend to the clients' needs. 10

3.6 By 1st January 1976, the Partners had a considerable existing clientele. This clientele was originally built up by one of the Partners prior to the commencement of the partnership by writing down the name of every person he knew and then contacting these people and from those persons obtaining the names of other persons or leads from whom he obtained the names of persons who might be interested in taking out life insurance. 20

3.7 The Partners had a number of contacts who referred names or other leads to the Partners. These contacts were solicitors, accountants, persons in Government departments or friends in areas of employment who were in a position to refer names to the Partners. The

Partners then took a note of these names and contacted the people concerned.

3.8 Sentry made available a secretary in Sentry's office who was available to do secretarial work for the Partners as well as other agents. All letters sent to clients by Partners were typed by that secretary. No charge was made by Sentry to the Partners for the services of the secretary. 10

3.9 The Partners did not have an office set aside for them by Sentry although there was an office available if they ever needed to use it for a short period. The Partners made 1 or 2 phone calls from this office when they attended Sentry's office once or twice a week to deliver proposal forms cheques and bank authorisations and pick up policy documents and letters typed for them. No charge was made by Sentry for the use of this office or for the use of the telephone. 20

3.10 The Partners usually contacted the Divisional Sales Manager of Sentry when it was necessary for them to contact Sentry. Other than as set out in paragraph 3.5 hereof the Partners never obtained any names or leads or similar information from the Divisional Sales Manager. His function was to answer any questions the Partners might have concerning insurance. Proposal forms, cheques for commission and authorities to pay

were handed by the Partners to the Divisional Sales Manager. The Partners discussed with the Divisional Sales Manager questions such as whether a policy was suitable for a particular client or the advantages of Sentry's policies over the policies of other companies. During the period, discussions on the latter question were rare as basic life insurance policies were virtually the same for all insurance companies.

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3.11 The Partners saw clients in the client's office or home, cars, hotels or other similar places. Only on rare occasions, did the Partners see clients at the offices of Sentry.

3.12 In the interviews with clients, the name of Sentry took no place until the end of the interview. As far as the Partners were concerned, they were seeing the client about life assurance not necessarily for Sentry.

The Partners also had an agency agreement with Occidental Life Insurance Company of Australia Limited and if a client indicated to the Partners that he wanted insurance arranged with that company, the Partners would arrange the insurance with that company in a manner similar to the way they arranged insurance for Sentry. The Partners received a commission from Occidental Life Insurance Company of Australia Limited in respect of such insurance. If a client indicated to

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the Partners that he wanted insurance arranged with the Mutual Life & Citizens Assurance Company Limited, the Partners arranged that insurance through an agent of that insurance company and received a commission by arrangement with that agent. The Partners did not arrange insurance with any other insurance company.

- 3.13 The business cards of the Partners and their stationery 10
contained no mention of Sentry. The Partners paid for such cards and stationery and did not use any stationery supplied by Sentry other than proposal and other forms for use in effecting policies.
- 3.14 If a client wished to take out insurance, the Partners had the client fill out a proposal form supplied to them by Sentry. Sentry also made available bank authorities and authorities to deduct premiums from pay to the Partners and offered to make available stationery if required, but such offer was not availed 20
of.
- 3.15 At the time a proposal was signed, the Partners collected a cheque from the client made payable to Sentry for the first two months' premium. If the method of payment of subsequent premiums was to be by way of deduction from pay, the Partners arranged for an authority to deduct to be signed at the time the proposal was signed. The most usual method of payment of

- subsequent premiums was by way of bank authority on a cheque account. This was completed when the proposal form was signed.
- 3.16 All premiums other than the initial premium were paid by bank authority, deduction from pay or cheque direct to Sentry semi-annually or annually.
- 3.17 After obtaining the proposal form and cheque for the first two months' premium, the Partners arranged for this to be delivered to the Divisional Sales Manager of Sentry, who then checked the proposal. 10
- 3.18 Sentry subsequently, if it agreed to accept the risk, prepared a policy and sent a letter of acceptance to the client saying that the policy was being prepared. The policy was then delivered to the Partners by leaving the same together with any other correspondence addressed to the agent in a "pigeon hole" in the office of Sentry. 20
- 3.19 The Partners then arranged for the secretary of the Divisional Sales Manager of Sentry to type a letter to the client. One of the Partners then signed this letter and arranged for the letter and policy documents to be delivered to or forwarded by post to the client.
- 3.20 When a payment of premium was overdue, Sentry advised the Partners by letter. One of the Partners then telephoned the client to see what the problem was.

Occasionally, it was necessary for the Partners to call on the insured and collect the premium from him or alter the method of payment or re-organise the insurance for the insured if he did not, in fact, have enough money to pay the premium.

- 3.21 Commission payments were made by Sentry to the Partners monthly in advance on completion of the policy without any deduction for income tax but net of amounts paid by Sentry for the Partners in respect of car payments, house payments and premiums in respect of life insurance policies on the lives of the Partners. 10
- 3.22 All telephone calls apart from those made from Sentry's office were made by the Partners from the Partner's office or their home. All expenses of the Partners in connection with the office at Crows Nest were paid for by the Partners. 20
- 3.23 If the Partners were absent for a period of time, they simply informed Sentry of this fact. They did not seek the permission of Sentry to be away.
- 3.24 The Partners did attend one or two meetings of agents arranged by Sentry at which new forms of policies, and sales brochures were explained to agents and discussed. At these meetings, an employee of Sentry gave a short motivational speech. The Partners did not attend any

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initial training course conducted by Sentry.

3.25 Premium renewal notices were always sent direct by Sentry to the client. If a policy lapsed because of non payment of a premium part of the commission paid to the Partners was debited to their account that part being calculated in accordance with the agreement between the Partners and Sentry.

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3.26 No persons for whom the Partners arranged insurance died during the relevant period. No disputes arose as to any policy during the relevant period, of which the Partners are aware. Clients did contact the Partners seeking an explanation of particular aspects of a policy and the Partners dealt with these direct with the client.

3.27 Except as hereinbefore set out the facts contained in the preceding 26 paragraphs applied without significant variation during the said period.

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Case 4 - MAX CROWLEY & ASSOCIATES

- 4.1 Robert Maxwell Crowley and Judith Gail Crowley trading as "Max Crowley & Associates" (hereinafter referred to in this case as "the Partners") carried on business as life insurance agents during the period 1st December, 1975, to 31st December, 1976, (hereinafter referred to as "the said period") from their home, 22 Hercules Street, Chatswood. 10
- 4.2 On 1st December, 1975, the Partners entered into an agency agreement with Sentry. That agreement remained in force during the said period. The document marked exhibit "S4" is a copy of that agreement.
- 4.3 The total amount of commission received by the Partners from Sentry during the said period was \$28,709.39 which amount represented 75% of the gross income of the Partners during the said period. The remaining 25% of the gross income of the Partners consisted of commission received by them from sales of real estate. 20
- 4.4 During the said period, the Partners each day prepared a list of the names of potential clients they intended calling on the telephone that day. They then spent from approximately 8.30 a.m. until 10.30 a.m. speaking to the people on the list on the telephone endeavouring to make appointments with them. On most days each week these calls were made from the Partners' office in

theirhome. The telephone calls were made by one of the Partners from Sentry's office on about one or two days each week. No charge was made by Sentry for telephone calls made from its offices.

4.5 The list of potential clients prepared by the Partners was always prepared by the Partners from their own sources. The Partners never received the names of or other information or leads as to potential clients from Sentry. The most important sources of prospective clients for the Partners were leads obtained from existing clients. Some such clients supplied the Partners with a reliable and steady source of names of potential clients throughout the period. 10

4.6 Other sources from which prospective clients were obtained were persons working in Government departments who were known to one of the Partners and would contact that Partner and inform him of the names of people in the department who might be interested in life insurance. 20

4.7 During the period, one of the Partners obtained names of prospective clients by visiting various places such as military bases, health department hospitals and various Government department offices where he was able to see people during working hours. This, however, was only a minor source of clients particularly

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- during the last two or three months of the said period.
- 4.8 Sentry made available to the Partners a telephone desk and interview office for use when required. A particular office was never set aside exclusively for the use of the Partners. One of the Partners used the desk and telephone on one or two days each week for about two hours on each occasion when he called at Sentry's office to deliver proposal forms and cheques for initial premiums and to collect correspondence from Sentry addressed to the Partners and attend to the completion of outstanding requirements for medical examinations and payment of premiums by bank authority or deduction from pay. No charge was made by Sentry for the use of the desk or telephone. 10
- 4.9 After making the telephone calls in the morning, one of the Partners would subsequently see clients and discuss with them generally the question of life insurance. If a client wished to proceed with a particular life policy with Sentry, the Partner arranged for the client to complete the proposal form and sign it. Occasionally, if short of time, the Partner himself completed the form inserting information supplied by the client. The Partners usually saw clients in their homes or offices. On three or four occasions during the said period the Partners saw clients in Sentry's offices. 20

4.10 Most insurance arranged by the Partners was for a number of employees of a particular employer under what was known as a group employee insurance scheme. The Partners made arrangement for payment of premiums to be made by the employer for all employees covered by the group employee schemes. In such cases the Partners did not collect a cheque for the initial premium when the proposal was completed, the premium being paid by the employer when the policy issued. Where insurance was arranged for individuals, the Partners collected a cheque for the amount of the first year's premium payable in respect of the policy. This was usually in the form of a cheque made payable to Sentry, however, occasionally the client paid the Partners in cash. The Partners did not bank this to their own account but paid the amount received by them to Sentry when delivering proposal forms and cheques for premiums when they attended Sentry's office. Initial premiums were either for a full year's premium or half year's premium. 10

4.11 Where the Partners arranged insurance under a group employee insurance scheme the Partners arranged for the client to complete an authority addressed to the clients employer authorising him to deduct the amount of the premium from the clients pay. This authority 20

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together with the proposal form was delivered to Sentry. Sentry then lodged the deduction authority with the employer. Where insurance was taken out at military bases, the client lodged the deduction authority himself with the Military Paymaster.

4.12 Unless payment was to be made direct to Sentry or by deduction authority, payment of renewal premiums were made by bank authority which was completed by the client at the time the proposal form was signed. 10

4.13 The proposal form and cheque for initial premium was lodged by the Partners with the Divisional Sales Manager of Sentry. During the period, the Divisional Sales Manager checked and kept records of proposal forms lodged and, was available to discuss with the Partners questions such as the type of policy best suited to a particular client or that a policy had not been prepared by Sentry in the time indicated by the agent to the client. The Divisional Sales Manager generally acted as a contact between the Partners and Sentry. 20

4.14 When the amount of insurance cover exceeded a certain amount it was necessary for the Partners to arrange for the client to have a medical examination. The Partners were advised by the underwriting department of Sentry that Sentry required a medical examination, Sentry

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nominated the doctor to perform the examination. One of the Partners then arranged for the client to see the doctor nominated by Sentry or if there was difficulty in getting to see that doctor, the Partners arranged for the client to see the client's own doctor in the client's own time. One of the Partners often arranged to accompany clients to the doctor for the medical examination.

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4.15 All insurance policies and correspondence addressed to the Partners from Sentry were placed in a "pigeon hole" provided by Sentry in Sentry's office. One of the Partners arranged for the secretary of the Divisional Sales Manager of Sentry to prepare for each client for whom a policy was prepared a graph from Sentry tables showing expected maturity benefits and loan values over the life of the policy. The secretary of the Divisional Sales Manager also did any other typing required by the Partners. When prepared the graphs and letters were left in the "pigeon hole" previously referred to. The graphs were prepared on Sentry paper and the Partners paid to the secretary of the Divisional Sales Manager \$2 or \$3 for the preparation of each graph. Approximately 50% of letters sent by the Partners to clients were typed by the secretary of the Divisional Sales Manager on

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Sentry letterhead stationery, the other 50% being typed by one of the Partners on the Partners own letterhead stationery.

- 4.16 The Partners at all times decided whether the policy documents should be hand delivered to clients or forwarded to them. Sentry did not give to the Partners the names of or any other information or leads as to potential clients. 10
- 4.17 When a payment of a premium was overdue Sentry notified the Partners by letter and the Partners then arranged to call on the clients personally and collected the amount of the premium from the client.
- 4.18 Sentry always forwarded to the Partners a copy of any notice forwarded by it to the client informing him that a premium was overdue.
- 4.19 The Partners were not required by Sentry to collect premiums, the only sanction being the forfeiting of commission. 20
- 4.20 The Partners apart from the time they operated from Sentry's office as hereinbefore set out operated from an office in their home set aside specifically for that purpose.
- 4.21 One of the Partners attended to taking telephone messages, typing letters, confirming appointments, delivering policies, and collecting overdue premiums when

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the need arose. The other Partner was concerned mainly with making initial contact with clients, arranging for proposal forms to be completed and attending to the lodgment of these with Sentry.

4.22 Sentry supplied to the Partners proposal forms and stationery. Sentry reimbursed the Partners for postage expended by them. The Partners paid their own tele- 10
phone accounts and arranged and paid for the printing of their own business cards.

4.23 Sentry did not provide the Partners with any assistance in connection with the purchase of or running expenses of their car.

4.24 Commission was paid to the Partners by Sentry monthly in accordance with the agreement between the Partners and Sentry. When as a result of non-payment of premiums by the insured a policy lapsed within the first two years from the date when the policy was effected, 20
a part of the commission paid to the Partners was debited to the Partners' account, that part being calculated in accordance with the agreement between Sentry and the Partners.

4.25 The Partners considered in practical terms that their responsibility to Sentry was to produce a certain amount of insurance business to justify their agency. Sentry had the right to terminate the agency or reject

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any business referred by the Partners but otherwise the Partners were not in any way subject to any directions of Sentry.

- 4.26 During the term of the agency one of the Partners Robert Maxwell Crowley was provided with a life insurance policy with Sentry on his own life, the amount of cover varying in accordance with the amount of business the Partners were producing. The Partners were not required to pay to Sentry any premiums in respect of this insurance policy. 10
- 4.27 The Partners attended meetings of agents arranged by Sentry on one or two occasions during the said period at which new policies, and trends in the insurance industry were discussed and motivational talks given. The Partners considered that they were obliged to attend such meetings. The Partners did not attend any initial training course conducted by Sentry. 20
- 4.28 The Partners did not inform Sentry when they were absent.
- 4.29 Premium notices were always sent direct by Sentry to the client. Few notices were in fact forwarded to clients as most premiums were payable in relation to group employee schemes by employers, or by bank authority.
- 4.30 No persons for whom the Partners arranged insurance

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died during the relevant period. On one or two occasions during the said period clients contacted the Partners informing the Partners that they were unhappy with aspects of a policy. The Partners referred the clients to Sentry. The Partners did not have anything further to do with the disputes after referring the matters to Sentry.

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- 4.31 Except as hereinbefore set out the facts contained in the preceding 30 paragraphs applied without significant variation during the said period.

PAYMENTS MADE TO ASSOCIATED INSURANCE COMPANIES THERE BEING
NO WRITTEN AGENCY AGREEMENT BETWEEN THE ASSOCIATED COMPANY
AND SENTRY.

Case 5 - SENTRY INSURANCE (AUSTRALASIA) PTY. LIMITED

- 5.1 Sentry Insurance (Australasia) Pty. Limited (formerly
called Manor Insurances Pty. Limited and hereinafter
referred to as "Sentry Insurance") a wholly owned sub- 10
sidiary of Sentry Holdings Limited (Sentry also being
a wholly owned subsidiary of Sentry Holdings Limited)
carried on the business of a general insurance under-
writer and life insurance agent during the period 9th
August, 1974, to 31st December, 1976 (hereinafter in
this case referred to as "the said period") from pre-
mises situate at 115 Pitt Street, Sydney until Septem-
ber, 1976 and after that date at 61 Lavender Street,
Milsons Point.
- 5.2 In 1973, Sentry Insurance entered into an oral agree- 20
ment with Grace Bros. Pty. Limited (hereinafter refer-
red to as "Grace Bros.") for the sale of insurance
through its stores.
- 5.3 Pursuant to the said oral agreement between Grace Bros.
and Sentry Insurance, Sentry Insurance in conjunction
with Grace Bros. carried on the business of arranging
for the sale of life insurance through sales offices
operated in about eight to ten Grace Bros. stores in
New South Wales.

- 5.4 The business was carried on under the business name "Grace Bros. Insurance Agency" which business name was during the said period a name registered under the Business Names Act of which the registered proprietor was Grace Bros.
- 5.5 Until 9th day of August, 1974, no life insurance policies were arranged under the agreement between Sentry Insurance and Grace Bros. From the 9th day of August, 1974, life insurance was arranged for customers of Grace Bros., pursuant to an oral agreement between Sentry Insurance and Sentry. 10
- 5.6 The total amount of commission received by Sentry Insurance during the said period from Sentry was \$6,962.16 which amount represented .005 of 1% of the total gross income of Sentry Insurance during the said period. The remaining 99.995% of income of Sentry Insurance came from its business as a general insurance underwriter. 20
- 5.7 During the said period approximately 25-30 employees were engaged by Sentry Insurance to staff the Grace Bros. Insurance Agency sales offices in the eight to ten Grace Bros. stores in New South Wales.
- 5.8 The employees engaged to operate in the sales offices in the Grace Bros. stores either approached customers in the stores or stood behind the counter of the sales

offices and were approached by customers who saw signs or the sales offices in the stores indicating that general insurance and life insurance could be arranged through the Grace Bros. insurance agency or because they had received notice of this fact either through the mail from Grace Bros. or from advertisements on radio.

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5.9 The employees in the sales offices discussed the potential client's insurance needs with him. If the customer indicated that he wished to take out a life insurance policy with Sentry, the employees generally assisted the customer to complete the proposal form and made arrangements as set out hereunder for the payment of the premiums.

5.10 If a customer of Grace Bros. did not wish to take out life insurance with Sentry, Sentry Insurance did not arrange for a life insurance policy to be taken out with any other insurance company.

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5.11 The initial premium and subsequent premiums were paid in one or more of the following ways:-

- (i) by cheque made payable to Sentry;
- (ii) by cash or cheque payable to Grace Bros. in which case it was banked to the account of Grace Bros.;
- (iii) by charge to the customer's Grace Bros. credit account.

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ance (Australasia) Pty. Limited

- Sentry Insurance then arranged to collect or have delivered to it the completed proposal forms from the stores and arranged for these to be delivered to Sentry.
- 5.12 A policy document was then prepared by Sentry and forwarded to the insured direct.
- 5.13 Sentry forwarded to Sentry Insurance monthly statements setting out details of premiums (both initial and re- 10
newal) payable on policies. All premiums payable to Sentry were payable annually. Sentry Insurance was initially responsible for payment of the premiums to Sentry and was subsequently reimbursed by Grace Bros. Sentry Insurance paid to Sentry monthly, the net amount of the premiums due for that month retaining an amount equal to its commission calculated at the rate of \$3 per \$1,000 of the sum assured plus an administration charge of \$0.50 per \$1,000 sum assured.
- 5.14 Sentry Insurance forwarded premium renewal notices to 20
the insured persons where premiums payable on their policies were payable annually. The insured then forwarded a cheque for the amount of the premium to Sentry Insurance.
- 5.15 In respect of premiums arranged to be paid through a Grace Bros. Limited credit account (or through a special Grace Bros. "insurance only account" which Grace Bros. allowed a person to open where he did not

otherwise have a Grace Bros. credit account) Grace Bros. forwarded a monthly account to Sentry Insurance or Sentry Insurance sent a monthly account to Grace Bros. showing the premiums debited to clients accounts and premiums otherwise received in cash or by cheque through the Grace Bros. Insurance Agency sales offices, together with a cheque for the net amount of premiums shown on the statement after deducting all premiums previously debited to accounts and not paid by customers. 10

5.16 Sentry did not pay any amounts other than the commission and administration charge before referred to to Sentry Insurance. Sentry Insurance paid 50% of the commission received by it to Grace Bros. Commission was also paid by Sentry Insurance to insurance agents engaged by it to operate through the Grace Bros. Insurance Agency sales offices. Where the insurance agents sold only one policy during a week a commission of 10% of the premium received by Sentry Insurance from Sentry was paid to the agent. Where more than one sale was made in a week, the commission on each policy sold (including the first) amounted to 15% of the amount of commission received by Sentry Insurance from Sentry. 20

5.17 The commission paid by Sentry to Sentry Insurance and

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by Sentry Insurance to Grace Bros. and the insurance agents in the Grace Bros. Insurance Agency sales offices were paid on the initial premium and on all renewal premiums.

5.18 Where a policy lapsed during the year because of non-payment of an instalment of the premium by the insured a pro-rata portion of the commission retained by Sentry Insurance in respect of that policy was debited by Sentry to the account of Sentry Insurance and in turn Sentry Insurance debited a pro-rata portion of the commission previously paid by it to Grace Bros. and the employee who had effected the sale of the policy. As Sentry Insurance paid the full years premium in advance to Sentry, when a policy lapsed Sentry refunded to Sentry Insurance that portion of the premium calculated on a monthly basis which related to the period from the date of cancellation to the next renewal date for the policy. Sentry Insurance took no steps to recover premiums overdue but notified Sentry that the policy was no longer a premium paying policy and Sentry then contacted the client to establish what was to happen to the policy. When an insured did not pay the premiums charged to his Grace Bros. account, Grace Bros. notified Sentry Insurance which company notified Sentry. Grace Bros. took no action, apart from sending account

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rendered statements to the insured to recover premiums due. Sentry did take steps to contact the insured by letter advising him that the policy would lapse if the premium was not paid.

5.19 Sentry did not make available to Sentry Insurance any stationery, secretarial or other assistance, apart from proposal forms and medical forms, nor did Sentry supply 10
to Sentry Insurance the names of or leads or other information as to potential clients.

5.20 Initially pursuant to the oral agreement all expenses of operating sales offices in the Grace Bros. stores were paid for by Sentry Insurance and no charge was made by Grace Bros. for the space occupied by the sales offices in its stores. Subsequently all expenses of operating sales offices in the Grace Bros. stores were paid for by Grace Bros. as to 50% and as to 50% by Sentry Insurance. These expenses included salaries 20
paid to employees and other persons employed in the sales offices, rent paid for the offices to Grace Bros., advertising and other expenses. The offices had both direct telephone lines and lines from the Grace Bros. stores switchboard. During this latter period Sentry Insurance paid telephone accounts in respect of the direct telephone lines and Grace Bros. paid the telephone account in respect of the lines

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from the Grace Bros. stores switchboard.

- 5.21 Sentry made no contribution at any time to Sentry Insurance in respect of any expenses of operating the sales offices in the Grace Bros. stores.
- 5.22 Brochures advertising the arrangement of insurance through Grace Bros. Insurance Agency related to life and general insurance. 10
- 5.23 When a medical examination was required, Sentry arranged this direct with the client.
- 5.24 When there was any dispute about any aspect of a policy, the agents in the sales offices in the Grace Bros. stores referred the insured to Sentry, who dealt with the matter direct with the insured.
- 5.25 When there was a claim on a policy, Sentry dealt direct with the insured, his dependants, legal personal representative or solicitor.
- 5.26 Except as hereinbefore set out the facts contained in 20
the preceding 25 paragraphs applied without significant variation during the said period.

Case 6 - EMPLOYEE BENEFITS PLANS PTY. LIMITED

- 6.1 Employee Benefits Plans Pty. Limited, (hereinafter referred to as "E.B.P.") a wholly owned subsidiary of Sentry Holdings Limited (Sentry being also a wholly owned subsidiary of Sentry Holdings Limited) carried on during the period 1st September, 1971, to 31st December, 1976, (hereinafter referred to as "the said period") effecting insurance referred to in paragraph 6.6 hereof with: the Grand United Order of Oddfellows (hereinafter referred to as the "Grand United") a Friendly Society; the Sentry Group of companies and; other insurance companies. 10
- 6.2 During the said period there was in existence an agreement between E.B.P. and Sentry the terms of which agreement are evidenced in correspondence, copies of which are marked exhibit "S6".
- 6.3 E.B.P. employed an office staff of approximately six or seven persons and engaged approximately six or seven field staff supervisors who were paid a salary and an overriding commission and engaged approximately ten to twenty insurance agents who received from E.B.P. payments of commission only. 20
- 6.4 E.B.P. operated from premises owned by the Grand United Order of Oddfellows (hereinafter referred to as "the Grand United") at 147 Castlereagh Street, Sydney.

E.B.P. paid to the Grand United rent in respect of the premises occupied by it.

6.5 E.B.P. acted mainly as an insurance broker for the Grand United. E.B.P. entered into an agreement with the Grand United in 1970 for a period of ten years expiring in 1980 a copy of which is marked Exhibit "S6.1". The agreement was an exclusive one and governed payment of retainers and commission payable to E.B.P. for insurance referred to the Grand United.

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6.6 The Grand United as a Friendly Society operated primarily as a health insurance establishment. Insurance written by the Grand United mainly covered hospital and medical insurance, life insurance and employment disability insurance. Insurance was referred to the Grand United from various sources. On such source was secretaries of the Grand United appointed in various areas. Another source was E.B.P. which generally arranged insurance with the Grand United for people working in Government Departments business establishments and factories. The main types of insurance effected by E.B.P. with the Grand United were sickness and disability insurance and life insurance.

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6.7 Approximately 90% or more of insurance policies effected by E.B.P. were effected with the Grand United.

The Grand United however only arranged life insurance cover for amounts not exceeding \$15,000 which could be

effected usually without a medical examination. In cases where insurance required did not exceed \$15,000 E.B.P. always arranged for the insurance to be effected with the Grand United. If insurance was required for an amount exceeding \$15,000 E.B.P. usually arranged for insurance cover of \$15,000 to be effected with the Grand United and for the balance of the insurance to be effected with Sentry. Occasionally if an insured objected to the fact that the insurance was to be effected with two companies, E.B.P. arranged for a single policy covering the whole amount to be effected with Sentry. 10

6.8 E.B.P. engaged two categories of agents. The first were the service sales agents who received a salary in the vicinity of \$60, car allowance of \$20 and an overriding commission on insurance effected by them. The other agents engaged by E.B.P. received commission only on insurance business effected by them. 20

6.9 Agents engaged by E.B.P. were not authorised to place business direct with the Grand United or Sentry. They submitted all proposal forms and authorities to pay to E.B.P. E.B.P. kept a record of all such forms received and they were then forwarded to the Grand United or Sentry.

6.10 Except in relation to group employees insurance

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schemes, agents engaged by E.B.P. collected an amount in respect of the first premium from the insured and this amount was then forwarded by E.B.P. to the Grand United or Sentry with the duly completed proposal form.

- 6.11 E.B.P. was paid a cheque for commission by Sentry on a monthly basis calculated as set out in letters dated 17th August, 1973 and 27th August, 1974 from the General Manager of Sentry to the Managing Director of E.B.P. The documents marked exhibit "S6.2" are copies of those letters. The total amount of commission received by E.B.P. during the said period from Sentry was \$58,945.75 and this amount represented approximately 10% of the gross income of E.B.P. The balance of the gross income of E.B.P. consisted of commission received from the Grand United and other insurance companies (mainly insurance companies in the Sentry Group) in respect of life insurance, sickness and accident insurance and householders and homeowners (including fire, storm and tempest, contents etc. coverage) insurance. 10
- 6.12 On one or two occasions during the said period Sentry referred to E.B.P. the names of persons who had telephoned Sentry direct enquiring about insurance of the type usually arranged by E.B.P. Apart from those occasions Sentry did not give to E.B.P. the names of or other information or leads as to potential clients. 20

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Benefits Plans Pty. Limited

6.13 If a client did not wish to insure with the Grand United or Sentry E.B.P. did not arrange for insurance to be taken out with any other insurance company.

6.14 If a premium was overdue the agents engaged by E.B.P. attempted to contact the insured on the telephone or by personally visiting him and endeavoured to obtain from him a cheque for the premium overdue.

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6.15 Most insurance arranged by E.B.P. was through "group employee insurance schemes". This arose because it was usual for insurance to be arranged with most workers in say a particular factory. The agent engaged by E.B.P. who initially arranged the insurance made arrangements at the time the proposal was completed for premiums to be deducted from employees pay and for payment of premiums to be made by the employer for all employees covered. Until the end of 1973, E.B.P. collected from a minority of employers on behalf of and at the direction of their employees some initial and renewal premiums and these were then forwarded to the Grand United or Sentry. From the end of 1973, E.B.P. did not collect any premiums other than the initial premiums. The gross amount of premiums collected until the end of 1973 was in the vicinity of \$30,000 to \$40,000 per month. Approximately 90% of the premiums paid directly by insured persons or their employers were for Grand

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Benefits Plans Pty. Limited

Grand United business. Until the end of 1973 employers (other than those who paid premiums to E.B.P.) and after the end of 1973 all employers at the end of each month or at the end of each two months forwarded to the Grand United or Sentry a cheque on behalf of and at the direction of their employees for the amount of premiums payable in respect of their employees covered 10 by the scheme. When an employee wished to withdraw from the scheme it was necessary for him to notify his employer to cease making the deductions from his pay. The employer subsequently notified E.B.P. who then notified the Grand United or Sentry that the policy would lapse in respect of that particular employee.

6.16 When as a result of non-payment of premiums by the insured the policy lapsed within the first two years from the date when the policy was effected part of the commission paid to E.B.P. was debited to E.B.P.'s 20 account, that part being calculated as set out in the letters marked exhibit "S6.2" above referred to.

6.17 E.B.P. paid its own employees and all working expenses. Sentry did not make available any premises or employees to E.B.P. Sentry did provide E.B.P. with a form of medical certificate for use by doctors, bank authorities and authorities to deduct premiums from pay.

E.B.P. used a composite proposal form for insurance

arranged with Sentry and the Grand United. The name of Sentry or the Grand United was filled in on the form as required. The proposal forms were supplied to E.B.P. by Sentry.

- 6.18 At the request of E.B.P. Sentry arranged for an employee to attend at meetings of agents engaged by E.B.P. to explain Sentry's policies. These meetings were held at E.B.P.'s offices. 10
- 6.19 If Sentry required a medical examination before issuing a policy, Sentry forwarded to E.B.P. a note to this effect. E.B.P. then instructed its agents to arrange the medical examination. On some occasions the medical examination was arranged with a doctor nominated by Sentry and on other occasions with the insured's own doctor.
- 6.20 In the majority of cases Sentry forwarded premium renewal notices direct to the insured. In one or two cases covering group employee schemes the renewal notices were forwarded to E.B.P. who then forwarded these on to the employer concerned. 20
- 6.21 Approximately 80 to 90% of premiums were paid by bank authority or deduction from employees pay.
- 6.22 E.B.P. did not have authority to and did not issue cover notes of insurance on behalf of Sentry.
- 6.23 E.B.P. during the period received a number of complaints

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from insured persons when the insured complained of lack of service in relation to a policy. E.B.P. dealt with such complaints direct with the insured. When E.B.P. received a complaint or query about the contents of a policy or a claim E.B.P. referred the insured to Sentry.

6.24 Except as hereinbefore set out the facts contained in 10
the preceding 23 paragraphs applied without significant variation during the said period.

PAYMENTS MADE TO INDIVIDUAL FULL TIME SALES REPRESENTATIVES
(CALLED AGENTS) PURSUANT TO AN EXCLUSIVE WRITTEN AGENCY
AGREEMENT IN STANDARD FORM WITH SENTRY.

CASE 7 - NOEL GORDON BICE

- 7.1 Noel Gordon Bice (hereinafter referred to in this case
as "the Agent") carried on business as a life assur-
ance and general insurance agent during the period 1st 10
March, 1975 to 31st December, 1976 (hereinafter refer-
red to as "the said period")
- 7.2 On 12th March, 1975, the Agent entered into an agency
agreement with Sentry. That agreement remained in
force during the said period. The document marked
exhibit "S7" is a copy of that agreement. Prior to
12th March, 1975 the agent's occupation was bank offi-
cer.
- 7.3 The total amount of commission received by the Agent
during the period 12th March, 1975 to 31st December, 20
1976, from Sentry was \$9,652.42 which amount represen-
ted 90% of the income of the Agent during the said
period. The remaining 10% of income of the Agent con-
sisted of commission received by him from the sale of
insurance other than life insurance.
- 7.4 Initially after entering into the agreement with Sentry
the Agent approached persons known to him prior to that
time with a view to interesting such persons in life

insurance. The Agent contacted by telephone such persons and informed them of his new occupation and asked them whether they required any life insurance or whether they knew anyone else who needed life insurance. The Agent then followed up any suggestions made to him in reply and in this way made contact with further prospective clients.

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7.5 The Agent did not receive the names of any persons whom he might contact from Sentry nor did he receive from Sentry any leads or other information as to potential clients. The Agent usually spent the first few hours each day preparing a list of persons he intended contacting that day and then speaking to them on the telephone. The Agent spoke to those persons on the telephone mostly from his home, only calling at the office of Sentry on an average of once or twice per week. The agent usually made a few calls from Sentry's office when he was there. The number of calls made on each occasion varied from one to six.

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7.6 When speaking to clients on the telephone in the morning, the Agent made appointments with them and then went to see the clients personally at a convenient time. Occasionally, the Agent saw people at Sentry's office, using any office available at the time. There was no specific office set aside for the Agent to use for

Exhibit A - Agreed Statement
of Facts Case 7 Noel Gordon
Bice

interviews. On an average the Agent interviewed one client each week in Sentry's offices. No charge was made by Sentry for the use of its offices.

- 7.7 On meeting the client, the Agent discussed with him generally the question of life insurance. If the client indicated that he would like to take out life insurance with Sentry, the Agent filled out a proposal form and any necessary requirements of Sentry concerning health statements, and method of payment of premiums and also had the client fill out any necessary bank authority or authority to his employer to deduct premiums from his pay. If the client did not wish to insure with Sentry the agent did not arrange life insurance for the client with any other insurance company. 10
- 7.8 Proposal forms, bank authorities, authorities to deduct from pay and medical forms were supplied to the Agent by Sentry. 20
- 7.9 The agent was also supplied with stationery by Sentry on which the name of Sentry appeared. The agent however typed most letters to clients himself. Some typing was done for the Agent by the secretary of the Divisional Sales Manager at Sentry's office and no charge was made by Sentry to the Agent for this typing.
- 7.10 When the proposal form was completed, the Agent collected from the client a cheque for the first year's or

first six months' premium. The cheques were always made payable to Sentry. The Agent then delivered the proposal form and other documentation and cheque for initial premium to Sentry. The Agent generally did this by placing all documents in an envelope and leaving them with the receptionist of Sentry at Sentry's office.

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7.11 The Agent contacted the Divisional Sales Manager of Sentry on an irregular basis usually once or twice a week when he was in Sentry's office, to inform him of progress made with clients and discuss with him any problems with a potential policy.

7.12 The Divisional Sales Manager of Sentry, on request by the Agent offered advice as to the suitability of particular policies for particular clients or classes of clients and on occasion advised the agent in connection with any difficulties that arose concerning a specific proposal for a specific client e.g. how he might convince the client to take the policy.

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7.13 The Divisional Sales Manager never gave directions as to how the Agent should approach clients nor names of or information or leads as to potential clients or where to find them.

7.14 The Agent attended sales meetings organised by Sentry and at these any new ideas or methods of approaching

Exhibit A - Agreed Statement
of Facts Case 7 Noel Gordon
Bice

particular clients or classes of clients and types of policies available were discussed with the Divisional Sales Manager and any other agent who desired to pass on information gained from past experience. The meetings were voluntary and held on an irregular basis at approximately six monthly intervals.

- 7.15 After delivering the proposal to Sentry, Sentry then 10
forwarded to the Agent a duplicate copy of a letter
forwarded by it to the client indicating whether it
rejected or accepted the risk.
- 7.16 All correspondence from Sentry to the Agent was placed
in a file kept for the Agent at the sales office and
the Agent collected this when he was in Sentry's office.
- 7.17 Sentry advised the Agent if there were any further re-
quirements such as additional information on the pro-
posal form that needed completion.
- 7.18 Medical examinations were arranged by the Agent with 20
the client and his doctor direct unless Sentry advised
the Agent for some reason that a further check was re-
quired by Sentry's doctor. The Agent made the arrange-
ments with the client for the medical examination with
Sentry's doctor when this was required. The Agent made
available to the doctor the medical form for completion
and the doctor then forwarded this direct to Sentry.
- 7.19 Policies were prepared by Sentry and left in the Agent's

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Bice

file for collection by him when he was next in the office. The Agent then forwarded the policy document on to the client either by hand delivering it or posting it.

7.20 All premiums apart from the initial premium were paid by the client direct to Sentry either by deduction from pay, by bank authority organised at the time the proposal was completed or on receipt of an account sent by Sentry direct to the client. 10

7.21 When a premium was overdue Sentry notified the Agent of this fact and the Agent then endeavoured to collect the premium from the client. If this premium was not collected the policy lapsed and a part of the commission paid to the Agent was debited to his account that part being calculated in accordance with the agreement between the Agent and Sentry. The Agent generally spoke to the client by telephone or went to see him and collected the premium if necessary. In respect of about 5% of policies taken out premiums were not paid on the due date and the Agent contacted the insured to endeavour to collect the premium. 20

7.22 The Agent was paid commission by Sentry by monthly cheque which was collected by the agent from his file when in the office of Sentry. Sentry deducted income tax from the amount of the commission paid to the agent.

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Bice

- 7.23 The Agent subject to the times when he operated from Sentry's offices before referred to, operated from an office in his home during the said period.
- 7.24 The Agent did not have agreements with any other insurance companies (apart from companies related to Sentry).
- 7.25 The Agent informed Sentry if he was to be absent for periods of two weeks or more but was not required so to do by Sentry. The Agent was absent twice for periods of two weeks during the period and on each occasion notified the Divisional Sales Manager of Sentry but made no arrangements for his business to be conducted by anyone else in his absence. 10
- 7.26 Sentry provided free death cover for the Agent for an amount of \$35,000 and free disability cover for an amount of \$150 per week.
- 7.27 The Agent attended an initial training course for a period of one week with Sentry. At this course, the Agent was instructed in the types of policies Sentry could make available to clients, methods of completing Sentry's requirements with regard to proposals, possible classes of clients to whom Sentry policies might be sold, and methods that the Agent could use in attempting to sell policies to clients. The Agent attended Sentry's office for approximately two hours per day during this week. Each two hour session was 20

Exhibit A - Agreed Statement
of Facts Case 7 Noel Gordon
Bice

conducted in the form of a discussion between the Agent and the Divisional Sales Manager or other Sentry personnel talking about the above matters in a general way.

- 7.28 Premium notices were sent to the client by Sentry and not to the Agent.
- 7.29 The Agent had no authority to and did not issue cover notes of insurance on behalf of Sentry. 10
- 7.30 No person for whom the Agent arranged insurance died during the said period.
- 7.31 No clients of the Agent contacted the Agent during the said period concerning any dispute relating to policies. The Agent discussed directly with clients any questions clients had about policies and when necessary the Agent discussed the matter with the Divisional Sales Manager of Sentry to obtain Sentry's view of the matter and then communicated this to the client. 20
- 7.32 Except as hereinbefore set out the facts contained in the preceding 31 paragraphs applied without significant variation during the said period.

CASE 8 - PETER JOHN MULLENS

- 8.1 Peter John Mullens (hereinafter in this case referred to as "the Agent") of 52 Avian Crescent, Lane Cove, carried on business as a life insurance agent during the period 1st March, 1973, to 1st January, 1976 (hereinafter referred to as "the said period")
- 8.2 On 1st March, 1973, the Agent entered into an agency agreement with Sentry. That agreement remained in force during the said period. The document marked exhibit "S8" is a copy of that agreement. 10
- 8.3 On or about 1st January, 1976 the Agent entered into a partnership with his wife Christine Mullens trading as Peter J. Mullens and Associates and an agreement in similar terms to Exhibit "S8" was entered into with Sentry by the Agent and his wife.
- 8.4 The Agent operated during the period mainly from the premises of Sentry in Clarence Street. No specific office was set aside for the Agent nor did the Agent have a secretary who worked exclusively for him. Sentry made available to the Agent the services of a secretary to type letters to go with policy documents. That secretary also prepared letters for other agents engaged by Sentry. No charge was made by Sentry for the services of the secretary. 20
- 8.5 On occasions during the period the Agent saw clients

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of Facts Case 8 Peter John
Mullens

in Sentry's offices. The Agent contacted Sentry prior to meeting clients to ensure that an office would be available for the purpose. No charge was made by Sentry for the use of the office.

8.6 The Agent spent approximately the first two hours of each day confirming and making appointments with potential clients by telephone mainly from the office of Sentry but also from his home. The next three hours were spent meeting clients the Agent had already spoken to on the telephone. 10

8.7 The names of all clients obtained by the Agent were obtained from his own sources. Existing policy holders were referred to the Agent by the Divisional Sales Manager or other employees of Sentry on approximately one to three occasions, during the said period the Agent who originally handled their business having left or being away or for some other reason being unable to attend to the client's needs. 20

8.8 By 1st March, 1973, the Agent had built up a considerable clientele. This clientele was originally built up by the Agent writing down the name of every person he knew and then contacting these people and from those persons obtaining the names of other persons or leads from whom he obtained the names of persons who might be interested in taking out life insurance.

Exhibit A - Agreed Statement
of Facts Case 8 Peter John
Mullens

8.9 The Agent had a number of contacts who referred names or other leads to him. These contacts were solicitors, accountants, persons in Government departments or friends in areas of employment who were in a position to refer names to the Agent. The Agent then took a note of these names and contacted the people concerned.

8.10 The Agent usually contacted the Divisional Sales Manager 10
of Sentry when it was necessary for him to contact
Sentry. Subject to paragraph 8.7 hereof the Agent never
obtained any names or leads or similar information as
to potential clients from the Divisional Sales Manager.
His function was to answer any questions the Agent
might have concerning insurance. Proposal forms, che-
ques for commission and authorities to pay were handed
by the Agent to the Divisional Sales Manager. The
Agent discussed with the Divisional Sales Manager ques-
tions such as whether a policy was suitable for a par- 20
ticular client or the advantages of Sentry's policies
over the policies of other companies. During the
period, discussions on the latter question were rare
as basic life insurance policies were virtually the
same for all insurance companies.

8.11 The Agent subject to the times he saw clients in the
Sentry office as referred to in clause 8.5 hereof, saw
clients in the client's office or home, cars, hotels or
other similar places.

Exhibit A - Agreed Statement
of Facts Case 8 Peter John

Exhibit A - Agreed Statement
of Facts Case 8 Peter John
Mullens

8.12 In interviews with clients, the name of Sentry took no place until the end of the interview. As far as the Agent was concerned, he was seeing the client about life insurance not necessarily for Sentry. The Agent also had an agency agreement with Occidental Life Insurance Company of Australia Limited and if a client indicated to him that he wanted insurance arranged with that company, the Agent arranged the insurance with that company in a manner similar to the way he arranged insurance with Sentry. The Agent received a commission from Occidental Life Insurance Company of Australia Limited in respect of such insurance. If a client indicated to the Agent that he wanted insurance arranged with the Mutual Life & Citizens Assurance Company Limited, the Agent arranged that insurance through an agent of that insurance company and received a commission by arrangement with that agent. The Agent did not arrange insurance with any other insurance company.

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8.13 The business cards of the Agent and his stationery contained no mention of Sentry. The Agent paid for such cards and stationery and did not use any stationery supplied by Sentry other than proposal and other forms for use in effecting policies.

8.14 If a client wished to take out insurance, the Agent had

Exhibit A - Agreed Statement
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Mullens

the client fill out a proposal form supplied to him by Sentry. Sentry also made available bank authorities and authorities to deduct premiums from pay to the Agent and offered to make available stationery if required, but such offer was not availed of.

- 8.15 At the time a proposal was signed, the Agent collected a cheque from the client made payable to Sentry for the first two months' premium. If the method of payment of subsequent premiums was to be by way of deduction from pay, the Agent arranged for an authority to deduct to be signed at the time the proposal was signed. The most usual method of payment of subsequent premiums was by way of bank authority on a cheque account. This was completed when the proposal form was signed. 10
- 8.16 All premiums other than the initial premium were paid by bank authority, deduction from pay or cheque direct to Sentry semi-annually or annually. 20
- 8.17 After obtaining the proposal form and cheque for the first two months' premium, the Agent arranged for these to be delivered to the Divisional Sales Manager of Sentry, who then checked the proposal.
- 8.18 Sentry subsequently if it agreed to accept the risk, prepared a policy and sent a letter of acceptance to the client saying that the policy was being prepared. The policy was then delivered to the Agent by leaving

Exhibit A - Agreed Statement
of Facts Case 8 Peter John
Mullens

the same together with any other correspondence addressed to the Agent in a "pigeon hole" in the office of Sentry.

8.19 The Agent then arranged for the secretary of the Divisional Sales Manager of Sentry to type a letter to the client. The Agent then signed this letter and arranged for the letter and policy documents to be delivered 10
to or forwarded by post to the client.

8.20 When a payment of a premium was overdue, Sentry advised the Agent by letter. The Agent then contacted the client by telephone to see what the problem was. Occasionally, it was necessary for the Agent to call on the insured and collect the premium from him or alter the method of payment or re-organise the insurance for the insured if he did not, in fact, have enough money to pay the premium.

8.21 Commission payments were made by Sentry to the Agent 20
monthly in advance on completion of the policy net of income tax and amounts paid by Sentry for the Agent in respect of car payments, house payments and premiums in respect of life insurance policies on the lives of the partners.

8.22 When the Agent was absent for a period of time, he simply informed Sentry of this fact. He did not seek the permission of Sentry to be away.

Exhibit A - Agreed Statement
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Mullens

8.23 The Agent did attend one or two meetings of agents arranged by Sentry at which new forms of policies, and sale brochures were explained to agents and discussed. At these meetings, an employee of Sentry gave a short motivational speech. The Agent did not attend any initial training course conducted by Sentry.

8.24 Premium renewal notices were always sent direct by Sentry to the client. If a policy lapsed because of non payment of a premium part of the commission paid to the Agent was debited to his account that part being calculated in accordance with the agreement between the agent and Sentry. 10

8.25 No persons for whom the Agent arranged insurance died during the relevant period. No disputes arose as to any policy during the relevant period, of which the Agent is aware. Clients did contact the Agent seeking explanations of particular aspects of a policy and the Agent dealt with these direct with the client. 20

8.26 Except as hereinbefore set out the facts contained in the preceding 25 paragraphs applied without significant variation during the said period.

(Sgd.) J. F. McDarra
.....
Solicitor for the Plaintiff

(Sgd.) H. K. Roberts
.....
Solicitor for the Defendant
By R. Barlow a Solicitor in
his employ
Exhibit A - Agreed Statement
of Facts Case 8 Peter John

Exhibit B - Exhibits to Agreed Statement
of Facts (ALD 507 of 1978)

These are the exhibits marked "S1" to "S8"
inclusive referred to in the Agreed Statement
of Facts exhibited to Ronald William Hillhouse
and Warren William Fisher at the time of
swearing their affidavits before me:

DATED this sixth day of March 1979.

(Sgd.) C.P. Salter

A Justice of the Peace

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Exhibit B - Exhibits to Agreed Statement
of Facts (ALD 507 of 1978)

NEW SOUTH WALES
(Coat of Arms)

CORPORATE AFFAIRS COMMISSION

No. of Company
167234

13374
New South
Wales
\$3
Stamp Duty 10

Companies Act, 1961
(Section 16 (3))

CERTIFICATE OF INCORPORATION OF PROPRIETARY COMPANY

This is to Certify that

ERIC PHILLIPS & ASSOCIATES PTY. LIMITED

is, on and from the twelfth day of March, 1974,
incorporated under the Companies Act, 1961, that the company is a com-
pany limited by shares and that the company is a proprietary company.

GIVEN under the seal of the Corporate Affairs Commission at Sydney
this twelfth day of March, 1974. 20

F.J.O. Ryan (L.S.)
Commissioner

AGENT'S AGREEMENT

THIS AGREEMENT made the first day of May One thousand nine hundred and seventy three (1973) BETWEEN COMMERCIAL LIFE ASSURANCE LIMITED a company duly incorporated under the laws of New South Wales and having its registered office in that State at 115 Pitt Street, Sydney (hereinafter referred to as "CLA") of the one part AND

(hereinafter referred to as "the Agent") of the other part, 10

WITNESSETH AS FOLLOWS:

1. CLA hereby appoints the Agent and the Agent hereby agrees to act as an agent of CLA for the purpose of soliciting proposals for new life assurance policies upon and subject to the terms and conditions set forth in this Agreement including the Schedule attached hereto and forming part hereof. CLA reserves the right to reject any life assurance proposal submitted by the Agent and such proposals solicited by the Agent shall not be binding upon CLA in any way whatsoever unless and until they have been accepted by CLA. 20

2. CLA shall have the right to define or restrict the area in which an Agent may solicit proposals for life assurance policies.

3. The Agent hereby agrees to at all times during the currency of this Agreement:-

(a) do all things to the best of his ability skill and judgment to maintain and increase the business and further the interests of CLA;

(b) use CLA's appropriate printed forms and no other forms for the taking of any proposal for a policy and for the issue of any receipt; 30

(c) observe and comply with meticulously, in so far as they may be applicable to the area in which the Agent operates, all laws, ordinances, regulations, rules and orders of any Parliament of Australia, whether State or Federal, or any proclamation thereunder, and in particular but without limiting the generality hereof, all such laws, ordinances, regulations, rules, orders or proclamations relating to life assurance or any aspect thereof whatsoever; 40

(d) forward immediately to CLA all proposals or other forms of any nature obtained by him as a result of the activities performed by him pursuant hereto;

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(e) receive, hold separate and promptly transmit all monies, cheques or other orders for the payment of money received by him to be made payable to CLA or to the order of such other person, firm or company as may from time to time be designated by CLA;

(f) render full and true accounts of all monies received by him at such times and in such form as CLA may from time to time require; 10

(g) instruct his servants, employees and representatives of the obligations and duties cast upon him by this Agreement AND ensure that they observe and comply with meticulously all such obligations and duties as if they are and each of them parties to this Agreement;

(h) seek, obtain and maintain in force all licences, authorities and permissions which the Agent shall or for the time being be required to hold or have under the laws of the area in which he operates AND inform CLA whenever such licence authority or permission is obtained, lapses, expires or is revoked or is refused to be granted or renewed by the competent governmental instrumentality; 20

(i) indemnify and keep CLA indemnified from and against all costs, damages and expenses incurred by CLA whether directly or indirectly in consequence of any breach of this Agreement or of any part or provision hereof or of any act, neglect or default on the part of the Agent or of any such breach, act, neglect or default by any servant, employee or representative of the Agent. 30

4. The Agent hereby agrees that he shall not, except with the authority of CLA, at any time during the currency of this agreement:

(a) submit proposals for life assurance to or act directly or indirectly for any other Life Office, or mutual fund, unit trust or similar organisation, or any person, firm or company in competition with CLA or with any Affiliated Company, or any trust, partnership or other entity whatsoever in which such person, firm or company has a financial interest; 40

(b) accept risks or business of any kind, nor alter or discharge any policy, nor revive or waive any forfeiture thereof;

Exhibit "S1" Agreements between Sentry and Eric Phillips

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- (c) grant any permit in respect of, nor make any endorsement nor affix any document to any policy;
- (d) collect any premium except that he may when receiving a proposal collect the deposit in respect of the first premium under the policy applied for;
- (e) publish, issue, write, circulate, use or cause to be published, issued, written, circulated or used any proposal, application form, policy, letter, whether on the letterhead of CLA or otherwise, pamphlet, brochure, booklet, business card or other printed matter whatsoever, including but without limiting the generality thereof any advertising material of any kind whatsoever; 10
- (f) pay or advance monies for the payment of any premium or any part thereof on behalf of a proponent or policy holder;
- (g) make or offer to make a payment or allowance or rebate of commission or give or offer any gift or inducement in relation to any proposal nor discriminate between proponents or policy holders; 20
- (h) incur any debt or other obligation in the name of, or for the account of, nor pledge or extend the credit of CLA, nor expose it to any liability or debt whatsoever;
- (i) make or purport to make any contract on behalf of or in the name of CLA or alter or discharge any proposal, policy, contract or other document to which CLA is a party or purport to do so; 30
- (j) in action, writing or speech disparage or cast any adverse reflection upon the integrity or activities of any other Life Office nor engage in the practice known as "twisting" within the Life Assurance industry;
- (k) divulge to any person, firm or company any information whatsoever concerning the business of CLA or any of its dealings, transactions or affairs;
- (l) take or recommend any action which is not in the opinion of CLA in the best interests of persons who apply for life assurance from the Agent or from his servants, employees or representatives; 40
- (m) utter any untrue statements or misrepresentations

Exhibit "S1" Agreements between Sentry and Eric Phillips

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or omit any material fact when having discussions with any proponent or prospective proponent;

(n) endorse his name on any proposal obtained by another agent of CLA.

5. (1) Subject to the terms and conditions hereof, the Agent may during the continuance of this Agreement engage in any other business or employment and may carry out the activities, duties and obligations hereby agreed to be performed by him either personally or through his servants, employees or representatives at such time and in such manner as it appears to him best fitted for the proper performance thereof without direction or control by CLA. 10

(2) Nothing contained in this Agreement shall be deemed to constitute the Agent as an officer or an employee of CLA and the Agent hereby expressly agrees that he will not claim to be nor act as if he is such an officer or employee or as being in any way entitled to act for or in the name of or otherwise to bind CLA AND the Agent hereby expressly acknowledges that the relationship hereby created and subsisting between him and CLA is solely that of principal and agent. 20

6. CLA shall as remuneration for the Agent's services pay to him commission in accordance with and subject to the terms and conditions contained in the Schedule hereto on proposals solicited by the Agent and accepted by CLA and lodged by and bearing the name of the Agent AND the payment of such commission shall be in full satisfaction of all activities, duties and obligations which the Agent performs or carries out hereunder PROVIDED THAT CLA may at any time and from time to time during the continuance hereof alter, vary, modify or add to such Schedule or any part thereof in such manner as it may in its absolute and unfettered discretion think fit and upon service upon the Agent in the manner hereinafter mentioned of a copy of such alteration, variation, modification or addition to the Schedule the same shall thereupon be and remain binding upon the parties hereto and be read and construed with and be deemed to form part of this Agreement. 30 40

7. The records and books of account of CLA at its Head Office shall be accepted as final and conclusive evidence of all matters relating to the state of account between the parties to this Agreement.

8. (1) All monies due under this Agreement shall be

payable at the Head Office of CLA in the State of New South Wales and any legal proceedings arising out of this Agreement shall be brought in a court holden in that State.

(2) No suit at law or in equity brought by the Agent against CLA arising out of this Agreement shall be commenced until fourteen (14) days have expired after service by the Agent upon CLA's Managing Director or upon an officer of CLA duly authorised on his behalf for such purpose of a written statement precisely describing the nature of the suit and indicating the amount of the claim against CLA. 10

9. (1) CLA may make advances to the Agent on account of commission or for any other reason whatsoever and thereupon such advances shall be and be deemed to be a debt due and payable to CLA which shall have a first lien on all sums payable under this or any ancillary or other Agreement between the parties hereto to secure any indebtedness of the Agent to CLA AND such sums may be applied by CLA directly towards the liquidation of such indebtedness AND the Agent hereby assigns and transfers to CLA all such sums for such purpose. 20

(2) CLA may set off any and all amounts from time to time due by the Agent to CLA against any and all sums then and thereafter payable by CLA to the Agent hereunder or otherwise or against any and all claims, actions, suits or proceedings whatsoever brought by the Agent against CLA arising out of this Agreement or otherwise. 30

(3) CLA may apply any debit or credit balance in any other account between the Agent and CLA, in particular, any sum due to the Agent or his assigns under any life assurance policy, to the debit or credit of the Agent's Commission Account as the case may be AND the Agent hereby irrevocably appoints CLA as his attorney for the purpose of receiving monies and giving receipts for such monies under such policies and for signing or executing any contracts, transfers, deeds or other writings and doing all such other acts as may be necessary for taking the benefit of the proceeds of such policies as aforesaid. 40

10. In the event of any dispute between the Agent and another agent of CLA with regard to commission in respect of the same proposal or policy the decision of CLA's Managing

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Director or an officer of CLA duly authorized on his behalf for such purpose shall be final and binding on the parties to such dispute.

11. (1) This Agreement shall terminate:

(a) at the expiration of not less than seven (7) days written notice which may be given by either party to the other at any time;

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(b) immediately upon CLA giving the Agent verbal or written notice that the Agent has committed any fraudulent act or has failed to observe or perform any of the terms or conditions hereof or if the Agent has conducted himself in a way which in the opinion of CLA brings the name of CLA or of any Affiliated Company into disrepute;

(c) immediately if the Agent becomes bankrupt or enters into any arrangement or composition with his creditors, or if any attempt is made to levy execution or take garnishee proceedings against CLA in respect of or arising out of any of the Agent's debts or obligations;

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(d) immediately if the Agent dies, or in the opinion of CLA becomes incapable of properly performing for CLA his activities and duties hereunder;

(e) upon attainment by the Agent of the age of sixty-five (65) years or of such other age as may be agreed by the parties hereto;

whichever first applies.

(2) The fact that CLA shall defer giving notice of termination upon the happening of any of the events mentioned in sub-paragraph (b) of sub-clause one (1) hereof shall not prejudice the right of CLA to give such notice at any later date upon the happening of the same event or events or another or others of such events NOR shall it constitute a waiver of the rights of CLA under this Agreement in respect of any subsequent occurrence of such events.

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(3) Subject to the terms and conditions of this Agreement, termination hereof shall not abrogate or modify any accrued rights or liabilities of CLA or the Agent at the date of termination, including but without limiting the generality hereof, the right of CLA to recover from the Agent the amount if any by which sums advanced,

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Exhibit "S1" Agreements between Sentry and Eric Phillips

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paid or credited to the Agent by CLA exceed sums due from, debited to or accountable for by the Agent.

(4) Subject to clause twelve (12) hereof, upon termination of this Agreement any adjusted debit balance of the Agent's Commission Account shall forthwith and without formal demand become a debt immediately due and payable by the Agent to CLA and shall be recoverable at law. A Certificate signed by a director of CLA or by a person duly authorized by CLA for such purpose certifying the amount of any debit or credit balance in any account between the Agent and CLA shall be conclusive evidence thereof in any legal proceedings brought in relation to this Agreement. 10

(5) Upon the termination of this Agreement for any reason whatsoever, the Agent or his legal personal representative shall forthwith deliver up to CLA or to such officer of CLA as may be nominated by CLA for such purpose all Company Property then or thereafter in the possession or which ought to be in the possession of the Agent. 20

12. Subject to clause nine (9) hereof, after termination of this Agreement the Agent shall continue to be entitled to receive commission credits as and when premiums or instalments thereof are paid to CLA under policies issued by it in respect of proposals bearing the Agent's name PROVIDED THAT such commissions shall not be payable by CLA to the Agent until eighteen (18) calendar months after termination of this Agreement AND PROVIDED FURTHER THAT if this Agreement is terminated pursuant to sub-paragraph (b) of sub-clause (1) of clause eleven (11) hereof, CLA shall cease to be liable to the Agent for any further commissions as from the date of such termination whereupon the Agent shall forfeit the right to payment of such further commissions. 30

13. (1) The Agent agrees that, for the period following the termination hereof during which he continues to receive commissions or other benefits from CLA, he shall not whether as agent, servant, employee, independent contractor, director or in any other capacity carry on or engage in or be concerned with or interested in carrying on or engaging in whether directly or indirectly within the area in which he performs his activities and duties hereunder the business or activity of soliciting proposals for life assurance for any person, firm or company in competition with CLA or with any Affiliated Company or for any trust, partnership 40

Exhibit "S1" Agreements between Sentry and Eric Phillips

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or other entity whatsoever in which such person, firm or company has a financial interest in a manner which constitutes unfair competition. In particular, the Agent hereby agrees to:-

(a) refrain from directly or indirectly soliciting clients of CLA or of any Affiliated Company and from interfering with an existing business relationship between CLA and another Agent; and 10

(b) refrain from uttering any statement or committing any act which is detrimental to the business or reputation of CLA or of any Affiliated Company.

(2) In the event that the Agent breaches any part of sub-clause one (1) hereof, CLA may without prejudice to any of its other rights hereunder, immediately cease payment of any and all commissions and other benefits due and payable to the Agent hereunder or otherwise.

(3) If for any reason this clause is or becomes invalid or unenforceable it shall be read down and given effect to the extent to which it is capable of being validly and enforceably given effect to PROVIDED NEVERTHELESS THAT this clause shall be considered severable from the other provisions of this Agreement and such other provisions shall not be rendered invalid or unenforceable by reason of the invalidity or unenforcibility in whole or part of this clause. 20

14. This Agreement is not assignable and the Agent agrees not to assign, or attempt, or purport to assign any duty or obligation of the Agent towards CLA or the right to receive any commission or other benefit from CLA hereunder. 30

15. All expenses of the Agent incidental to the performance of his duties and obligations hereunder shall be for the account of the Agent and shall be borne and paid by the Agent accordingly.

16. CLA hereby reserves the right to at any time and from time to time during the continuance hereof alter, vary, modify or add to this Agreement or any part hereof in such manner as CLA may in its absolute and unfettered discretion think fit and upon service upon the Agent in manner hereafter mentioned of a copy of such alteration, variation, modification or addition, the same shall thenceforth be made binding upon the parties hereto and be read and construed with and be deemed to form part of this Agreement. 40

Exhibit "S1" Agreements between Sentry and Eric Phillips

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17 (1) Notices required or permitted to be given under this Agreement may be served upon CLA at its registered office for the time being in the state of New South Wales and upon the Agent at his last known place of abode.

(2) To prove service of a notice hereunder, it shall be sufficient to prove that the envelope containing such notice was properly addressed and posted.

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(3) A notice so served shall take effect forty-eight (48) hours from the time of such posting.

18. Where required by statute, the Agent will effect Workers' Compensation insurance in accordance with the relevant legislative requirements and will maintain such insurance in force during the continuance of this Agreement.

19. This Agreement shall be deemed to be a contract made in the state of New South Wales and shall be construed in all respects in accordance with the laws of that state.

20. It is hereby expressly agreed by the parties that the terms and conditions hereof shall be deemed to have governed and to have been applicable to the relationship of principal and agent subsisting between CLA and the Agent since the creation of such relationship.

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21. Words importing any gender include the other genders. Words importing persons include firms, partnerships, companies, trusts and other legal entities. The singular number includes the plural number and vice versa.

22. This Agreement shall be and be deemed to be in substitution for, and to the exclusion of any and all agreements, written or oral, heretofore subsisting between the parties in connection with any of the matters dealt with or referred to herein.

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23. In this Agreement

(1) "Affiliated Company" includes any company within the Manor Holdings Limited group of companies and any person, firm or company for whom any company in the Manor Holdings Limited group of companies acts or may hereinafter act as distributor, broker, dealer, sponsor, agent, underwriter, adviser or consultant and any person, firm or company who acts as distributor, broker, dealer, sponsor, agent, underwriter, adviser or consultant for any company within the Manor Holdings Limited group of companies.

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Exhibit "S1" Agreements between Sentry and Eric Phillips

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(2) "Company Property" includes all monies, cheques or other orders for the payment of monies, applications, proposals, policies, receipts, rate books, sales manuals, letters, pamphlets, brochures, booklets, business cards and client files and all other literature, documents, papers and properties whatsoever belonging to CLA which are for the time being in the possession or which ought to be in the possession of the Agent or for which the Agent is accountable under this Agreement or otherwise. 10

(3) "Life Assurance policy" means a life policy as defined in the Life Insurance Act, 1945, as amended.

(4) "Life Office" means any company carrying on life insurance business in Australia and registered under the Life Insurance Act, 1945, as amended.

24. (1) All proposals for insurance other than life assurance solicited by the Agent shall first be offered by him to Manor Insurances (Australasia) Limited and to Australian Casualty Company Limited for so long as such companies are Affiliated Companies of CLA. 20

(2) In the event that such proposals are accepted by Manor Insurances (Australasia) Limited or by Australian Casualty Company Limited, CLA shall notify the Agent of such acceptance whereupon the Agent shall be entitled to receive commission from CLA in consideration therefor at rates to be agreed upon between the parties.

(3) In the event that such proposals are not accepted by Manor Insurances (Australasia) Limited or by Australian Casualty Company Limited, CLA shall notify the Agent accordingly whereupon the Agent shall be at liberty to offer such proposals to other insurance companies. 30

25 (1) Clauses twenty-five (25) and twenty-six (26) hereof ("the supplemental clauses") shall apply only if the Agent is incorporated as a company and are supplemental to clause 1 to 24 inclusive hereof ("the general clauses").

(2) The supplemental clauses shall not be deemed to be in substitution for the general clauses and the general clauses shall be deemed to be varied by the supplemental clauses only insofar as any of the provisions of the supplemental clauses are inconsistent with those of the general clauses. 40

26. In the event of:

- (a) there being any change in the directors of the Agent;
- (b) there being any change in the shareholders of the Agent;
- (c) there being any change in the Memorandum or Articles of Association of the Agent;
- (d) an order being made or an effective resolution being passed for the winding up of the Agent;
- (e) a Receiver or Receiver and Manager of the Agent's undertaking or any part thereof being appointed;
- (f) an official Manager of the Agent being appointed;
- (g) the Agent passing a special resolution in terms of Section 56 of the Companies Act or Ordinance applying in the area in which the Agent operates;

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the Agent shall notify CLA of any such event within fourteen (14) days of the happening thereof.

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Notwithstanding the provisions of clause eleven (11) hereof, CLA shall have the right to terminate this Agreement immediately if the Agent does not so notify CLA of the happening of any of the abovementioned events or, at its election, at the expiration of the said fourteen (14) day period.

SCHEDULE
AGENT'S COMMISSION RATES

1.	Whole Life and Endowment Assurances ages 11 next birthday or more (Tables 10, 15, 40 & 45)	\$15 per \$1,000 Sum Assured	
2.	Pure Endowment (Tables 60 & 65)	\$7.50 per \$1,000 Sum Assured	10
3.	(a) Children's Policies ages 1 to 10 next birthday (Tables 10 & 40)	\$7.50 per \$1,000 Sum Assured	
	(b) Child's Special Option Endowment Assurance (Table 30)	\$15 per \$1,000 Sum Assured	
4.	(a) Superannuation Whole Life and Endowment Assurances (Tables 12, 17, 42 & 47)	\$7.50 per \$1,000 Sum Assured	20
	(b) Superannuation Pure Endowment (Tables 62 & 67)	\$3.75 per \$1,000 Sum Assured	
5.	All forms of Temporary Assurance including riders to basic contracts where premium paying term is:-		
	(a) 10 years or more -	50% of the first annual premium excluding policy fee	
	(b) less than 10 years -	5% of the first annual premium excluding policy fee, multiplied by the premium paying term in years.	30

Commission rates for assurances not listed above will be indicated to the Agent by CLA.

The Tables referred to above are those set out in CLA Rate Book and the classes of policies listed above shall have the meaning ascribed to them in their normal usage in the Life Assurance industry.

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COMMISSION RULES

1. In respect of life assurance proposals solicited by the Agent and accepted by CLA, commission shall be deemed earned by and payable to the Agent only when, as and if premiums are paid by policyholders pursuant to policies issued by CLA upon the introduction of the Agent as aforesaid.

2. Where the premium under a policy introduced by the Agent is payable by half-yearly, quarterly or monthly instalments the commission in respect thereof for any one (1) year shall be earned by and payable to the Agent in instalments in the same proportion as the instalments of premium aforesaid paid bear to the annual premium PROVIDED THAT CLA may in its absolute and unfettered discretion advance to the Agent upon payment of the first such instalment of premium the full amount of commission for any one (1) year to which he would be entitled if the annual premium is paid to CLA notwithstanding that only part of such annual premium has been paid to CLA WHEREUPON such advance of commission to the Agent shall become and be deemed to be a debt due and payable by the Agent to CLA. 10 20

3. The Agent's Commission Account shall be made up on the last day of each calendar month and payments of commission in respect of premiums or instalments thereof paid to CLA during such calendar month under policies introduced by the Agent shall be made to the Agent no later than the fifteenth (15th) day of the succeeding calendar month.

4. Commission shall not be payable to the Agent in respect of any extra premium charged by CLA for medical, health, war, residential, occupational, recreational or other extraneous risks whatsoever. 30

5. If CLA shall for any reason reassure any portion of the risk under a policy introduced by the Agent, CLA reserves the right to limit the rate of commission on that portion of the risk so reassured to the rate of commission payable by the reinsurer.

6. If CLA shall for any reason cancel a policy or portion thereof or return any premium or instalment thereof paid to it or return any premium or instalment thereof received in advance of the due date AND in respect of which commission has been paid to the Agent, the Agent shall repay to CLA the amount of such commission. 40

7. If a policy introduced by the Agent is cancelled for any reason but subsequently reinstated by CLA whether through another

Agent of CLA or otherwise, CLA shall have the right to disallow to the Agent any further commission in respect of such policy from the date of such cancellation PROVIDED THAT if after such cancellation the Agent reinstates such policy himself he shall be entitled to receive commissions in respect thereof as from the date of such reinstatement.

8. If a premium or an instalment thereof in respect of a policy introduced by the Agent is paid to CLA by an allowance granted in consideration of the discontinuance or conversion of an existing policy of CLA, commission shall be earned by and payable to the Agent only to such extent as determined by CLA. 10

9. If any policyholder introduced to CLA by the Agent proves to the satisfaction of CLA that the Agent has given him an incorrect or misleading description of the conditions, benefits or premiums applicable to such policy, no commission shall be earned by nor payable to the Agent in relation to such policy and any commission which has already been paid to the Agent in respect thereof shall be refunded by the Agent to CLA. 20

10. Unless otherwise determined by CLA, commission shall not be earned by nor payable to the Agent in respect of policies effected on his own life or upon the lives of relatives, servants, employees, representatives, agents or sub-agents of the Agent or servants, employees or representatives of CLA or of any company within the group of companies controlled by Manor Holdings Limited. 30

11. (1) When a policy introduced by the Agent lapses with six (6) or fewer months premiums having been paid thereunder to CLA, the Agent shall forfeit any further right to commission in respect of such lapsed policy AND any commission which has been received by the Agent in relation thereto shall be debited against him with a charge back of commission equal to the amount of commission that the Agent did receive.

(2) In the event that a policy introduced by the Agent lapses with more than six (6) months but less than two (2) years premiums having been paid to CLA thereunder, the Agent shall forfeit the balance of commission, if any, otherwise payable to him AND if the amount of commission received by the Agent in respect of such lapsed policy exceeds the amount of pro rata annual premium (excluding policy fee) received by CLA thereunder, the Agent shall be debited with a charge back of commission equal to such excess. 40

These Commission Rules shall form and be deemed to form part of the Schedule to the Agent's Agreement made between the parties hereto. 50

Signed for and on behalf of
COMMERCIAL LIFE ASSURANCE
LIMITED by:

(Sgd.) K. Cook
.....
Witness

(Sgd.) J.L. Kyle
.....

(Signed)
.....
Witness

Signed by the said
(Sgd.) Eric Phillips
.....

Exhibit "S2" Agreement between
Sentry & Goldring Insurance
Pty. Ltd.

COMMERCIAL LIFE ASSURANCE LIMITED
Incorporated in N.S.W. 1960

AGENT'S AGREEMENT

THIS AGREEMENT made the fifteenth day of February One thousand nine hundred and seventy four (1974) BETWEEN COMMERCIAL LIFE ASSURANCE LIMITED a company duly incorporated under the laws of New South Wales and having its registered office in that state at 115 Pitt Street, Sydney (hereinafter referred to as "CLA") of the one part AND GOLDRING INSURANCES PTY. LTD. 10

(hereinafter referred to as "the Agent") of the other part,

WITNESSETH AS FOLLOWS:

1. CLA hereby appoints the Agent and the Agent hereby agrees to act as an agent of CLA for the purpose of soliciting proposals for new life assurance policies upon and subject to the terms and conditions set forth in this Agreement including the Schedule attached hereto and forming part hereof. CLA reserves the right to reject any life assurance proposal submitted by the Agent and such proposals solicited by the Agent shall not be binding upon CLA in any way whatsoever unless and until they have been accepted by CLA. 20

2. CLA shall have the right to define or restrict the area in which an Agent may solicit proposals for life assurance policies.

3. The Agent hereby agrees to at all times during the currency of this Agreement:-

(a) do all things to the best of his ability skill and judgment to maintain and increase the business and further the interests of CLA; 30

(b) use CLA's appropriate printed forms and no other forms for the taking of any proposal for a policy and for the issue of any receipt;

(c) observe and comply with meticulously, in so far as they may be applicable to the area in which the Agent operates, all laws, ordinances, regulations, rules and orders of any Parliament of Australia, whether State or Federal, or any proclamation thereunder, and in particular but without limiting the generality hereof, all such laws, ordinances, regulations, rules, orders or proclamations relating to life assurance or any aspect thereof whatsoever; 40

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(d) forward immediately to CLA all proposals or other forms of any nature obtained by him as a result of the activities performed by him pursuant hereto;

(e) receive, hold separate and promptly transmit all monies, cheques or other orders for the payment of money received by him to be made payable to CLA or to the order of such other person, firm or company as may from time to time be designated by CLA; 10

(f) render full and true accounts of all monies received by him at such times and in such form as CLA may from time to time require;

(g) instruct his servants, employees and representatives of the obligations and duties cast upon him by this Agreement AND ensure that they observe and comply with meticulously all such obligations and duties as if they are and each of them parties to this Agreement. 20

(h) seek, obtain and maintain in force all licences, authorities and permissions which the Agent shall or for the time being be required to hold or have under the laws of the area in which he operates AND inform CLA whenever such licence authority or permission is obtained, lapses, expires or is revoked or is refused to be granted or renewed by the competent governmental instrumentality;

(i) indemnify and keep CLA indemnified from and against all costs, damages and expenses incurred by CLA whether directly or indirectly in consequence of any breach of this Agreement or of any part or provision hereof or of any act, neglect or default on the part of the Agent or of any such breach, act, neglect or default by any servant, employee or representative of the Agent. 30

4. The Agent hereby agrees that he shall not, except with the authority of CLA, at any time during the currency of this agreement:

(a) submit proposals for life assurance to or act directly or indirectly for any other Life Office, or mutual fund, unit trust or similar organisation, or any person, firm or company in competition with CLA or with any Affiliated Company, or any trust, partnership or other entity whatsoever in which such person, firm or company has a financial interest; 40

Exhibit "S2" Agreement between
Sentry and Goldring Insurance
Pty. Ltd.

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- (b) accept risks or business of any kind, nor alter or discharge any policy, nor revive or waive any forfeiture thereof;
- (c) grant any permit in respect of, nor make any endorsement nor affix any document to any policy;
- (d) collect any premium except that he may when receiving a proposal collect the deposit in respect of the first premium under the policy applied for; 10
- (e) publish, issue, write, circulate, use or cause to be published, issued, written, circulated or used any proposal, application form, policy, letter, whether on the letterhead of CLA or otherwise, pamphlet, brochure, booklet, business card or other printed matter whatsoever, including but without limiting the generality thereof any advertising material of any kind whatsoever;
- (f) pay or advance monies for the payment of any premium or any part thereof on behalf of a proponent or policyholder; 20
- (g) make or offer to make a payment or allowance or rebate of commission or give or offer any gift or inducement in relation to any proposal nor discriminate between proponents or policyholders;
- (h) incur any debt or other obligation in the name of, or for the account of, nor pledge or extend the credit of CLA, nor expose it to any liability or debt whatsoever; 30
- (i) make or purport to make any contract on behalf of or in the name of CLA or alter or discharge any proposal, policy, contract or other document to which CLA is a party or purport to do so;
- (j) in action, writing or speech disparage or cast any adverse reflection upon the integrity or activities of any other Life Office nor engage in the practice known as "twisting" within the Life Assurance industry;
- (k) divulge to any person, firm or company any information whatsoever concerning the business of CLA or any of its dealings, transactions or affairs; 40
- (l) take or recommend any action which is not in the

Exhibit "S2" Agreement between
Sentry and Goldring Insurance
Pty. Ltd.

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opinion of CLA in the best interests of persons who apply for life assurance from the Agent or from his servants, employees or representatives;

(m) utter any untrue statements or misrepresentations or omit any material fact when having discussions with any proponent or prospective proponent;

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(n) endorse his name on any proposal obtained by another agent of CLA.

5. (1) Subject to the terms and conditions hereof, the Agent may during the continuance of this Agreement engage in any other business or employment and may carry out the activities, duties and obligations hereby agreed to be performed by him either personally or through his servants, employees or representatives at such time and in such manner as it appears to him best fitted for the proper performance thereof without direction or control by CLA.

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(2) Nothing contained in this Agreement shall be deemed to constitute the Agent as an officer or an employee of CLA and the Agent hereby expressly agrees that he will not claim to be nor act as if he is such an officer or employee or as being in any way entitled to act for or in the name of or otherwise to bind CLA AND the Agent hereby expressly acknowledges that the relationship hereby created and subsisting between him and CLA is solely that of principal and agent.

6. CLA shall as remuneration for the Agent's services pay to him commission in accordance with and subject to the terms and conditions contained in the Schedule hereto on proposals solicited by the Agent and accepted by CLA and lodged by and bearing the name of the Agent AND the payment of such commission shall be in full satisfaction of all activities, duties and obligations which the Agent performs or carries out hereunder PROVIDED THAT CLA may at any time and from time to time during the continuance hereof alter, vary, modify or add to such Schedule or any part thereof in such manner as it may in its absolute and unfettered discretion think fit and upon service upon the Agent in the manner hereinafter mentioned of a copy of such alteration, variation, modification or addition to the Schedule the same shall thereupon be and remain binding upon the parties hereto and be read and construed with and be deemed to form part of this Agreement.

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7. The records and books of account of CLA at its Head

Exhibit "S2" Agreement between
Sentry and Goldring Insurance
392. Pty. Ltd.

Office shall be accepted as final and conclusive evidence of all matters relating to the state of account between the parties to this Agreement.

8. (1) All monies due under this Agreement shall be payable at the Head Office of CLA in the state of New South Wales and any legal proceedings arising out of this Agreement shall be brought in a court holden in that state. 10

(2) No suit at law or in equity brought by the Agent against CLA arising out of this Agreement shall be commenced until fourteen (14) days have expired after service by the Agent upon CLA's Managing Director or upon an officer of CLA duly authorised on his behalf for such purpose of a written statement precisely describing the nature of the suit and indicating the amount of the claim against CLA.

9. (1) CLA may make advances to the Agent on account of commission or for any other reason whatsoever and thereupon such advances shall be and be deemed to be a debt due and payable to CLA which shall have a first lien on all sums payable under this or any ancillary or other Agreement between the parties hereto to secure any indebtedness of the Agent to CLA AND such sums may be applied by CLA directly towards the liquidation of such indebtedness AND the Agent hereby assigns and transfers to CLA all such sums for such purpose. 20

(2) CLA may set off any and all amounts from time to time due by the Agent to CLA against any and all sums then and thereafter payable by CLA to the Agent hereunder or otherwise or against any and all claims, actions, suits or proceedings whatsoever brought by the Agent against CLA arising out of this Agreement or otherwise. 30

(3) CLA may apply any debit or credit balance in any other account between the Agent and CLA, in particular, any sum due to the Agent or his assigns under any life assurance policy, to the debit or credit of the Agent's Commission Account as the case may be AND the Agent hereby irrevocably appoints CLA as his attorney for the purpose of receiving monies and giving receipts for such monies under such policies and for signing or executing any contracts, transfers, deeds or other writings and doing all such other acts as may be necessary for taking the benefit of the proceeds of such policies as aforesaid. 40

10. In the event of any dispute between the Agent and another agent of CLA with regard to commission in respect of

the same proposal or policy the decision of CLA's Managing Director or an officer of CLA duly authorised on his behalf for such purpose shall be final and binding on the parties to such dispute.

11. (1) This Agreement shall terminate:

(a) at the expiration of not less than seven (7) days written notice which may be given by either party to the other at any time; 10

(b) immediately upon CLA giving the Agent verbal or written notice that the Agent has committed any fraudulent act or has failed to observe or perform any of the terms or conditions hereof or if the Agent has conducted himself in a way which in the opinion of CLA brings the name of CLA or of any Affiliated Company into disrepute;

(c) immediately if the Agent becomes bankrupt or enters into any arrangement or composition with his creditors, or if any attempt is made to levy execution or take garnishee proceedings against CLA in respect of or arising out of any of the Agent's debts or obligations; 20

(d) immediately if the Agent dies, or in the opinion of CLA becomes incapable of properly performing for CLA his activities and duties hereunder;

(e) upon attainment by the Agent of the age of sixty-five (65) years or of such other age as may be agreed by the parties hereto; 30

whichever first applies.

(2) The fact that CLA shall defer giving notice of termination upon the happening of any of the events mentioned in sub-paragraph (b) of sub-clause one (1) hereof shall not prejudice the right of CLA to give such notice at any later date upon the happening of the same event or events or another or others of such events NOR shall it constitute a waiver of the rights of CLA under this Agreement in respect of any subsequent occurrence of such events.

(3) Subject to the terms and conditions of this Agreement termination hereof shall not abrogate or modify any accrued rights or liabilities of CLA or the Agent at the date of termination, including but without limiting the 40

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generality hereof, the right of CLA to recover from the Agent the amount if any by which sums advanced, paid or credited to the Agent by CLA exceed sums due from, debited to or accountable for by the Agent.

(4) Subject to clause twelve (12) hereof, upon termination of this Agreement any adjusted debit balance of the Agent's Commission Account shall forthwith and without formal demand become a debt immediately due and payable by the Agent to CLA and shall be recoverable at law. A Certificate signed by a director of CLA or by a person duly authorised by CLA for such purpose certifying the amount of any debit or credit balance in any account between the Agent and CLA shall be conclusive evidence thereof in any legal proceedings brought in relation to this Agreement. 10

(5) Upon the termination of this Agreement for any reason whatsoever, the Agent or his legal personal representative shall forthwith deliver up to CLA or to such officer of CLA as may be nominated by CLA for such purpose all Company Property then or thereafter in the possession or which ought to be in the possession of the Agent. 20

12. Subject to clause nine (9) hereof, after termination of this Agreement the Agent shall continue to be entitled to receive commission credits as and when premiums or instalments thereof are paid to CLA under policies issued by it in respect of proposals bearing the Agent's name PROVIDED THAT such commissions shall not be payable by CLA to the Agent until eighteen (18) calendar months after termination of this Agreement AND PROVIDED FURTHER THAT if this Agreement is terminated pursuant to sub-paragraph (b) of sub-clause (1) of clause eleven (11) hereof, CLA shall cease to be liable to the Agent for any further commissions as from the date of such termination whereupon the Agent shall forfeit the right to payment of such further commissions. 30

13. (1) The Agent agrees that, for the period following the termination hereof during which he continues to receive commissions or other benefits from CLA, he shall not whether as agent, servant, employee, independent contractor, director or in any other capacity carry on or engage in or be concerned with or interested in carrying on or engaging in whether directly or indirectly within the area in which he performs his activities and duties hereunder the business or activity of soliciting proposals for life assurance for any person, firm or company in competition with CLA or with any Affiliated Company or for any trust, 40

partnership or other entity whatsoever in which such person, firm or company has a financial interest in a manner which constitutes unfair competition. In particular, the Agent hereby agrees to:-

(a) refrain from directly or indirectly soliciting clients of CLA or of any Affiliated Company and from interfering with an existing business relationship between CLA and another Agent; and 10

(b) refrain from uttering any statement or committing any act which is detrimental to the business or reputation of CLA or of any Affiliated Company.

(2) In the event that the Agent breaches any part of sub-clause one (1) hereof, CLA may without prejudice to any of its other rights hereunder, immediately cease payment of any and all commissions and other benefits due and payable to the Agent hereunder or otherwise. 20

(3) If for any reason this clause is or becomes invalid or unenforceable it shall be read down and given effect to the extent to which it is capable of being validly and enforceably given effect to PROVIDED NEVERTHELESS THAT this clause shall be considered severable from the other provisions of this Agreement and such other provisions shall not be rendered invalid or unenforceable by reason of the invalidity or unenforcibility in whole or part of this clause.

14. This Agreement is not assignable and the Agent agrees not to assign, or attempt, or purport to assign any duty or obligation of the Agent towards CLA or the right to receive any commission or other benefit from CLA hereunder. 30

15. All expenses of the Agent incidental to the performance of his duties and obligations hereunder shall be for the account of the Agent and shall be borne and paid by the Agent accordingly.

16. CLA hereby reserves the right to at any time and from time to time during the continuance hereof alter, vary, modify or add to this Agreement or any part hereof in such manner as CLA may in its absolute and unfettered discretion think fit and upon service upon the Agent in manner hereafter mentioned of a copy of such alteration, variation, modification or addition, the same shall thenceforth be made binding upon the parties hereto and be read and construed with and be deemed to form part of this Agreement. 40

17. (1) Notices required or permitted to be given under this Agreement may be served upon CLA at its registered office for the time being in the state of New South Wales and upon the Agent at his last known place of abode.

(2) To prove service of a notice hereunder, it shall be sufficient to prove that the envelope containing such notice was properly addressed and posted. 10

(3) A notice so served shall take effect forty-eight (48) hours from the time of such posting.

18. Where required by statute, the Agent will effect Workers' Compensation insurance in accordance with the relevant legislative requirements and will maintain such insurance in force during the continuance of this Agreement.

19. This Agreement shall be deemed to be a contract made in the state of New South Wales and shall be construed in all respects in accordance with the laws of that state. 20

20. It is hereby expressly agreed by the parties that the terms and conditions hereof shall be deemed to have governed and to have been applicable to the relationship of principal and agent subsisting between CLA and the Agent since the creation of such relationship.

21. Words importing any gender include the other genders. Words importing persons include firms, partnerships, companies, trusts and other legal entities. The singular number includes the plural number and vice versa.

22. This Agreement shall be and be deemed to be in substitution for, and to the exclusion of any and all agreements, written or oral, heretofore subsisting between the parties in connection with any of the matters dealt with or referred to herein. 30

23. In this Agreement

(1) "Affiliated Company" includes any company within the Manor Holdings Limited group of companies and any person, firm or company for whom any company in the Manor Holdings Limited group of companies acts or may hereinafter act as distributor, broker, dealer, sponsor, agent, underwriter, adviser or consultant and any person, firm or company who acts as distributor, broker, dealer, sponsor, agent, underwriter, adviser or consultant for any company within the Manor Holdings Limited group of companies. 40

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(2) "Company Property" includes all monies, cheques or other orders for the payment of monies, applications, proposals, policies, receipts, rate books, sales manuals, letters, pamphlets, brochures, booklets, business cards and client files and all other literature, documents, papers and properties whatsoever belonging to CLA which are for the time being in the possession or which ought to be in the possession of the Agent or for which the Agent is accountable under this Agreement or otherwise. 10

(3) "Life Assurance policy" means a life policy as defined in the Life Insurance Act, 1945, as amended.

(4) "Life Office" means any company carrying on life insurance business in Australia and registered under the Life Insurance Act, 1945, as amended.

24. (1) All proposals for insurance other than life assurance solicited by the Agent shall first be offered by him to Manor Insurances (Australasia) Limited and to Australian Casualty Company Limited for so long as such companies are Affiliated Companies of CLA. 20

(2) In the event that such proposals are accepted by Manor Insurances (Australasia) Limited or by Australian Casualty Company Limited, CLA shall notify the Agent of such acceptance whereupon the Agent shall be entitled to receive commission from CLA in consideration therefor at rates to be agreed upon between the parties.

(3) In the event that such proposals are not accepted by Manor Insurances (Australasia) Limited or by Australian Casualty Company Limited, CLA shall notify the Agent accordingly whereupon the Agent shall be at liberty to offer such proposals to other insurance companies. 30

25. (1) Clauses twenty-five (25) and twenty-six (26) hereof ("the supplemental clauses") shall apply only if the Agent is incorporated as a company and are supplemental to clause 1 to 24 inclusive hereof ("the general clauses").

(2) The supplemental clauses shall not be deemed to be in substitution for the general clauses and the general clauses shall be deemed to be varied by the supplemental clauses only in so far as any of the provisions of the supplemental clauses are inconsistent with those of the general clauses. 40

26. (1) The Agent hereby acknowledges that as at the date

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hereof the particulars shown in Schedule "B" hereto relating to the Agent are true and correct and that Schedule "C" is a true and correct copy of the Memorandum and Articles of Association of the Agent.

(2) In the event that:-

- (a) there is any alteration, variation, modification or addition to: 10
 - (i) the directors, or
 - (ii) the absolute or beneficial ownership of shares, or
 - (iii) the Memorandum or Articles of Association
- (b) an order is made or an effective resolution passed for the winding up of the Agent;
- (c) a Receiver or Receiver and Manager of the Agent's undertaking or any part thereof is appointed;
- (d) an Official Manager of the Agent is appointed; 20
- (e) the Agent passes a special resolution in terms of Section 56 of the Companies Act or Ordinance applying in the area in which the Agent operates;

the Agent shall notify CLA of any such event within fourteen days of the happening thereof.

- (3) Notwithstanding the provisions of Clause eleven (11) hereof CLA shall have the right to terminate this Agreement immediately if the Agent does not so notify CLA of the happening of any of the events mentioned in sub clause two (2) hereof or, at its election, at the expiration of the said fourteen (14) day period. 30

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SCHEDULE

AGENT'S COMMISSION RATES

1.	Whole Life and Endowment Assurance ages 11 next birthday or more (Tables 10, 15, 40 & 45)	\$15 per \$1,000 Sum Assured	10
2.	Pure Endowment (Tables 60 & 65)	\$7.50 per \$1,000 Sum Assured	
3.	(a) Children's Policies ages 1 to 10 next birthday (Tables 10 & 40)	\$7.50 per \$1,000 Sum Assured	
	(b) Child's Special Option Endowment Assurance (Table 30)	\$15 per \$1,000 Sum Assured	
4.	(a) Superannuation Whole Life and Endowment Assurances (Tables 12, 17, 42 & 47)	\$7.50 per \$1,000 Sum Assured	20
	(b) Superannuation Pure Endowment (Tables 62 & 67)	\$3.75 per \$1,000 Sum Assured	
5.	All forms of Temporary Assurance including riders to basic contracts where premium paying term is:-		
	(a) 10 years or more -	50% of the first annual premium excluding policy fee.	30
	(b) less than 10 years -	5% of the first annual premium, excluding policy fee, multiplied by the premium paying term in years.	

Commission rates for assurances not listed above will be indicated to the Agent by CLA.

The Tables referred to above are those set out in CLA Rate Book and the classes of policies listed above shall have the meaning ascribed to them in their normal usage in the Life Assurance industry. 40

COMMISSION RULES

1. In respect of life assurance proposals solicited by the Agent and accepted by CLA, commission shall be deemed earned by and payable to the Agent only when, as and if premiums are paid by policyholders pursuant to policies issued by CLA upon the introduction of the Agent as aforesaid.

10

2. Where the premium under a policy introduced by the Agent is payable by half-yearly, quarterly or monthly instalments the commission in respect thereof for any one (1) year shall be earned by and payable to the Agent in instalments in the same proportion as the instalments of premium aforesaid paid bear to the annual premium PROVIDED THAT CLA may in its absolute and unfettered discretion advance to the Agent upon payment of the first such instalment of premium the full amount of commission for any one (1) year to which he would be entitled if the annual premium is paid to CLA notwithstanding that only part of such annual premium has been paid to CLA WHEREUPON such advance of commission to the Agent shall become and be deemed to be a debt due and payable by the Agent to CLA.

20

3. The Agent's Commission Account shall be made up on the last day of each calendar month and payments of commission in respect of premiums or instalments thereof paid to CLA during such calendar month under policies introduced by the Agent shall be made to the Agent no later than the fifteenth (15th) day of the succeeding calendar month.

4. Commission shall not be payable to the Agent in respect of any extra premium charged by CLA for medical, health, war, residential, occupational, recreational or other extraneous risks whatsoever.

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5. If CLA shall for any reason reassure any portion of the risk under a policy introduced by the Agent, CLA reserves the right to limit the rate of commission on that portion of the risk so reassured to the rate of commission payable by the reinsurer.

6. If CLA shall for any reason cancel a policy or portion thereof or return any premium or instalment thereof paid to it or return any premium or instalment thereof received in advance of the due date AND in respect of which commission has been paid to the Agent, the Agent shall repay to CLA the amount of such commission.

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7. If a policy introduced by the Agent is cancelled for any reason but subsequently reinstated by CLA whether through

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another Agent of CLA or otherwise, CLA shall have the right to disallow to the Agent any further commission in respect of such policy from the date of such cancellation PROVIDED THAT if after such cancellation the Agent reinstates such policy himself he shall be entitled to receive commissions in respect thereof as from the date of such reinstatement.

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8. If a premium or an instalment thereof in respect of a policy introduced by the Agent is paid to CLA by an allowance granted in consideration of the discontinuance or conversion of an existing policy of CLA, commission shall be earned by and payable to the Agent only to such extent as determined by CLA.

9. If any policyholder introduced to CLA by the Agent proves to the satisfaction of CLA that the Agent has given him an incorrect or misleading description of the conditions, benefits or premiums applicable to such policy, no commission shall be earned by nor payable to the Agent in relation to such policy and any commission which has already been paid to the Agent in respect thereof shall be refunded by the agent to CLA.

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10. Unless otherwise determined by CLA, commission shall not be earned by nor payable to the Agent in respect of policies effected on his own life or upon the lives of relatives, servants, employees, representatives, agents or sub-agents of the Agent or servants, employees or representatives of CLA or of any company within the group of companies controlled by Manor Holdings Limited.

30

11. (1) When a policy introduced by the Agent lapses with six (6) or fewer months premiums having been paid thereunder to CLA, the Agent shall forfeit any further right to commission in respect of such lapsed policy AND any commission which has been received by the Agent in relation thereto shall be debited against him with a charge back of commission equal to the amount of commission that the Agent did receive.

(2) In the event that a policy introduced by the Agent lapses with more than six (6) months but less than two (2) years premiums having been paid to CLA thereunder, the Agent shall forfeit the balance of commission, if any, otherwise payable to him AND if the amount of commission received by the Agent in respect of such lapsed policy exceeds the amount of pro rata annual premium (excluding policy fee) received by CLA thereunder, the Agent shall be debited with a charge back of commission equal to such excess.

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These Commission Rules shall form and be deemed to form part of the Schedule to the Agent's Agreement made between the parties hereto.

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Exhibit "S2" Agreement between
Sentry and Goldring Insurance
Pty. Ltd.

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Signed for and on behalf of
COMMERCIAL LIFE ASSURANCE
LIMITED by:

.(Sgd.) R.W. Hillhouse....
Witness

.(Sgd.) A. Marny.....

Signed for and on behalf of
GOLDRING INSURANCES PTY. LTD. 10
By:

.(Sgd.) R.W. Hillhouse....
Witness

.(Sgd.) R. Goldring.....

(Commercial Life Assurance
Limited) (Stamp Duty)

Exhibit "S3" Agreement between
Sentry and Peter John Mullens
and Christine Mullens

COMMERCIAL LIFE ASSURANCE LIMITED
Incorporated in N.S.W. 1960

AGENT'S AGREEMENT

THIS AGREEMENT made the 8th day of March One thousand nine hundred and seventy six (1976) BETWEEN COMMERCIAL LIFE ASSURANCE LIMITED a company duly incorporated under the laws of New South Wales and having its registered office in that state at 115 Pitt Street, Sydney (hereinafter referred to as "CLA") of the one part AND Peter John MULLENS and Christine MULLENS trading as PETER J. MULLENS & ASSOCIATES (hereinafter referred to as "the Agent") of the other part, 10

WITNESSETH AS FOLLOWS:

1. CLA hereby appoints the Agent and the Agent hereby agrees to act as an agent of CLA for the purpose of soliciting proposals for new life assurance policies upon and subject to the terms and conditions set forth in this Agreement including the Schedule attached hereto and forming part hereof. CLA reserves the right to reject any life assurance proposal submitted by the Agent and such proposals solicited by the Agent shall not be binding upon CLA in any way whatsoever unless and until they have been accepted by CLA. 20

2. CLA shall have the right to define or restrict the area in which an Agent may solicit proposals for life assurance policies.

3. The Agent hereby agrees to at all times during the currency of this Agreement:-

(a) do all things to the best of his ability skill and judgment to maintain and increase the business and further the interests of CLA; 30

(b) use CLA's appropriate printed forms and no other forms for the taking of any proposal for a policy and for the issue of any receipt;

(c) observe and comply with meticulously, in so far as they may be applicable to the area in which the Agent operates, all laws, ordinances, regulations, rules and orders of any Parliament of Australia, whether State or Federal, or any proclamation thereunder, and in particular but without limiting the generality hereof, all such laws, ordinances, regulations, rules, orders or proclamations relating to life assurance or any aspect thereof whatsoever; 40

Exhibit "S3" Agreement between
Sentry and Peter John Mullens
and Christine Mullens

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(d) forward immediately to CLA all proposals or other forms of any nature obtained by him as a result of the activities performed by him pursuant hereto;

(e) receive, hold separate and promptly transmit all monies, cheques or other orders for the payment of money received by him to be made payable to CLA or to the order of such other person, firm or company as may from time to time be designated by CLA;

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(f) render full and true accounts of all monies received by him at such times and in such form as CLA may from time to time require;

(g) instruct his servants, employees and representatives of the obligations and duties cast upon him by this Agreement AND ensure that they observe and comply with meticulously all such obligations and duties as if they are and each of them parties to this Agreement;

20

(h) seek, obtain and maintain in force all licences, authorities and permissions which the Agent shall or for the time being be required to hold or have under the laws of the area in which he operates AND inform CLA whenever such licence authority or permission is obtained, lapses, expires or is revoked or is refused to be granted or renewed by the competent governmental instrumentality;

(i) indemnify and keep CLA indemnified from and against all costs, damages and expenses incurred by CLA whether directly or indirectly in consequence of any breach of this Agreement or of any part or provision hereof or of any act, neglect or default on the part of the Agent or of any such breach, act, neglect or default by any servant, employee or representative of the Agent.

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4. The Agent hereby agrees that he shall not, except with the authority of CLA, at any time during the currency of this agreement:

(a) submit proposals for life assurance to or act directly or indirectly for any other Life Office, or mutual fund, unit trust or similar organisation, or any person, firm or company in competition with CLA or with any Affiliated Company, or any trust, partnership or other entity whatsoever in which such person, firm or company has a financial interest;

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Exhibit "S3" Agreement between
Sentry and Peter John Mullens
and Christine Mullens

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- (b) accept risks or business of any kind, nor alter or discharge any policy, nor revive or waive any forfeiture thereof;
- (c) grant any permit in respect of, nor make any endorsement nor affix any document to any policy;
- (d) collect any premium except that he may when receiving a proposal collect the deposit in respect of the first premium under the policy applied for; 10
- (e) publish, issue, write, circulate, use or cause to be published, issued, written, circulated or used any proposal, application form, policy, letter, whether on the letterhead of CLA or otherwise, pamphlet, brochure, booklet, business card or other printed matter whatsoever, including but without limiting the generality thereof any advertising material of any kind whatsoever;
- (f) pay or advance monies for the payment of any premium or any part thereof on behalf of a proponent or policyholder; 20
- (g) make or offer to make a payment or allowance or rebate of commission or give or offer any gift or inducement in relation to any proposal nor discriminate between proponents or policyholders;
- (h) incur any debt or other obligation in the name of, or for the account of, nor pledge or extend the credit of CLA, nor expose it to any liability or debt whatsoever; 30
- (i) make or purport to make any contract on behalf of or in the name of CLA or alter or discharge any proposal, policy, contract or other document to which CLA is a party or purport to do so;
- (j) in action, writing or speech disparage or cast any adverse reflection upon the integrity or activities of any other Life Office nor engage in the practice known as "twisting" within the Life Assurance industry;
- (k) divulge to any person, firm or company any information whatsoever concerning the business of CLA or any of its dealings, transactions or affairs; 40
- (l) take or recommend any action which is not in the opinion of CLA in the best interests of persons who

Exhibit "S3" Agreement between
Sentry and Peter John Mullens
and Christine Mullens

Exhibit "S3" Agreement between
Sentry and Peter John Mullens
and Christine Mullens

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apply for life assurance from the Agent or from his servants, employees or representatives;

(m) utter any untrue statements or misrepresentations or omit any material fact when having discussions with any proponent or prospective proponent;

(n) endorse his name on any proposal obtained by another agent of CLA; 10

5. (1) Subject to the terms and conditions hereof, the Agent may during the continuance of this Agreement engage in any other business or employment and may carry out the activities, duties and obligations hereby agreed to be performed by him either personally or through his servants, employees or representatives at such time and in such manner as it appears to him best fitted for the proper performance thereof without direction or control by CLA.

(2) Nothing contained in this Agreement shall be deemed to constitute the Agent as an officer or an employee of CLA and the Agent hereby expressly agrees that he will not claim to be nor act as if he is such an officer or employee or as being in any way entitled to act for or in the name of or otherwise to bind CLA AND the Agent hereby expressly acknowledges that the relationship hereby created and subsisting between him and CLA is solely that of principal and agent. 20

6. CLA shall as remuneration for the Agent's services pay to him commission in accordance with and subject to the terms and conditions contained in the Schedule hereto on proposals solicited by the Agent and accepted by CLA and lodged by and bearing the name of the Agent AND the payment of such commission shall be in full satisfaction of all activities, duties and obligations which the Agent performs or carries out hereunder PROVIDED THAT CLA may at any time and from time to time during the continuance hereof alter, vary, modify or add to such Schedule or any part thereof in such manner as it may in its absolute and unfettered discretion think fit and upon service upon the Agent in the manner hereinafter mentioned of a copy of such alteration, variation, modification or addition to the Schedule the same shall thereupon be and remain binding upon the parties hereto and be read and construed with and be deemed to form part of this Agreement. 30 40

7. The records and books of account of CLA at its Head Office shall be accepted as final and conclusive evidence of

all matters relating to the state of account between the parties to this Agreement.

8. (1) All monies due under this Agreement shall be payable at the Head Office of CLA in the state of New South Wales and any legal proceedings arising out of this Agreement shall be brought in a court holden in that state. 10

(2) No suit at law or in equity brought by the Agent against CLA arising out of this Agreement shall be commenced until fourteen (14) days have expired after service by the Agent upon CLA's Managing Director or upon an officer of CLA duly authorised on his behalf for such purpose of a written statement precisely describing the nature of the suit and indicating the amount of the claim against CLA.

9 (1) CLA may make advances to the Agent on account of commission or for any other reason whatsoever and thereupon such advances shall be and be deemed to be a debt due and payable to CLA which shall have a first lien on all sums payable under this or any ancillary or other Agreement between the parties hereto to secure any indebtedness of the Agent to CLA AND such sums may be applied by CLA directly towards the liquidation of such indebtedness AND the Agent hereby assigns and transfers to CLA all such sums for such purpose. 20

(2) CLA may set off any and all amounts from time to time due by the Agent to CLA against any and all sums then and thereafter payable by CLA to the Agent hereunder or otherwise or against any and all claims, actions, suits or proceedings whatsoever brought by the Agent against CLA arising out of this Agreement or otherwise. 30

(3) CLA may apply any debit or credit balance in any other account between the Agent and CLA, in particular, any sum due to the Agent or his assigns under any life assurance policy, to the debit or credit of the Agent's Commission Account as the case may be AND the Agent hereby irrevocably appoints CLA as his attorney for the purpose of receiving monies and giving receipts for such monies under such policies and for signing or executing any contracts, transfers, deeds or other writings and doing all such other acts as may be necessary for taking the benefit of the proceeds of such policies as aforesaid. 40

10. In the event of any dispute between the Agent and another agent of CLA with regard to commission in respect of the same proposal or policy the decision of CLA's Managing Director

Exhibit "S3" Agreement between
Sentry and Peter John Mullens
and Christine Mullens

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or an officer of CLA duly authorised on his behalf for such purpose shall be final and binding on the parties to such dispute.

11. (1) This Agreement shall terminate:

(a) at the expiration of not less than seven (7) days written notice which may be given by either party to the other at any time; 10

(b) immediately upon CLA giving the Agent verbal or written notice that the Agent has committed any fraudulent act or has failed to observe or perform any of the terms or conditions hereof or if the Agent has conducted himself in a way which in the opinion of CLA brings the name of CLA or of any Affiliated Company into disrepute;

(c) immediately if the Agent becomes bankrupt or enters into any arrangement or composition with his creditors, or if any attempt is made to levy execution or take garnishee proceedings against CLA in respect of or arising out of any of the Agent's debts or obligations; 20

(d) immediately if the Agent dies, or in the opinion of CLA becomes incapable of properly performing for CLA his activities and duties hereunder;

(e) upon attainment by the Agent of the age of sixty-five (65) years or of such other age as may be agreed by the parties hereto; 30

whichever first applies.

(2) The fact that CLA shall defer giving notice of termination upon the happening of any of the events mentioned in sub-paragraph (b) of sub-clause one (1) hereof shall not prejudice the right of CLA to give such notice at any later date upon the happening of the same event or events or another or others of such events NOR shall it constitute a waiver of the rights of CLA under this Agreement in respect of any subsequent occurrence of such events.

(3) Subject to the terms and conditions of this Agreement, termination hereof shall not abrogate or modify any accrued rights or liabilities of CLA or the Agent at the date of termination, including but without limiting the generality 40

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Sentry and Peter John Mullens
and Christine Mullens

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hereof, the right of CLA to recover from the Agent the amount if any by which sums advanced, paid or credited to the Agent by CLA exceed sums due from, debited to or accountable for by the Agent.

(4) Subject to clause twelve (12) hereof, upon termination of this Agreement any adjusted debit balance of the Agent's Commission Account shall forthwith and without formal demand become a debt immediately due and payable by the Agent to CLA and shall be recoverable at law. A Certificate signed by a director of CLA or by a person duly authorised by CLA for such purpose certifying the amount of any debit or credit balance in any account between the Agent and CLA shall be conclusive evidence thereof in any legal proceedings brought in relation to this Agreement. 10

(5) Upon the termination of this Agreement for any reason whatsoever, the Agent or his legal personal representative shall forthwith deliver up to CLA or to such officer of CLA as may be nominated by CLA for such purpose all Company Property then or thereafter in the possession or which ought to be in the possession of the Agent. 20

12. Subject to clause nine (9) hereof, after termination of this Agreement the Agent shall continue to be entitled to receive commission credits as and when premiums or instalments thereof are paid to CLA under policies issued by it in respect of proposals bearing the Agent's name PROVIDED THAT such commissions shall not be payable by CLA to the Agent until eighteen (18) calendar months after termination of this Agreement AND PROVIDED FURTHER THAT if this Agreement is terminated pursuant to sub-paragraph (b) of sub-clause (1) of clause eleven (11) hereof, CLA shall cease to be liable to the Agent for any further commissions as from the date of such termination whereupon the Agent shall forfeit the right to payment of such further commissions. 30

13. (1) The Agent agrees that, for the period following the termination hereof during which he continues to receive commissions or other benefits from CLA, he shall not whether as agent, servant, employee, independent contractor, director or in any other capacity carry on or engage in or be concerned with or interested in carrying on or engaging in whether directly or indirectly within the area in which he performs his activities and duties hereunder the business or activity of soliciting proposals for life assurance for any person, firm or company in competition with CLA or with any Affiliated Company or for any trust, partnership or other entity whatsoever in which such 40

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person, firm or company has a financial interest in a manner which constitutes unfair competition. In particular the Agent hereby agrees to:-

(a) refrain from directly or indirectly soliciting clients of CLA or of any Affiliated Company and from interfering with an existing business relationship between CLA and another Agent; and 10

(b) refrain from uttering any statement or committing any act which is detrimental to the business or reputation of CLA or of any Affiliated Company.

(2) In the event that the Agent breaches any part of sub-clause one (1) hereof, CLA may without prejudice to any of its other rights hereunder, immediately cease payment of any and all commissions and other benefits due and payable to the Agent hereunder or otherwise.

(3) If for any reason this clause is or becomes invalid or unenforceable it shall be read down and given effect to the extent to which it is capable of being validly and enforceably given effect to PROVIDED NEVERTHELESS THAT this clause shall be considered severable from the other provisions of this Agreement and such other provisions shall not be rendered invalid or unenforceable by reason of the invalidity or unenforcibility in whole or part of this clause. 20

14. This Agreement is not assignable and the Agent agrees not to assign, or attempt, or purport to assign any duty or obligation of the Agent towards CLA or the right to receive any commission or other benefit from CLA hereunder. 30

15. All expenses of the Agent incidental to the performance of his duties and obligations hereunder shall be for the account of the Agent and shall be borne and paid by the Agent accordingly.

16. CLA hereby reserves the right to at any time and from time to time during the continuance hereof alter, vary, modify or add to this Agreement or any part hereof in such manner as CLA may in its absolute and unfettered discretion think fit and upon service upon the Agent in manner hereafter mentioned of a copy of such alteration, variation, modification or addition, the same shall thenceforth be made binding upon the parties hereto and be read and construed with and be deemed to form part of this Agreement. 40

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and Christine Mullens

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17. (1) Notices required or permitted to be given under this Agreement may be served upon CLA at its registered office for the time being in the state of New South Wales and upon the Agent at his last known place of abode.

(2) To prove service of a notice hereunder, it shall be sufficient to prove that the envelope containing such notice was properly addressed and posted. 10

(3) A notice so served shall take effect forty-eight (48) hours from the time of such posting.

18. Where required by statute, the Agent will effect Workers' Compensation insurance in accordance with the relevant legislative requirements and will maintain such insurance in force during the continuance of this Agreement.

19. This Agreement shall be deemed to be a contract made in the state of New South Wales and shall be construed in all respects in accordance with the laws of that state. 20

20. It is hereby expressly agreed by the parties that the terms and conditions hereof shall be deemed to have governed and to have been applicable to the relationship of principal and agent subsisting between CLA and the Agent since the creation of such relationship.

21. Words importing any gender include the other genders. Words importing persons include firms, partnerships, companies trusts and other legal entities. The singular number includes the plural number and vice versa.

22. This Agreement shall be and be deemed to be in substitution for, and to the exclusion of any and all agreements, written or oral, heretofore subsisting between the parties in connection with any of the matters dealt with or referred to herein. 30

23. In this Agreement

(1) "Affiliated Company" includes any company within the Manor Holdings Limited group of companies and any person, firm or company for whom any company in the Manor Holdings Limited group of companies acts or may hereinafter act as distributor, broker, dealer, sponsor, agent, underwriter, adviser or consultant and any person, firm or company who acts as distributor, broker, dealer, sponsor, agent, underwriter, adviser or 40

Exhibit "S3" Agreement between
Sentry and Peter John Mullens
and Christine Mullens

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consultant for any company within the Manor Holdings Limited group of companies.

(2) "Company Property" includes all monies, cheques or other orders for the payment of monies, applications, proposals, policies, receipts, rate books, sales manuals, letters, pamphlets, brochures, booklets, business cards and client files and all other literature, documents, papers and properties whatsoever belonging to CLA which are for the time being in the possession or which ought to be in the possession of the Agent or for which the Agent is accountable under this Agreement or otherwise. 10

(3) "Life Assurance policy" means a life policy as defined in the Life Insurance Act, 1945, as amended.

(4) "Life Office" means any company carrying on life insurance business in Australia and registered under the Life Insurance Act, 1945, as amended. 20

24. (1) All proposals for insurance other than life assurance solicited by the Agent shall first be offered by him to Manor Insurances (Australasia) Limited and to Australian Casualty Company Limited for so long as such companies are Affiliated Companies of CLA.

(2) In the event that such proposals are accepted by Manor Insurances (Australasia) Limited or by Australian Casualty Company Limited, CLA shall notify the Agent of such acceptance whereupon the Agent shall be entitled to receive commission from CLA in consideration therefor at rates to be agreed upon between the parties. 30

(3) In the event that such proposals are not accepted by Manor Insurances (Australasia) Limited or by Australian Casualty Company Limited, CLA shall notify the Agent accordingly whereupon the Agent shall be at liberty to offer such proposals to other insurance companies.

25. (1) Clauses twenty-five (25) and twenty-six (26) hereof ("the supplemental clauses") shall apply only if the Agent is incorporated as a company and are supplemental to clause 1 to 24 inclusive hereof ("the general clauses"). 40

(2) The supplemental clauses shall not be deemed to be in substitution for the general clauses and the general clauses shall be deemed to be varied by the supplemental clauses only in so far as any of the provisions of the supplemental clauses are inconsistent with those of the general clauses.

Exhibit "S3" Agreement between
Sentry and Peter John Mullens
and Christine Mullens

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26. (1) The Agent hereby acknowledges that as at the date hereof the particulars shown in Schedule "B" hereto relating to the Agent are true and correct and that Schedule "C" is a true and correct copy of the Memorandum and Articles of Association of the Agent.

(2) In the event that:-

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(a) there is any alteration, variation, modification or addition to:

- (i) the directors, or
- (ii) the absolute or beneficial ownership of shares, or
- (iii) the Memorandum or Articles of Association

(b) an order is made or an effective resolution passed for the winding up of the Agent;

(c) a Receiver or Receiver and Manager of the Agent's undertaking or any part thereof is appointed;

20

(d) an Official Manager of the Agent is appointed;

(e) the Agent passes a special resolution in terms of Section 56 of the Companies Act or Ordinance applying in the area in which the Agent operates;

the Agent shall notify CLA of any such event within fourteen days of the happening thereof.

(3) Notwithstanding the provisions of Clause eleven (11) hereof CLA shall have the right to terminate this Agreement immediately if the Agent does not so notify CLA of the happening of any of the events mentioned in sub-clause two (2) hereof or, at its election, at the expiration of the said fourteen (14) day period.

30

27. This Agreement is effective from 1st day of January, 1976.

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SCHEDULE

AGENT'S COMMISSION RATES

For the purpose of calculating commission the sum assured on all policies, including riders to basic contracts, is converted to an Equivalent Sum Assured (hereinafter referred to as "E.S.A"). Commission is then calculated at the rate of \$15 per \$1,000 E.S.A. 10

The E.S.A. is a proportion of the actual sum assured and the percentage applicable to each table is as follows:-

1. Whole Life and Endowment Assurances 100%
ages 11 next birthday or more
(Tables 10, 15, 40 & 45)
2. Pure Endowment (Tables 60 & 65) 50%
3. (a) Children's Policies ages 1 to 10
next birthday (Tables 10 & 40) 50%
(b) Child's Special Option Endowment
Assurances (Table 30) 100% 20
4. (a) Superannuation Whole Life and
Endowment Assurances (Tables 12
17, 42 & 47) 50%
(b) Superannuation Pure Endowment
(Tables 62 & 67) 25%
5. Convertible Level Temporary Assurance
(Tables 75/87)
Convertible Decreasing Temporary Assur-
ance (Tables 76/87) 30
Convertible Mortgage Protection Assur-
ance (Tables 78/87)
(a) where the policy term is 10
years or more 11%
(b) where the policy term is less
than 10 years 1.1% multiplied
by the policy
term in years
6. Level Temporary Assurance (Table 75)
Decreasing Temporary Assurance 40
(Table 76)
Mortgage Protection Assurance
(Table 78)
Family Income Benefits (Table 88)

Exhibit "S3" Agreement between
Sentry and Peter John Mullens
and Christine Mullens

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- (a) where the policy term is 10 years or more 10%
- (b) where the policy term is less than 10 years 1% multiplied by the policy term in years

For Table 88 (Family Income Benefits) the initial temporary sum assured is taken as the initial commuted value of the Income Benefits. 10

7. Accidental Death Benefit (Table 85) 3% of the Basic Sum Assured
8. Total and Permanent Disablement Benefit (Table 86) 4% of the Basic Sum Assured
9. Insurability Option Benefit (Table 84) 2% of the Basic Sum Assured
10. Waiver of Premium Benefit (Table 89) 1% of the Basic Sum Assured 20

Commission rates for assurances not listed above will be indicated to the Agent by CLA.

The Tables referred to above are those set out in CLA Rate Book and the classes of policies listed above shall have the meaning ascribed to them in their normal usage in the life Assurance Industry.

COMMISSION RULES

1. In respect of life assurance proposals solicited by the Agent and accepted by CLA, commission shall be deemed earned by and payable to the Agent only when, as and if premiums are paid by policyholders pursuant to policies issued by CLA upon the introduction of the Agent as aforesaid. 10

2. Where the premium under a policy introduced by the Agent is payable by half-yearly, quarterly or monthly instalments the commission in respect thereof for any one (1) year shall be earned by and payable to the Agent in instalments in the same proportion as the instalments of premium aforesaid paid bear to the annual premium PROVIDED THAT CLA may in its absolute and unfettered discretion advance to the Agent upon payment of the first such instalment of premium the full amount of commission for any one (1) year to which he would be entitled if the annual premium is paid to CLA notwithstanding that only part of such annual premium has been paid to CLA WHEREUPON such advance of commission to the Agent shall become and be deemed to be a debt due and payable by the Agent to CLA. 20

3. The Agent's Commission Account shall be made up on the last day of each calendar month and payments of commission in respect of premiums or instalments thereof paid to CLA during such calendar month under policies introduced by the Agent shall be made to the Agent no later than the fifteenth (15th) day of the succeeding calendar month. 30

4. Commission shall not be payable to the Agent in respect of any extra premium charged by CLA for medical, health, war, residential, occupational, recreational or other extraneous risks whatsoever.

5. If CLA shall for any reason reassure any portion of the risk under a policy introduced by the Agent, CLA reserves the right to limit the rate of commission on that portion of the risk so reassured to the rate of commission payable by the reinsurer.

6. If CLA shall for any reason cancel a policy or portion thereof or return any premium or instalment thereof paid to it or return any premium or instalment thereof received in advance of the due date AND in respect of which commission has been paid to the Agent, the Agent shall repay to CLA the amount of such commission. 40

7. If a policy introduced by the Agent is cancelled for any reason but subsequently reinstated by CLA whether through

another Agent of CLA or otherwise, CLA shall have the right to disallow to the Agent any further commission in respect of such policy from the date of such cancellation PROVIDED THAT if after such cancellation the Agent reinstates such policy himself he shall be entitled to receive commissions in respect thereof as from the date of such reinstatement.

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8. If a premium or an instalment thereof in respect of a policy introduced by the Agent is paid to CLA by an allowance granted in consideration of the discontinuance or conversion of an existing policy of CLA, commission shall be earned by and payable to the Agent only to such extent as determined by CLA.

9. If any policyholder introduced to CLA by the Agent proves to the satisfaction of CLA that the Agent has given him an incorrect or misleading description of the conditions, benefits or premiums applicable to such policy, no commission shall be earned by nor payable to the Agent in relation to such policy and any commission which has already been paid to the Agent in respect thereof shall be refunded by the Agent to CLA.

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10. Unless otherwise determined by CLA, commission shall not be earned by nor payable to the Agent in respect of policies effected on his own life or upon the lives of relatives, servants, employees, representatives, agents or sub-agents of the Agent or servants, employees or representatives of CLA or of any company within the group of companies controlled by Manor Holdings Limited.

30

11. (1) When a policy introduced by the Agent lapses with six (6) or fewer months premiums having been paid thereunder to CLA, the Agent shall forfeit any further right to commission in respect of such lapsed policy AND any commission which has been received by the Agent in relation thereto shall be debited against him with a charge back of commission equal to the amount of commission that the Agent did receive.

(2) In the event that a policy introduced by the Agent lapses with more than six (6) months but less than two (2) years premiums having been paid to CLA thereunder, the Agent shall forfeit the balance of commission, if any, otherwise payable to him AND if the amount of commission received by the Agent in respect of such lapsed policy exceeds the amount of pro rata annual premium (excluding policy fee) received by CLA thereunder, the Agent shall be debited with a charge back of commission equal to such excess.

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These Commission Rules shall form and be deemed to form part of the Schedule to the Agent's Agreement made between the parties hereto.

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Exhibit "S3" Agreement between
Sentry and Peter John Mullens
and Christine Mullens

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Signed for and on behalf of
COMMERCIAL LIFE ASSURANCE
LIMITED by:

(Sgd.) F. Sullivan
.....
Witness

(Sgd.) A. Marny
.....

Signed by the said

(Sgd.) F. Sullivan
.....
Witness

(Sgd.) P. J. Mullens
(Sgd.) C. Mullens
.....

(Commercial Life Assurance
Limited) (Stamp Duty)

COMMERCIAL LIFE ASSURANCE LIMITED
Incorporated in N.S.W. 1960

AGENT'S AGREEMENT

THIS AGREEMENT made the 1st day of December One thousand nine hundred and seventy five (1975) BETWEEN COMMERCIAL LIFE ASSURANCE LIMITED a company duly incorporated under the laws of New South Wales and having its registered office in that state at 115 Pitt Street, Sydney (hereinafter referred to as "CLA") of the one part AND Robert Maxwell CROWLEY and Judith Gail CROWLEY trading as MAX CROWLEY & ASSOCIATES (hereinafter referred to as "the Agent") of the other part, 10

WITNESSETH AS FOLLOWS:

1. CLA hereby appoints the Agent and the Agent hereby agrees to act as an agent of CLA for the purpose of soliciting proposals for new life assurance policies upon and subject to the terms and conditions set forth in this Agreement including the Schedule attached hereto and forming part hereof. CLA reserves the right to reject any life assurance proposal submitted by the Agent and such proposals solicited by the Agent shall not be binding upon CLA in any way whatsoever unless and until they have been accepted by CLA. 20

2. CLA shall have the right to define or restrict the area in which an Agent may solicit proposals for life assurance policies.

3. The Agent hereby agrees to at all times during the currency of this Agreement:-

(a) do all things to the best of his ability skill and judgment to maintain and increase the business and further the interests of CLA; 30

(b) use CLA's appropriate printed forms and no other forms for the taking of any proposal for a policy and for the issue of any receipt;

(c) observe and comply with meticulously, in so far as they may be applicable to the area in which the Agent operates, all laws, ordinances, regulations, rules and orders of any Parliament of Australia, whether State or Federal, or any proclamation thereunder, and in particular but without limiting the generality hereof, all such laws, ordinances, regulations, rules, orders or proclamations relating to life assurance or any aspect thereof whatsoever; 40

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(d) forward immediately to CLA all proposals or other forms of any nature obtained by him as a result of the activities performed by him pursuant hereto;

(e) receive, hold separate and promptly transmit all monies, cheques or other orders for the payment of money received by him to be made payable to CLA or to the order of such other person, firm or company as may from time to time be designated by CLA;

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(f) render full and true accounts of all monies received by him at such times and in such forms as CLA may from time to time require;

(g) instruct his servants, employees and representatives of the obligations and duties cast upon him by this Agreement AND ensure that they observe and comply with meticulously all such obligations and duties as if they are and each of them parties to this Agreement;

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(h) seek, obtain and maintain in force all licences, authorities and permissions which the Agent shall or for the time being be required to hold or have under the laws of the area in which he operates AND inform CLA whenever such licence authority or permission is obtained, lapses, expires or is revoked or is refused to be granted or renewed by the competent governmental instrumentality;

(i) indemnify and keep CLA indemnified from and against all costs, damages and expenses incurred by CLA whether directly or indirectly in consequence of any breach of this Agreement or of any part or provision hereof or of any act, neglect or default on the part of the Agent or of any such breach, act, neglect or default by any servant, employee or representative of the Agent.

30

4. The Agent hereby agrees that he shall not, except with the authority of CLA, at any time during the currency of this agreement;

(a) submit proposals for life assurance to or act directly or indirectly for any other Life Office, or mutual fund, unit trust or similar organisation, or any person, firm or company in competition with CLA or with any Affiliated Company, or any trust, partnership or other entity whatsoever in which such person, firm or company has a financial interest;

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- (b) accept risks or business of any kind, nor alter or discharge any policy, nor revive or waive any forfeiture thereof;
- (c) grant any permit in respect of, nor make any endorsement nor affix any document to any policy;
- (d) collect any premium except that he may when receiving a proposal collect the deposit in respect of the first premium under the policy applied for; 10
- (e) publish, issue, write, circulate, use or cause to be published, issued, written, circulated or used any proposal, application form, policy, letter, whether on the letterhead of CLA or otherwise, pamphlet, brochure, booklet, business card or other printed matter whatsoever, including but without limiting the generality thereof any advertising material of any kind whatsoever;
- (f) pay or advance monies for the payment of any premium or any part thereof on behalf of a proponent or policyholder; 20
- (g) make or offer to make a payment or allowance or rebate of commission or give or offer any gift or inducement in relation to any proposal nor discriminate between proponents or policyholders;
- (h) incur any debt or other obligation in the name of, or for the account of, nor pledge or extend the credit of CLA, nor expose it to any liability or debt whatsoever; 30
- (i) make or purport to make any contract on behalf of or in the name of CLA or alter or discharge any proposal, policy, contract or other document to which CLA is a party or purport to do so;
- (j) in action, writing or speech disparage or cast any adverse reflection upon the integrity or activities of any other Life Office nor engage in the practice known as "twisting" within the Life Assurance industry;
- (k) divulge to any person, firm or company any information whatsoever concerning the business of CLA or any of its dealings, transactions or affairs; 40
- (l) take or recommend any action which is not in the opinion of CLA in the best interests of persons who

Exhibit "S4" Agreement between
Sentry and Robert Maxwell Crow-
ley and Judith Gail Crowley

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apply for life assurance from the Agent or from his servants, employees or representatives;

(m) utter any untrue statements or misrepresentations or omit any material fact when having discussions with any proponent or prospective proponent;

(n) endorse his name on any proposal obtained by another agent of CLA. 10

5. (1) Subject to the terms and conditions hereof, the Agent may during the continuance of this Agreement engage in any other business or employment and may carry out the activities, duties and obligations hereby agreed to be performed by him either personally or through his servants, employees or representatives at such time and in such manner as it appears to him best fitted for the proper performance thereof without direction or control by CLA.

(2) Nothing contained in this Agreement shall be deemed to constitute the Agent as an officer or an employee of CLA and the Agent hereby expressly agrees that he will not claim to be nor act as if he is such an officer or employee or as being in any way entitled to act for or in the name of or otherwise to bind CLA AND the Agent hereby expressly acknowledges that the relationship hereby created and subsisting between him and CLA is solely that of principal and agent. 20

6. CLA shall as remuneration for the Agent's services pay to him commission in accordance with and subject to the terms and conditions contained in the Schedule hereto on proposals solicited by the Agent and accepted by CLA and lodged by and bearing the name of the Agent AND the payment of such commission shall be in full satisfaction of all activities, duties and obligations which the Agent performs or carries out hereunder PROVIDED THAT CLA may at any time and from time to time during the continuance hereof alter, vary, modify or add to such Schedule or any part thereof in such manner as it may in its absolute and unfettered discretion think fit and upon service upon the Agent in the manner hereinafter mentioned of a copy of such alteration, variation, modification or addition to the Schedule the same shall thereupon be and remain binding upon the parties hereto and be read and construed with and be deemed to form part of this Agreement. 30 40

7. The records and books of account of CLA at its Head Office shall be accepted as final and conclusive evidence of all matters relating to the state of account between the parties to this Agreement.

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8. (1) All monies due under this Agreement shall be payable at the Head Office of CLA in the state of New South Wales and any legal proceedings arising out of this Agreement shall be brought in a court holden in that state.
- (2) No suit at law or in equity brought by the Agent against CLA arising out of this Agreement shall be commenced until fourteen (14) days have expired after service by the Agent upon CLA's Managing Director or upon an officer of CLA duly authorised on his behalf for such purpose of a written statement precisely describing the nature of the suit and indicating the amount of the claim against CLA. 10
- 9 (1) CLA may make advances to the Agent on account of commission or for any other reason whatsoever and thereupon such advances shall be and be deemed to be a debt due and payable to CLA which shall have a first lien on all sums payable under this or any ancillary or other Agreement between the parties hereto to secure any indebtedness of the Agent to CLA AND such sums may be applied by CLA directly towards the liquidation of such indebtedness AND the Agent hereby assigns and transfers to CLA all such sums for such purpose. 20
- (2) CLA may set off any and all amounts from time to time due by the Agent to CLA against any and all sums then and thereafter payable by CLA to the Agent hereunder or otherwise or against any and all claims, actions, suits or proceedings whatsoever brought by the Agent against CLA arising out of this Agreement or otherwise. 30
- (3) CLA may apply any debit or credit balance in any other account between the Agent and CLA, in particular, any sum due to the Agent or his assigns under any life assurance policy, to the debit or credit of the Agent's Commission Account as the case may be AND the Agent hereby irrevocably appoints CLA as his attorney for the purpose of receiving monies and giving receipts for such monies under such policies and for signing or executing any contracts, transfers, deeds or other writings and doing all such other acts as may be necessary for taking the benefit of the proceeds of such policies as aforesaid. 40
10. In the event of any dispute between the Agent and another agent of CLA with regard to commission in respect of the same proposal or policy the decision of CLA's Managing Director or an officer of CLA duly authorised on his behalf for such purpose shall be final and binding on the parties to such dispute.

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11. (1) This Agreement shall terminate:

(a) at the expiration of not less than seven (7) days written notice which may be given by either party to the other at any time;

(b) immediately upon CLA giving the Agent verbal or written notice that the Agent has committed any fraudulent act or has failed to observe or perform any of the terms or conditions hereof or if the Agent has conducted himself in a way which in the opinion of CLA brings the name of CLA or of any Affiliated Company into disrepute; 10

(c) immediately if the Agent becomes bankrupt or enters into any arrangement or composition with his creditors, or if any attempt is made to levy execution or take garnishee proceedings against CLA in respect of or arising out of any of the Agent's debts or obligations; 20

(d) immediately if the Agent dies, or in the opinion of CLA becomes incapable of properly performing for CLA his activities and duties hereunder;

(e) upon attainment by the Agent of the age of sixty five (65) years or of such other age as may be agreed by the parties hereto;

whichever first applies.

(2) The fact that CLA shall defer giving notice of termination upon the happening of any of the events mentioned in sub-paragraph (b) of sub-clause one (1) hereof shall not prejudice the right of CLA to give such notice at any later date upon the happening of the same event or events or another or others of such events NOR shall it constitute a waiver of the rights of CLA under this Agreement in respect of any subsequent occurrence of such events. 30

(3) Subject to the terms and conditions of this Agreement, termination hereof shall not abrogate or modify any accrued rights or liabilities of CLA or the Agent at the date of termination, including but without limiting the generality hereof, the right of CLA to recover from the Agent the amount if any by which sums advanced, paid or credited to the Agent by CLA exceed sums due from, debited to or accountable for by the Agent. 40

(4) Subject to clause twelve (12) hereof, upon termination

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of this Agreement any adjusted debit balance of the Agent's Commission Account shall forthwith and without formal demand become a debt immediately due and payable by the Agent to CLA and shall be recoverable at law. A Certificate signed by a director of CLA or by a person duly authorized by CLA for such purpose certifying the amount of any debit or credit balance in any account between the Agent and CLA shall be conclusive evidence thereof in any legal proceedings brought in relation to this Agreement. 10

(5) Upon the termination of this Agreement for any reason whatsoever, the Agent or his legal personal representative shall forthwith deliver up to CLA or to such officer of CLA as may be nominated by CLA for such purpose all Company Property then or thereafter in the possession or which ought to be in the possession of the Agent.

12. Subject to clause nine (9) hereof, after termination of this Agreement the Agent shall continue to be entitled to receive commission credits as and when premiums or instalments thereof are paid to CLA under policies issued by it in respect of proposals bearing the Agent's name PROVIDED THAT such commissions shall not be payable by CLA to the Agent until eighteen (18) calendar months after termination of this Agreement AND PROVIDED FURTHER THAT if this Agreement is terminated pursuant to sub-paragraph (b) of sub-clause (1) of clause eleven (11) hereof, CLA shall cease to be liable to the Agent for any further commissions as from the date of such termination whereupon the Agent shall forfeit the right to payment of such further commissions. 20 30

13. (1) The Agent agrees that, for the period following the termination hereof during which he continues to receive commissions or other benefits from CLA, he shall not whether as agent, servant, employee, independent contractor, director or in any other capacity carry on or engage in or be concerned with or interested in carrying on or engaging in whether directly or indirectly within the area in which he performs his activities and duties hereunder the business or activity of soliciting proposals for life assurance for any person, firm or company in competition with CLA or with any Affiliated Company or for any trust, partnership or other entity whatsoever in which such person, firm or company has a financial interest in a manner which constitutes unfair competition. In particular, the Agent hereby agrees to:- 40

(a) refrain from directly or indirectly soliciting clients of CLA or of any Affiliated Company and from

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interfering with an existing business relationship
between CLA and another Agent; and

(b) refrain from uttering any statement or committing
any act which is detrimental to the business or repu-
tation of CLA or of any Affiliated Company.

(2) In the event that the Agent breaches any part of sub- 10
clause one (1) hereof, CLA may without prejudice to any of
its other rights hereunder, immediately cease payment of
any and all commissions and other benefits due and payable
to the Agent hereunder or otherwise.

(3) If for any reason this clause is or becomes invalid 20
or unenforceable it shall be read down and given effect
to the extent to which it is capable of being validly and
enforceably given effect to PROVIDED NEVERTHELESS THAT
this clause shall be considered severable from the other
provisions of this Agreement and such other provisions 20
shall not be rendered invalid or unenforceable by reason
of the invalidity or unenforcibility in whole or part of
this clause.

14. This Agreement is not assignable and the Agent agrees
not to assign, or attempt, or purport to assign any duty or
obligation of the Agent towards CLA or the right to receive
any commission or other benefit from CLA hereunder.

15. All expenses of the Agent incidental to the perform- 30
ance of his duties and obligations hereunder shall be for the
account of the Agent and shall be borne and paid by the Agent
accordingly.

16. CLA hereby reserves the right to at any time and from 40
time to time during the continuance hereof alter, vary, modify
or add to this Agreement or any part hereof in such manner as
CLA may in its absolute and unfettered discretion think fit
and upon service upon the Agent in manner hereafter mentioned
of a copy of such alteration, variation, modification or addi-
tion, the same shall thenceforth be made binding upon the par-
ties hereto and be read and construed with and be deemed to
form part of this Agreement.

17. (1) Notices required or permitted to be given under this
Agreement may be served upon CLA at its registered office
for the time being in the state of New South Wales and
upon the Agent at his last known place of abode.

(2) To prove service of a notice hereunder, it shall be

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sufficient to prove that the envelope containing such notice was properly addressed and posted.

(3) A notice so served shall take effect forty-eight (48) hours from the time of such posting.

18. Where required by statute, the Agent will effect Workers' Compensation insurance in accordance with the relevant legislative requirements and will maintain such insurance in force during the continuance of this Agreement. 10

19. This Agreement shall be deemed to be a contract made in the state of New South Wales and shall be construed in all respects in accordance with the laws of that state.

20. It is hereby expressly agreed by the parties that the terms and conditions hereof shall be deemed to have governed and to have been applicable to the relationship of principal and agent subsisting between CLA and the Agent since the creation of such relationship. 20

21. Words importing any gender include the other genders. Words importing persons include firms, partnerships, companies, trusts and other legal entities. The singular number includes the plural number and vice versa.

22. This Agreement shall be and be deemed to be in substitution for, and to the exclusion of any and all agreements, written or oral, heretofore subsisting between the parties in connection with any of the matters dealt with or referred to herein.

23. In this Agreement 30

(1) "Affiliated Company" includes any company within the Manor Holdings Limited group of companies and any person, firm or company for whom any company in the Manor Holdings Limited group of companies acts or may hereinafter act as distributor, broker, dealer, sponsor, agent, underwriter, adviser or consultant and any person, firm or company who acts as distributor, broker, dealer, sponsor, agent, underwriter, adviser or consultant for any company within the Manor Holdings Limited group of companies.

(2) "Company Property" includes all monies, cheques or other orders for the payment of monies, applications, proposals, policies, receipts, rate books, sales manuals, letters, pamphlets, brochures, booklets, business cards and client files and all other literature, documents, 40

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papers and properties whatsoever belonging to CLA which are for the time being in the possession or which ought to be in the possession of the Agent or for which the Agent is accountable under this Agreement or otherwise.

(3) "Life Assurance policy" means a life policy as defined in the Life Insurance Act, 1945, as amended.

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(4) "Life Office" means any company carrying on life insurance business in Australia and registered under the Life Insurance Act, 1945, as amended.

24. (1) All proposals for insurance other than life assurance solicited by the Agent shall first be offered by him to Manor Insurances (Australasia) Limited and to Australian Casualty Company Limited for so long as such companies are Affiliated Companies of CLA.

(2) In the event that such proposals are accepted by Manor Insurances (Australasia) Limited or by Australian Casualty Company Limited, CLA shall notify the Agent of such acceptance whereupon the Agent shall be entitled to receive commission from CLA in consideration therefor at rates to be agreed upon between the parties.

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(3) In the event that such proposals are not accepted by Manor Insurances (Australasia) Limited or by Australian Casualty Company Limited, CLA shall notify the Agent accordingly whereupon the Agent shall be at liberty to offer such proposals to other insurance companies.

25. (1) Clauses twenty five (25) and twenty six (26) hereof ("the supplemental clauses") shall apply only if the Agent is incorporated as a company and are supplemental to clause 1 to 24 inclusive hereof ("the general clauses").

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(2) The supplemental clauses shall not be deemed to be in substitution for the general clauses and the general clauses shall be deemed to be varied by the supplemental clauses only in so far as any of the provisions of the supplemental clauses are inconsistent with those of the general clauses.

26. (1) The Agent hereby acknowledges that as at the date hereof the particulars shown in Schedule "B" hereto relating to the Agent are true and correct and that Schedule "C" is a true and correct copy of the Memorandum and Articles of Association of the Agent.

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(2) In the event that:-

(a) there is any alteration, variation, modification
or addition to:

- (i) the directors; or
- (ii) the absolute or beneficial ownership of
shares, or
- (iii) the Memorandum or Articles of Association

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(b) an order is made or an effective resolution pas-
sed for the winding up of the Agent;

(c) a Receiver or Receiver and Manager of the Agent's
undertaking or any part thereof is appointed;

(d) an Official Manager of the Agent is appointed;

(e) the Agent passes a special resolution in terms of
Section 56 of the Companies Act or Ordinance applying
in the area in which the Agent operates;

the Agent shall notify CLA of any such event within
fourteen days of the happening thereof.

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(3) Notwithstanding the provisions of Clause eleven (11)
hereof CLA shall have the right to terminate this
Agreement immediately if the Agent does not so notify
CLA of the happening of any of the events mentioned in
sub clause two (2) hereof or, at its election, at the
expiration of the said fourteen (14) day period.

27. This Agreement is effective from 1st day of July, 1975.

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SCHEDULE

AGENT'S COMMISSION RATES

For the purpose of calculating commission the sum assured on all policies, including riders to basic contracts, is converted to an Equivalent Sum Assured (hereinafter referred to as "E.S.A."). Commission is then calculated at the rate of \$15 per \$1,000 E.S.A. 10

The E.S.A. is a proportion of the actual sum assured and the percentage applicable to each table is as follows:-

- | | | |
|---|---|----|
| 1. Whole Life and Endowment Assurances
ages 11 next birthday or more
(Tables 10, 15, 40 & 45) | 100% | |
| 2. Pure Endowment (Tables 60 & 65) | 50% | |
| 3. (a) Children's Policies ages 1 to 10
next birthday (Tables 10 & 40) | 50% | |
| (b) Child's Special Option Endowment
Assurances (Table 30) | 100% | 20 |
| 4. (a) Superannuation Whole Life and
Endowment Assurances (Tables 12,
17, 42 & 47) | 50% | |
| (b) Superannuation Pure Endowment
(Tables 62 & 67) | 25% | |
| 5. Convertible Level Temporary Assurance
(Tables 75/87)
Convertible Decreasing Temporary Assur-
ance (Tables 76/87)
Convertible Mortgage Protection Assur-
ance (Tables 78/87) | | 30 |
| (a) where the policy term is 10
years or more | 11% | |
| (b) where the policy term is less
than 10 years | 1.1% multiplied
by the policy
term in years | |
| 6. Level Temporary Assurance (Table 75)
Decreasing Temporary Assurance
(Table 76)
Mortgage Protection Assurance
(Table 78)
Family Income Benefits (Table 88) | | 40 |

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- | | |
|---|---|
| (a) where the policy term is 10 years or more | 10% |
| (b) where the policy term is less than 10 years | 1% multiplied by the policy term in years |

For Table 88 (Family Income Benefits) the initial temporary sum assured is taken as the initial commuted value of the Income Benefits. 10

- | | | |
|---|-----------------------------|----|
| 7. Accidental Death Benefit (Table 85) | 3% of the Basic Sum Assured | |
| 8. Total and Permanent Disablement Benefit (Table 86) | 4% of the Basic Sum Assured | |
| 9. Insurability Option Benefit (Table 84) | 2% of the Basic Sum Assured | |
| 10. Waiver of Premium Benefit (Table 89) | 1% of the Basic Sum Assured | 20 |

Commission rates for assurances not listed above will be indicated to the Agent by CLA.

The Tables referred to above are those set out in CLA Rate Book and the classes of policies listed above shall have the meaning ascribed to them in their normal usage in the life Assurance Industry.

COMMISSION RULES

1. In respect of life assurance proposals solicited by the Agent and accepted by CLA, commission shall be deemed earned by and payable to the Agent only when, as and if premiums are paid by policyholders pursuant to policies issued by CLA upon the introduction of the Agent as aforesaid. 10
2. Where the premium under a policy introduced by the Agent is payable by half-yearly, quarterly or monthly instalments the commission in respect thereof for any one (1) year shall be earned by and payable to the Agent in instalments in the same proportion as the instalments of premium aforesaid paid bear to the annual premium PROVIDED THAT CLA may in its absolute and unfettered discretion advance to the Agent upon payment of the first such instalment of premium the full amount of commission for any one (1) year to which he would be entitled if the annual premium is paid to CLA notwithstanding that only part of such annual premium has been paid to CLA WHEREUPON such advance of commission to the Agent shall become and be deemed to be a debt due and payable by the Agent to CLA. 20
3. The Agent's Commission Account shall be made up on the last day of each calendar month and payments of commission in respect of premiums or instalments thereof paid to CLA during such calendar month under policies introduced by the Agent shall be made to the Agent no later than the fifteenth (15th) day of the succeeding calendar month. 30
4. Commission shall not be payable to the Agent in respect of any extra premium charged by CLA for medical, health, war, residential, occupational, recreational or other extraneous risks whatsoever.
5. If CLA shall for any reason reassure any portion of the risk under a policy introduced by the Agent, CLA reserves the right to limit the rate of commission on that portion of the risk so reassured to the rate of commission payable by the re-assurer.
6. If CLA shall for any reason cancel a policy or portion thereof or return any premium or instalment thereof paid to it or return any premium or instalment thereof received in advance of the due date AND in respect of which commission has been paid to the Agent, the Agent shall repay to CLA the amount of such commission. 40
7. If a policy introduced by the Agent is cancelled for any reason but subsequently reinstated by CLA whether through another Agent of CLA or otherwise, CLA shall have the right

to disallow to the Agent any further commission in respect of such policy from the date of such cancellation PROVIDED THAT if after such cancellation the Agent reinstates such policy himself he shall be entitled to receive commissions in respect thereof as from the date of such reinstatement.

8. If a premium or an instalment thereof in respect of a policy introduced by the Agent is paid to CLA by an allowance granted in consideration of the discontinuance or conversion of an existing policy of CLA, commission shall be earned by and payable to the Agent only to such extent as determined by CLA. 10

9. If any policyholder introduced to CLA by the Agent proves to the satisfaction of CLA that the Agent has given him an incorrect or misleading description of the conditions, benefits or premiums applicable to such policy, no commission shall be earned by nor payable to the Agent in relation to such policy and any commission which has already been paid to the Agent in respect thereof shall be refunded by the Agent to CLA. 20

10. Unless otherwise determined by CLA, commission shall not be earned by nor payable to the Agent in respect of policies effected on his own life or upon the lives of relatives, servants, employees, representatives, agents or sub-agents of the Agent or servants, employees or representatives of CLA or of any company within the group of companies controlled by Manor Holdings Limited. 30

11. (1) When a policy introduced by the Agent lapses with six (6) or fewer months premiums having been paid thereunder to CLA, the Agent shall forfeit any further right to commission in respect of such lapsed policy AND any commission which has been received by the Agent in relation thereto shall be debited against him with a charge back of commission equal to the amount of commission that the Agent did receive.

(2) In the event that a policy introduced by the Agent lapses with more than six (6) months but less than two (2) years premiums having been paid to CLA thereunder, the Agent shall forfeit the balance of commission if any, otherwise payable to him AND if the amount of commission received by the Agent in respect of such lapsed policy exceeds the amount of pro rata annual premium (excluding policy fee) received by CLA thereunder, the Agent shall be debited with a charge back of commission equal to such excess. 40

These Commission Rules shall form and be deemed to form part of the Schedule to the Agent's Agreement made between the parties hereto.

Signed for and on behalf of
COMMERCIAL LIFE ASSURANCE
LIMITED by

(Sgd.) F. Sullivan
.....
Witness

(Sgd.) A. Marny
.....

Signed by the said

(Sgd.) R.W. Hillhouse
.....
Witness

(Sgd.) J. G. Crowley
.....

(Sgd.) R.W. Hillhouse

(Sgd.) R.W. Crowley

(Commercial Life Assurance
Limited) (Stamp Duty)

Exhibit "S6" Correspondence
between Sentry and Employee
Benefits Plans Pty. Limited

cc Messrs. J.T. Corbett,
J.L. Kyle
G.E. Miller

August 17, 1973

Mr R.D.O. Catling
Managing Director
Employee Benefit Plans Pty. Ltd.
17th Floor
115 Pitt Street
SYDNEY NSW 2000

10

Dear Mr. Catling,

Thank you for your letter of August 7th, 1973 concerning
commission rates available to E.B.P.

Following our discussions I am pleased to confirm that
CLA will provide as from August 1st 1973 on new business
completions the Commission Rates set out below.

1. ORDINARY BUSINESS

20

(a) Whole of Life & Endowment Assurance
\$25.00 per \$1,000 Sum Assured.

(b) Pure Endowment
\$12.50 per \$1,000 Sum Assured.

(c) Child's Special Option Endowment Assurance (Table 30)
As in 1(a) for Ordinary Business.

(d) Child's Whole of Life Assurance (Table 10) and
Child's Endowment Assurance (Table 40) -
As in 1(b) above for Ordinary Business.

(e) Term Assurance Including Riders on Basic Contracts -
If premium paying term is ten years or more 50% of
the first annual premium, if premium paying term less
than 10 years, 5% of the first annual premium multip-
lied by the premium paying term in years.

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(f) Group Life and Credit Life -
As individually negotiated with CLA.

....2/

2. Superannuation Business written at Ordinary Department
Premium Rates Without Special Surrender Values -

As in (a) for Ordinary Business.

3. Superannuation Business written at Special Superannuation
Rates or with Special Surrender Value Scales -

Commission is 50% of the commission that would apply and
the business been written as Ordinary Business except for
Temporary Assurance where the commission will be identical
with that for Ordinary Business.

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4. In addition to the credits set out above in classifications
1, 2 and 3, CLA will allow office expenses of a further \$4
per \$1,000 sum assured where full commission of \$25.00 per
\$1,000 sum assured applies, or a pro rata office expense
allowance where a lesser commission applies (e.g. commis-
sion \$12.50 per \$1,000 sum assured office expense allowance
= \$2.00 per \$1,000 sum assured).

20

Term assurance production does not attract an office ex-
pense allowance.

5. Payment of commission and Expense Credits 80% of Commission
Credits plus 100% of office expense credits is made initi-
ally with the remaining 20% commission deferred until the
policy renews into the 2nd year.

Both commission and office expense credits are subject to
a 2 year responsibility period.

In the event of a lapse with less than 6 months premiums
having been paid, the initial credits are charged back in
full.

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Thereafter if the credits paid exceeds the pro rata Tabular
Annual Premium (excluding policy fee) the excess is charged
back.

Charge backs for lapses are applied to the current monthly
account of E.B.P.

It should be noted that the Commission/terms are initial
(and generous) only with no renewal commission.

Your point on cash flow strain is appreciated and I have
arranged an immediate advance of \$7,000. I suggest that this
amount be allowed as a steady debit balance in your current ac-
count subject to review should there be a material change in
the rate of submission and completion of new business.

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In conclusion let me express my concurrence with your de-
sire for "amiable" agreements.

Kind regards

Yours faithfully,
(Sgd.) J. Swindells
Jim Swindells General Manager
Exhibit "S6" Correspondence
between Sentry and Employee
Benefits Plans Pty. Limited

CLA COMMERCIAL LIFE ASSURANCE LIMITED
Incorporated in NSW 1960

87 CLARENCE STREET SYDNEY 2000
TELEPHONE 290 2000

G.P.O. BOX 159 SYDNEY 2001
TELEGRAMS 'CLASSLIFE'

JWJ

27th August, 1974

Mr. R. Winch,
Managing Director,
Employee Benefit Plans Pty. Ltd.,
147 Castlereagh Street,
SYDNEY. 2000

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Dear Mr. Winch,

Re: Change of Temporary Assurance Rates and Commission

We are pleased to announce that in conjunction with the introduction of new Temporary Assurance Rates to take effect from September 1st, 1974, we have revised our Commission Rates for new Temporary Assurance and Miscellaneous Additional Benefits business which will replace those previously offered in our letter of August 17th, 1973 and these are summarised below: - 20

The office will calculate an Equivalent Basic Sum Assured (E.S.A.) based as follows: -

1. CONVERTIBLE TEMPORARY ASSURANCES

Tables 75/87 - Convertible Level Temporary Assurance
Tables 76/87 - Convertible Decreasing Temporary Assurance
Tables 78/87 - Convertible Mortgage Protection Assurance

- (a) Policy Terms of ten years or more
E.S.A. = 11% of the initial temporary sum assured
- (b) Policy Terms of less than ten years 30
E.S.A. = $n \times 1.1\%$ of the initial temporary sum assured
where n = the policy term in years.

The premium for a conversion option is included in the published temporary assurance rates so that normally temporary assurance policies will be sold inclusive of conversion options. The separate conversion option content is still shown in the rate book so that temporary assurance may be sold without conversion option where this is considered necessary.

2. TEMPORARY ASSURANCES

Table 75 - Level Temporary Assurance
Table 76 - Decreasing Temporary Assurance
Table 78 - Mortgage Protection Assurance
Table 88 - Family Income Benefits*

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.....2

Mr. R. Winch

- (a) Policy Terms of ten years or more
 E.S.A. = 10% of the initial temporary sum assured
- (b) Policy terms of less than ten years
 E.S.A. = n x 1% of the initial temporary sum assured
 where n = the policy term in years

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* For Table 88 (Family Income Benefit) the initial temporary sum assured is taken as the initial commuted value of the Income Benefits.

3. MISCELLANEOUS ADDITIONAL BENEFITS

Various rider benefits have an equivalent basic sum assured for commission purposes, this equivalent basic sum assured being taken as a percentage of the actual sum assured to which the rider relates.

<u>Table</u>	<u>Description</u>	<u>E.S.A.</u>	
84	Childs Guaranteed Insurability	2% of the basic sum assured	20
85	Accidental Death Benefit	3% " " "	
86	Total and Permanent Disability	4% " " "	
89	Waiver of Premium	1% " " "	

The overall effect of the changes is that premium rates are now slightly higher for the younger ages at entry and slightly lower for the older ages at entry.

In general the commission payable will now be higher than has previously been the case, but for a limited range of cases particularly temporary assurances on older lives, the commission will be slightly lower than before.

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The new pages are numbered F1,2,3,4,5,6,7,8,10,19 and 20 and will replace the current pages numbered F1,2,3,4,5,6,7,8,9,10,11,12,19 and 20. Pages F13 and F21 should be cancelled but retained as pages F14 and F22 are still current.

Pages H1 to H23 inclusive require that Table 75 (Level Temporary Assurance) be deleted. It is not intended to replace these pages at this time.

In addition we also enclose replacement pages J1, Z9 to Z15 inclusive and these should also be inserted in the Rate Book.

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Yours faithfully,
 (Sgd.) W.B. Phillip
 per J.C. Swindells
General Manager

Exhibit "S6.1" Agreement between
Employee Benefits Plans Pty. Ltd.
and the Grand United Order of Odd-
fellows Friendly Society of N.S.W.

THIS DEED made the twenty seventh day of July, One thousand
nine hundred and seventy two BETWEEN THE GRAND UNITED ORDER OF
ODDFELLOWS FRIENDLY SOCIETY OF NEW SOUTH WALES a Society regis-
tered under the provisions of the Friendly Societies' Act (N.S.W.)
and having its registered office at 149 Castlereagh Street
Sydney in the State of New South Wales (hereinafter called the 10
Society) of the one part and EMPLOYEE BENEFIT PLANS PTY. LIMITED
a Company duly registered as a foreign company under the laws
of New South Wales and having its registered office in New South
Wales at Suite 4 First Floor Grand United Building 149 Castle-
reagh Street in the State aforesaid (hereinafter called the
Company) of the other part WHEREAS the Society being a regis-
tered Friendly Society is desirous of extending its membership
throughout New South Wales AND WHEREAS by a Deed dated the
Ninth day of September One thousand nine hundred and sixty-
eight and made between the parties hereto IT WAS AGREED inter 20
alia that the Society would retain the services of the company
to further the membership of the Society subject to the terms
and conditions therein contained AND WHEREAS certain altera-
tions additions and deletions in the said Deed dated the Ninth
day of September One thousand nine hundred and sixty-eight have
become necessary and expedient due to alterations in circum-
stances since the said Ninth day of September One thousand nine
hundred and sixty-eight AND WHEREAS the parties hereto have
agreed to the following terms and conditions in lieu of those
contained in the said Deed dated the Ninth day of September 30
One thousand nine hundred and sixty-eight NOW THIS DEED
WITNESSETH and the parties hereto hereby mutually agree coven-
ant and declare as follows:-

1. The Company shall sell promote and otherwise enrol member-
ship in all funds schemes and aspects of the business of the
Society to the exclusion of all other societies medical or
hospital funds assurance and insurance companies and other

- 2 -

similar organisations and in particular but without limiting the generality of this clause the enrolling of members in the Group or industrial schemes or funds of the Society PROVIDED that where the Society does not offer a scheme or fund or cover as or similar to or to the extent of a scheme or fund or cover required by a person organisation or body the Society may authorise the Company to the extent that such scheme or fund is not offered or covered by the Society to sell promote or otherwise enrol membership in some other insurance organisation offering such a required scheme or fund or cover but only to such persons organisations or bodies and to such extent as the Society may from time to time determine.

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2. The Society shall accept or reject in accordance with the rules of the Society for the time being all applications for enrolment in the various schemes or funds of the Society introduced or presented by or through the Company and if accepted shall pay such remuneration therefor to the Company as is more fully set forth hereafter and in the schedule hereto.

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3. This Deed shall be deemed to have come into effect on and from the First day of July One thousand nine hundred and seventy-one and shall continue in force until the First day of July One thousand nine hundred and eighty-one subject to termination as is hereinafter provided and subject to the same terms and conditions as are contained in this Deed and shall continue after the said First day of July One thousand nine hundred and eighty-one until terminated by and under the provisions of this Deed or by one calendar month's notice in writing by either party to the other.

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4. Should either party hereto breach or fail to perform or make default in any of the provisions of this deed and shall continue such breach failure to perform or default for a

- 3 -

period of twenty-eight days after receipt of a notice thereof in writing from the other party then such other party shall be at liberty to terminate this deed forthwith and sue for the breach thereof but without prejudice to any other rights or actions under or arising out or in respect of this deed.

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5. The Society may in its absolute discretion at any time and on seven days' notice in writing to the Company terminate this deed if in the opinion of the Society the amount of the Capitation Fees and Initial Commission payable to the Company under the Schedule to this Deed be less than One hundred thousand dollars (\$100,000.00) in any financial year ending the 30th day of June or the average monthly amount payable in capitation fees initial commission and servicing commission by the Society to the Company for membership introduced through or by the Company in accordance with the schedule hereto is more than Five hundred dollars (\$500.00) less than the amount payable by the Society to the Company under the provisions of paragraph (b) of the next succeeding clause hereof in respect of any one calendar month PROVIDED that in ascertaining the said average monthly amount payable in capitation fees initial commission and servicing commission the Society shall average the said capitation fees initial commission and servicing commission for the four (4) consecutive calendar months immediately preceding the month in respect of which such calculation is made.

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6. The Society shall pay to the Company in full discharge and satisfaction of all claims in respect thereof the following amounts in respect of all persons enrolled in and all services rendered concerning the schemes or funds of the Society by the Company:

- (a) As a retainer the sum of One thousand six hundred dollars

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(\$1,600.00) per calendar month or such other amount as the parties hereto may mutually and from time to time determine.

- (b) A monthly advance against commission and capitation fees in respect of the next succeeding month in the sum of One thousand five hundred dollars (\$1,500.00) or such other amount as the parties hereto may mutually and from time to time determine. 10
- (c) Such further sum calculated as on the last day of each and every quarter from the date of this deed being that amount by which the capitation fees initial commission and servicing commission for that quarter calculated in accordance with the schedule hereto exceeds the sum of Four thousand five hundred dollars (\$4,500.00).
- (d) PROVIDED that should the amount payable in respect of capitation fees initial commission and servicing commission calculated in accordance with paragraph (c) hereof be less than the sum of Four thousand five hundred dollars (\$4,500.00) the difference shall be repayable by the Company to the Society on demand and if the Company fails to make good the difference in the next following quarterly period after such demand the Society may deduct such difference from the next or any succeeding monthly advance against commission and capitation fees after the said next following quarter. 20

7. The payments referred to in paragraphs (a) and (b) of the immediately preceding clause hereof shall be made on the first day of each and every month during the currency of this Deed or any extension thereof all such payments due to the date hereof (the receipt whereof is hereby acknowledged by the Company) having been made at the date of this Deed. 30

8. The payments (if any) referred to in paragraph (c) of

- 5 -

Clause 6 of this Deed or any part thereof shall be made on demand by the Company within twenty-one (21) days of the last day of each quarter after the date of this Deed all of such payments having been made to the date of this Deed.

9. The Society shall supply to the Company at the cost of the Society but in such quantities and at such times as the Society may in its absolute discretion determine enrolment forms and such other pamphlets of the Society as the Society may deem necessary. 10

10. The Society shall not be liable in Law or in equity for any misrepresentation error or omission in or on any advertising or presentation material or stationery apart from that printed by the Society or on the enrolment forms and pamphlets referred to in the last preceding clause hereof and the Company shall indemnify and hereby indemnifies and hold harmless the Society against all claims and demands in respect thereof. 20

11. All existing and future agreements and arrangements in relation to the direct payment of commission and capitation fees between the Society and the agents of the Society in the Government Transport Industry shall be and are hereby expressly excluded from the provisions of this Deed.

12. All payments and contributions made under or by virtue of any group or industrial scheme or fund of the Society shall be made directly to and by the Society or as the Society may from time to time direct. 30

13. The Company shall have the right on reasonable notice and at reasonable times during normal business hours at the Head Office of the Society to inspect the books and records of the Society in respect of new membership in all funds and the Society shall make such records available.

14. The Company shall in addition to the duties and obligations set out in Clause 1 hereof maintain and service all

- 6 -

enrolments and memberships in the group and industrial schemes and funds of the Society and shall on termination of this agreement for any cause whatsoever supply to the Society a complete membership listing of those groups for which the Company has been acting as Agent for the Society separated into named groups and detailing under the name of each member his or her contributions to the various funds of the Society.

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15. The Company shall use its best endeavours at all times to further the interests of and increase membership in all fields of the Society's activities and promote maintain and enhance the reputation and standing of the Society.

16. Except as otherwise herein expressly provided all notices and demands made by the parties hereto under or incidental to these presents shall be given or made by letter under the signature of a responsible officer of the party giving such notice or making such demand addressed to the other party at its last known registered office in the state of New South Wales and shall be deemed to have been received at the time such letter would have been received in the normal course of post.

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17. These presents and all and every the terms and conditions hereof shall at all times be subject to the rules of the Society and the rulings and requirements of the Department of Health of the Commonwealth of Australia and the Registrar of Friendly Societies of New South Wales and shall be varied amended or rescinded as may be required to conform with all such rules regulations Acts and Statutes in the Commonwealth of Australia or any State thereof at the date of these presents and in the future PROVIDED that either party hereto shall be at liberty by twenty-eight days notice in writing to the other to terminate this Deed should any such variation or amendment occur and in such case neither party shall have any claim or right

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against the other arising from or under this Deed after the date of such termination except such as arise from any breaches acts defaults or omissions prior to such termination.

18. The Society may without notice terminate this Deed in the event of the Company being in default under the provisions of the debenture between the parties hereto and bearing the Ninth day of September One thousand nine hundred and sixty eight over all the undertakings and property including uncal- 10
led capital of the Company and/or in the event of the Company breaching any of the covenants or conditions on its behalf contained in memorandum of lease between the parties hereto and bearing date the Ninth day of September One thousand nine hundred and sixty eight in respect of premises known as Suite 4 First Floor of the Grand United Building 149 Castlereagh Street Sydney and/or any subsequent substituted or other lease 20
of premises in the Grand United Building.

19. The Company shall comply with the reasonable requests of the Society in the servicing of any group or organisation and should the Company not so comply the Society shall not be liable to pay any servicing commission in request thereof unless and until such request is complied with.

IN WITNESS whereof the parties hereto have hereunto set their hands on the day and year hereinbefore written.

THE SCHEDULE HEREINBEFORE REFERRED TO

The maximum Capitation Fees Initial Commission and Servicing or Renewal Commission subject to variation as hereinafter set out shall be:- 30

<u>FUND</u>	<u>CAPITATION FEES & INITIAL COMMISSION</u>	<u>SERVICING OR RENEWAL COMMISSION</u>
Industrial Sickness	\$1.00 per new member	6%

Exhibit "S6.1" Agreement between
Employee Benefits Plans Pty. Ltd.
and the Grand United Order of Odd-
fellows Friendly Society of N.S.W.

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<u>FUND</u>	<u>CAPITATION FEES & INITIAL COMMISSION</u>	<u>SERVICING OR RENEWAL COMMISSION</u>	
Hospital	\$0.50 per new member where individual canvassing involved	1½%	10
	\$0.25 otherwise		
Medical	\$0.50 per new member where individual canvassing involved		
	\$0.25 otherwise	1½%	
Mortality	Nil	5%	
Scale 'G'	\$0.50 per unit of benefit contribution	4%	
Life Assurance	\$1.75 per \$100.00 Sum Assured on Tables EA, MA, M & MF	1% on Tables EA & MA	20
	\$1.25 per \$100.00 Sum Assured on Tables RT & RI and		
	\$1.00 per \$100.00 Sum Assured on Tables R & RM. On Table P the payment shall be the equivalent of the first two years Management deduction.		30
	All the above to be to a maxi- mum of \$10,000 Sum Assured. Thereafter such amounts as may be received by the Society in respect thereof from their re-assurance agents.		40
Pharmaceutical	\$0.10 per married new member \$0.05 per single new member	4% 4%	
Family Funeral Benefit	\$0.25 per unit of benefit contribution	3%	

Exhibit "S6.1" Agreement between
Employee Benefits Plans Pty. Ltd.
and the Grand United Order of Odd-
447. fellows Friendly Society of N.S.W.

Exhibit "S6.1" Agreement between
Employee Benefits Plans Pty. Ltd.
and the Grand United Order of Odd-
fellows Friendly Society of N.S.W.

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<u>FUND</u>	<u>CAPITATION FEES & INITIAL COMMISSION</u>	<u>SERVICING OR RENEWAL COMMISSION</u>	
Adult Dental	\$0.50 Schedule 3 \$1.00 Schedule 4	Nil Nil	10
Supplementary Sick- ness Benefit	\$0.25 per new member	2%	
Student Temporary Assurance	\$0.25 per \$100.00 Sum Assured and on con- version to full policy this sum to be deductible from the payments shown above	Nil	20

The above rates are subject to:-

1. Abatement to the extent of any capitation fee or initial or servicing commission paid by the Society to or deducted by any collecting authority, firm, group or sub-agent other than the Company with the exception of commission on the Medical or Hospital Funds or Life Assurance.
2. A review by the parties hereto no sooner than the first day of July One thousand nine hundred and seventy-two of the servicing commission rate paid in respect of industrial sickness contributions PROVIDED that the rate payable after such review shall not be less than 5%. 30
3. The payment of such capitation fees and in such circumstances as the Society may in its absolute discretion decide on the upgrading of contributors as a result of new Tables or as a result of the introduction of new benefits.
4. Review by the parties hereto of the servicing commission if there is any increase in contribution rates as the result of the introduction of new Tables.

Exhibit "S6.1" Agreement between
Employee Benefits Plans Pty. Ltd.
and the Grand United Order of Odd-
448. fellows Friendly Society of N.S.W.

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5. Such other changes as may be mutually agreed between the parties hereto by Deed.

IT IS ALSO AGREED AND DECLARED THAT

- (i) The capitation fees and/or initial commission paid by the Society on any new membership except Life Assurance introduced by or through the Company and not retained by the Society for a period of twelve months thereafter is repayable by the Company to the Society on demand and may be deducted by the Society from any payment due by the Society to the Company under the terms of the hereinbefore set out Deed. In the case of Life Assurance the period of the Company's responsibility shall be:-
- | | | |
|-------------------------------|-----------------------------------|----|
| Full responsibility | - Under 6 months | |
| Three-quarters responsibility | - 6 months to less than 9 months | 20 |
| Half responsibility | - 9 months to less than 12 months | |
- (ii) All servicing commission payable by the Society to the Company shall be reduced by one-third for the purposes of the calculations referred to in Clause 6 paragraphs (b) (c) and (d) of the Deed hereinbefore set out.
- (iii) The following variation to the scales of capitation fees and commissions are applicable at the date of the Deed hereinbefore set out and shall continue to apply but may be added to or deleted as the parties hereto may mutually agree:-
- (a) Department of Railways, Department of Government Transport and A.F.U.L.E. Initial commission on Industrial Sickness shall be \$1.50 per member introduced by or through the Company less the capitation fee paid by the Society to any sub-agent appointed by the Company

- 11 -

and responsible for the enrolment. No commission other than for industrial sickness shall be payable for any enrolment made by any sub-agent appointed by the Society. No servicing commission except 1% on contributions for Industrial Sickness Benefit received from the Department of Railways.

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- (b) A.N.Z. Banking Group Retired Officers. No servicing, initial commission or capitation fees shall be payable to the Company.
- (c) Capitation fees for Industrial Sickness Benefit in all instances where the group is fully subsidised and automatic enrolment takes place shall be reduced to 25 cents for other than the original enrolments.
- (d) Capitation fees for members enrolled for Workers Compensation sick pay shall be one quarter of that payable for Industrial Sickness benefit enrolments in accordance with Schedule hereto.

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SIGNED SEALED AND DELIVERED by)
WILFRED NORMAN MONTGOMERY,)
WILLIAM EDWARD BARRATT and) (Sgd.) W.N. Montgomery
ROBERT HAMILTON ERSKINE in the) (Sgd.) W.E. Barratt
presence of:) (Sgd.) R.H. Erskine

(Sgd.) J.P.

THE COMMON SEAL of EMPLOYEE)
BENEFIT PLANS PTY. LIMITED) (Common Seal of
was hereunto affixed by) Employee Benefit
authority of the Board in) Plans Pty. Limited)
the presence of:)

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Exhibit "S7" Agreement between
Sentry and Noel Gordon Bice

COMMERCIAL LIFE ASSURANCE LIMITED
Incorporated in NSW 1960

AGENT'S AGREEMENT

THIS AGREEMENT made the twelfth day of March One thousand nine hundred and seventy five (1975) BETWEEN COMMERCIAL LIFE ASSURANCE LIMITED a company duly incorporated under the laws of New South Wales and having its registered office in that state at 115 Pitt Street, Sydney (hereinafter referred to as "CLA") of the one part AND NOEL GORDON BICE

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(hereinafter referred to as "the Agent") of the other part,

WITNESSETH AS FOLLOWS:

1. CLA hereby appoints the Agent and the Agent hereby agrees to act as an agent of CLA for the purpose of soliciting proposals for new life assurance policies upon and subject to the terms and conditions set forth in this Agreement including the Schedule attached hereto and forming part hereof. CLA reserves the right to reject any life assurance proposal submitted by the Agent and such proposals solicited by the Agent shall not be binding upon CLA in any way whatsoever unless and until they have been accepted by CLA.

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2. CLA shall have the right to define or restrict the area in which an Agent may solicit proposals for life assurance policies.

3. The Agent hereby agrees to at all times during the currency of this Agreement:-

(a) do all things to the best of his ability skill and judgment to maintain and increase the business and further the interests of CLA;

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(b) use CLA's appropriate printed forms and no other forms for the taking of any proposal for a policy and for the issue of any receipt;

(c) observe and comply with meticulously, in so far as they may be applicable to the area in which the Agent operates, all laws, ordinances, regulations, rules and orders of any Parliament of Australia, whether State or Federal, or any proclamation thereunder, and in particular but without limiting the generality hereof, all such laws, ordinances, regulations, rules, orders or proclamations relating to life assurance or any aspect thereof whatsoever;

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Exhibit "S7" Agreement between
Sentry and Noel Gordon Bice

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(d) forward immediately to CLA all proposals or other forms of any nature obtained by him as a result of the activities performed by him pursuant hereto;

(e) receive, hold separate and promptly transmit all monies, cheques or other orders for the payment of money received by him to be made payable to CLA or to the order of such other person, firm or company as may from time to time be designated by CLA;

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(f) render full and true accounts of all monies received by him at such times and in such form as CLA may from time to time require;

(g) instruct his servants, employees and representatives of the obligations and duties cast upon him by this Agreement AND ensure that they observe and comply with meticulously all such obligations and duties as if they are and each of them parties to this Agreement;

(h) seek, obtain and maintain in force all licences, authorities and permissions which the Agent shall or for the time being be required to hold or have under the laws of the area in which he operates AND inform CLA whenever such licence authority or permission is obtained, lapses, expires or is revoked or is refused to be granted or renewed by the competent governmental instrumentality;

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(i) indemnify and keep CLA indemnified from and against all costs, damages and expenses incurred by CLA whether directly or indirectly in consequence of any breach of this Agreement or of any part or provision hereof or of any act, neglect or default on the part of the Agent or of any such breach, act, neglect or default by any servant, employee or representative of the Agent.

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4. The Agent hereby agrees that he shall not, except with the authority of CLA, at any time during the currency of this agreement:

(a) submit proposals for life assurance to or act directly or indirectly for any other Life Office, or mutual fund, unit trust or similar organisation, or any person, firm or company in competition with CLA or with any Affiliated Company, or any trust, partnership or other entity whatsoever in which such person, firm or company has a financial interest;

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(b) accept risks or business of any kind, nor alter

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or discharge any policy, nor revive or waive any forfeiture thereof;

(c) grant any permit in respect of, nor make any endorsement nor affix any document to any policy;

(d) collect any premium except that he may when receiving a proposal collect the deposit in respect of the first premium under the policy applied for;

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(e) publish, issue, write, circulate, use or cause to be published, issued, written, circulated or used any proposal, application form, policy, letter, whether on the letterhead of CLA or otherwise, pamphlet, brochure, booklet, business card or other printed matter whatsoever, including but without limiting the generality thereof any advertising material of any kind whatsoever;

(f) pay or advance monies for the payment of any premium or any part thereof on behalf of a proponent or policyholder;

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(g) make or offer to make a payment or allowance or rebate of commission or give or offer any gift or inducement in relation to any proposal nor discriminate between proponents or policyholders;

(h) incur any debt or other obligation in the name of, or for the account of, nor pledge or extend the credit of CLA, nor expose it to any liability or debt whatsoever;

(i) make or purport to make any contract on behalf of or in the name of CLA or alter or discharge any proposal, policy, contract or other document to which CLA is a party or purport to do so;

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(j) in action, writing or speech disparage or cast any adverse reflection upon the integrity or activities of any other Life Office nor engage in the practice known as "twisting" within the Life Assurance industry;

(k) divulge to any person, firm or company any information whatsoever concerning the business of CLA or any of its dealings, transactions or affairs;

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(l) take or recommend any action which is not in the opinion of CLA in the best interests of persons who apply for life assurance from the Agent or from his servants, employees or representatives;

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(m) utter any untrue statements or misrepresentations or omit any material fact when having discussions with any proponent or prospective proponent;

(n) endorse his name on any proposal obtained by another agent of CLA.

5. (1) Subject to the terms and conditions hereof, the Agent may during the continuance of this Agreement engage in any other business or employment and may carry out the activities, duties and obligations hereby agreed to be performed by him either personally or through his servants, employees or representatives at such time and in such manner as it appears to him best fitted for the proper performance thereof without direction or control by CLA. 10

(2) Nothing contained in this Agreement shall be deemed to constitute the Agent as an officer or an employee of CLA and the Agent hereby expressly agrees that he will not claim to be nor act as if he is such an officer or employee or as being in any way entitled to act for or in the name of or otherwise to bind CLA AND the Agent hereby expressly acknowledges that the relationship hereby created and subsisting between him and CLA is solely that of principal and agent. 20

6. CLA shall as remuneration for the Agent's services pay to him commission in accordance with and subject to the terms and conditions contained in the Schedule hereto on proposals solicited by the Agent and accepted by CLA and lodged by and bearing the name of the Agent AND the payment of such commission shall be in full satisfaction of all activities, duties and obligations which the Agent performs or carries out hereunder PROVIDED THAT CLA may at any time and from time to time during the continuance hereof alter, vary, modify or add to such Schedule or any part thereof in such manner as it may in its absolute and unfettered discretion think fit and upon service upon the Agent in the manner hereinafter mentioned of a copy of such alteration, variation, modification or addition to the Schedule the same shall thereupon be and remain binding upon the parties hereto and be read and construed with and be deemed to form part of this Agreement. 30 40

7. The records and books of account of CLA at its Head Office shall be accepted as final and conclusive evidence of all matters relating to the state of account between the parties to this Agreement.

8. (1) All monies due under this Agreement shall be payable at the Head Office of CLA in the state of New South Wales

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and any legal proceedings arising out of this Agreement shall be brought in a court holden in that state.

(2) No suit at law or in equity brought by the Agent against CLA arising out of this Agreement shall be commenced until fourteen (14) days have expired after service by the Agent upon CLA's Managing Director or upon an officer of CLA duly authorised on his behalf for such purpose of a written statement precisely describing the nature of the suit and indicating the amount of the claim against CLA. 10

9. (1) CLA may make advances to the Agent on account of commission or for any other reason whatsoever and thereupon such advances shall be and be deemed to be a debt due and payable to CLA which shall have a first lien on all sums payable under this or any ancillary or other Agreement between the parties hereto to secure any indebtedness of the Agent to CLA AND such sums may be applied by CLA directly towards the liquidation of such indebtedness AND the Agent hereby assigns and transfers to CLA all such sums for such purpose. 20

(2) CLA may set off any and all amounts from time to time due by the Agent to CLA against any and all sums then and thereafter payable by CLA to the Agent hereunder or otherwise or against any and all claims, actions, suits or proceedings whatsoever brought by the Agent against CLA arising out of this Agreement or otherwise.

(3) CLA may apply any debit or credit balance in any other account between the Agent and CLA, in particular, any sum due to the Agent or his assigns under any life assurance policy, to the debit or credit of the Agent's Commission Account as the case may be AND the Agent hereby irrevocably appoints CLA as his attorney for the purpose of receiving monies and giving receipts for such monies under such policies and for signing or executing any contracts, transfers, deeds or other writings and doing all such other acts as may be necessary for taking the benefit of the proceeds of such policies as aforesaid. 30

10. In the event of any dispute between the Agent and another agent of CLA with regard to commission in respect of the same proposal or policy the decision of CLA's Managing Director or an officer of CLA duly authorised on his behalf for such purpose shall be final and binding on the parties to such dispute. 40

11. (1) This Agreement shall terminate:

(a) at the expiration of not less than seven (7) days

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written notice which may be given by either party to the other at any time;

(b) immediately upon CLA giving the Agent verbal or written notice that the Agent has committed any fraudulent act or has failed to observe or perform any of the terms or conditions hereof or if the Agent has conducted himself in a way which in the opinion of CLA brings the name of CLA or of any Affiliated Company into disrepute;

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(c) immediately if the Agent becomes bankrupt or enters into any arrangement or composition with his creditors, or if any attempt is made to levy execution or take garnishee proceedings against CLA in respect of or arising out of any of the Agent's debts or obligations;

(d) immediately if the Agent dies, or in the opinion of CLA becomes incapable of properly performing for CLA his activities and duties hereunder;

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(e) upon attainment by the Agent of the age of sixty five (65) years or of such other age as may be agreed by the parties hereto;

whichever first applies.

(2) The fact that CLA shall defer giving notice of termination upon the happening of any of the events mentioned in sub-paragraph (b) of sub-clause one (1) hereof shall not prejudice the right of CLA to give such notice at any later date upon the happening of the same event or events or another or others of such events NOR shall it constitute a waiver of the rights of CLA under this Agreement in respect of any subsequent occurrence of such events.

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(3) Subject to the terms and conditions of this Agreement, termination hereof shall not abrogate or modify any accrued rights or liabilities of CLA or the Agent at the date of termination, including but without limiting the generality hereof, the right of CLA to recover from the Agent the amount if any by which sums advanced, paid or credited to the Agent by CLA exceed sums due from, debited to or accountable for by the Agent.

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(4) Subject to clause twelve (12) hereof, upon termination of this Agreement any adjusted debit balance of the Agent's Commission Account shall forthwith and without formal demand become a debt immediately due and payable

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by the Agent to CLA and shall be recoverable at law. A Certificate signed by a director of CLA or by a person duly authorised by CLA for such purpose certifying the amount of any debit or credit balance in any account between the Agent and CLA shall be conclusive evidence thereof in any legal proceedings brought in relation to this Agreement.

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(5) Upon the termination of this Agreement for any reason whatsoever, the Agent or his legal personal representative shall forthwith deliver up to CLA or to such officer of CLA as may be nominated by CLA for such purpose all Company Property then or thereafter in the possession or which ought to be in the possession of the Agent.

12. Subject to clause nine (9) hereof, after termination of this Agreement the Agent shall continue to be entitled to receive commission credits as and when premiums or instalments thereof are paid to CLA under policies issued by it in respect of proposals bearing the Agent's name PROVIDED THAT such commissions shall not be payable by CLA to the Agent until eighteen (18) calendar months after termination of this Agreement AND PROVIDED FURTHER THAT if this Agreement is terminated pursuant to sub-paragraph (b) of sub-clause (1) of clause eleven (11) hereof, CLA shall cease to be liable to the Agent for any further commissions as from the date of such termination whereupon the Agent shall forfeit the right to payment of such further commissions.

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13. (1) The Agent agrees that, for the period following the termination hereof during which he continues to receive commissions or other benefits from CLA, he shall not whether as agent, servant, employee, independent contractor, director or in any other capacity carry on or engage in or be concerned with or interested in carrying on or engaging in whether directly or indirectly within the area in which he performs his activities and duties hereunder the business or activity of soliciting proposals for life assurance for any person, firm or company in competition with CLA or with any Affiliated Company or for any trust, partnership or other entity whatsoever in which such person, firm or company has a financial interest in a manner which constitutes unfair competition. In particular, the Agent hereby agrees to:-

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(a) refrain from directly or indirectly soliciting clients of CLA or of any Affiliated Company and from interfering with an existing business relationship between CLA and another Agent; and

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(b) refrain from uttering any statement or committing any act which is detrimental to the business or reputation of CLA or of any Affiliated Company.

(2) In the event that the Agent breaches any part of sub-clause one (1) hereof, CLA may without prejudice to any of its other rights hereunder, immediately cease payment of any and all commissions and other benefits due and payable to the Agent hereunder or otherwise. 10

(3) If for any reason this clause is or becomes invalid or unenforceable it shall be read down and given effect to the extent to which it is capable of being validly and enforceably given effect to PROVIDED NEVERTHELESS THAT this clause shall be considered severable from the other provisions of this Agreement and such other provisions shall not be rendered invalid or unenforceable by reason of the invalidity or unenforcibility in whole or part of this clause. 20

14. This Agreement is not assignable and the Agent agrees not to assign, or attempt, or purport to assign any duty or obligation of the Agent towards CLA or the right to receive any commission or other benefit from CLA hereunder.

15. All expenses of the Agent incidental to the performance of his duties and obligations hereunder shall be for the account of the Agent and shall be borne and paid by the Agent accordingly.

16. CLA hereby reserves the right to at any time and from time to time during the continuance hereof alter, vary, modify or add to this Agreement or any part hereof in such manner as CLA may in its absolute and unfettered discretion think fit and upon service upon the Agent in manner hereafter mentioned of a copy of such alteration, variation, modification or addition, the same shall thenceforth be made binding upon the parties hereto and be read and construed with and be deemed to form part of this Agreement. 30

17. (1) Notices required or permitted to be given under this Agreement may be served upon CLA at its registered office for the time being in the state of New South Wales and upon the Agent at his last known place of abode. 40

(2) To prove service of a notice hereunder, it shall be sufficient to prove that the envelope containing such notice was properly addressed and posted.

(3) A notice so served shall take effect forty-eight (48) hours from the time of such posting.

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18. Where required by statute, the Agent will effect Workers' Compensation insurance in accordance with the relevant legislative requirements and will maintain such insurance in force during the continuance of this Agreement.

19. This Agreement shall be deemed to be a contract made in the state of New South Wales and shall be construed in all respects in accordance with the laws of that state.

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20. It is hereby expressly agreed by the parties that the terms and conditions hereof shall be deemed to have governed and to have been applicable to the relationship of principal and agent subsisting between CLA and the Agent since the creation of such relationship.

21. Words importing any gender include the other genders. Words importing persons include firms, partnerships, companies trusts and other legal entities. The singular number includes the plural number and vice versa.

22. This Agreement shall be and be deemed to be in substitution for, and to the exclusion of any and all agreements, written or oral, heretofore subsisting between the parties in connection with any of the matters dealt with or referred to herein.

20

23. In this Agreement

(1) "Affiliated Company" includes any company within the Manor Holdings Limited group of companies and any person, firm or company for whom any company in the Manor Holdings Limited group of companies acts or may hereinafter act as distributor, broker, dealer, sponsor, agent, underwriter, adviser or consultant and any person, firm or company who acts as distributor, broker, dealer, sponsor, agent, underwriter, adviser or consultant for any company within the Manor Holdings Limited group of companies.

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(2) "Company Property" includes all monies, cheques or other orders for the payment of monies, applications, proposals, policies, receipts, rate books, sales manuals, letters, pamphlets, brochures, booklets, business cards and client files and all other literature, documents, papers and properties whatsoever belonging to CLA which are for the time being in the possession or which ought to be in the possession of the Agent or for which the Agent is accountable under this Agreement or otherwise.

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(3) "Life Assurance policy" means a life policy as defined in the Life Insurance Act, 1945, as amended.

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(4) "Life Office" means any company carrying on life insurance business in Australia and registered under the Life Insurance Act, 1945, as amended.

24. (1) All proposals for insurance other than life assurance solicited by the Agent shall first be offered by him to Manor Insurances (Australasia) Limited and to Australian Casualty Company Limited for so long as such companies are Affiliated Companies of CLA. 10

(2) In the event that such proposals are accepted by Manor Insurances (Australasia) Limited or by Australian Casualty Company Limited, CLA shall notify the Agent of such acceptance whereupon the Agent shall be entitled to receive commission from CLA in consideration therefor at rates to be agreed upon between the parties.

(3) In the event that such proposals are not accepted by Manor Insurances (Australasia) Limited or by Australian Casualty Company Limited, CLA shall notify the Agent accordingly whereupon the Agent shall be at liberty to offer such proposals to other insurance companies. 20

25. (1) Clauses twenty-five (25) and twenty-six (26) hereof ("the supplemental clauses") shall apply only if the Agent is incorporated as a company and are supplemental to clause 1 to 24 inclusive hereof ("the general clauses").

(2) The supplemental clauses shall not be deemed to be in substitution for the general clauses and the general clauses shall be deemed to be varied by the supplemental clauses only insofar as any of the provisions of the supplemental clauses are inconsistent with those of the general clauses. 30

26. (1) The Agent hereby acknowledges that as at the date hereof of the particulars shown in Schedule "B" hereto relating to the Agent are true and correct and that Schedule "C" is a true and correct copy of the Memorandum and Articles of Association of the Agent.

(2) In the event that:-

(a) there is any alteration, variation, modification or addition to: 40

- (i) the directors, or
- (ii) the absolute or beneficial ownership of shares, or
- (iii) the Memorandum or Articles of Association

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(b) an order is made or an effective resolution passed for the winding up of the Agent;

(c) a Receiver or Receiver and Manager of the Agent's undertaking or any part thereof is appointed;

(d) an Official Manager of the Agent is appointed;

(e) the Agent passes a special resolution in terms of Section 56 of the Companies Act or Ordinance applying in the area in which the Agent operates; 10

the Agent shall notify CLA of any such event within fourteen days of the happening thereof.

(3) Notwithstanding the provisions of Clause eleven (11) hereof CLA shall have the right to terminate this Agreement immediately if the Agent does not so notify CLA of the happening of any of the events mentioned in sub clause two (2) hereof or, at its election, at the expiration of the said fourteen (14) day period.

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SCHEDULE

AGENT'S COMMISSION RATES

For the purpose of calculating commission the sum assured on all policies, including riders to basic contracts, is converted to an Equivalent Sum Assured (hereinafter referred to as "E.S.A."). Commission is then calculated at the rate of \$15 per \$1,000 E.S.A.

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The E.S.A. is a proportion of the actual sum assured and the percentage applicable to each table is as follows:-

- | | | |
|---|---|----|
| 1. Whole Life and Endowment Assurances
ages 11 next birthday or more
(Tables 10, 15, 40 & 45) | 100% | |
| 2. Pure Endowment (Tables 60 & 65) | 50% | |
| 3. (a) Children's Policies ages 1 to 10
next birthday (Tables 10 & 40) | 50% | |
| (b) Child's Special Option Endowment
Assurances (Table 30) | 100% | 20 |
| 4. (a) Superannuation Whole Life and
Endowment Assurances (Tables 12,
17, 42 & 47) | 50% | |
| (b) Superannuation Pure Endowment
(Tables 62 & 67) | 25% | |
| 5. Convertible Level Temporary Assurance
(Tables 75/87)
Convertible Decreasing Temporary
Assurance (Tables 76/87)
Convertible Mortgage Protection
Assurance (Tables 78/87) | | 30 |
| (a) where the policy term is 10
years or more | 11% | |
| (b) where the policy term is less
than 10 years | 1.1% multiplied
by the policy
term in years | |
| 6. Level Temporary Assurance (Table 75)
Decreasing Temporary Assurance (Table 76)
Mortgage Protection Assurance (Table 78)
Family Income Benefits (Table 88) | | 40 |
| (a) where the policy term is 10
years or more | 10% | |

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(b) where the policy term is less than 10 years 1% multiplied by the policy term in years

For Table 88 (Family Income Benefits) the initial temporary sum assured is taken as the initial commuted value of the Income Benefits.

7. Accidental Death Benefit (Table 85)	3% of the Basic Sum Assured	10
8. Total and Permanent Disablement Benefit (Table 86)	4% of the Basic Sum Assured	
9. Insurability Option Benefit (Table 84)	2% of the Basic Sum Assured	
10. Waiver of Premium Benefit (Table 89)	1% of the Basic Sum Assured	20

Commission rates for assurances not listed above will be indicated to the Agent by CLA.

The Tables referred to above are those set out in CLA Rate Book and the classes of policies listed above shall have the meaning ascribed to them in their normal usage in the Life Assurance Industry.

COMMISSION RULES

1. In respect of life assurance proposals solicited by the Agent and accepted by CLA, commission shall be deemed earned by and payable to the Agent only when, as and if premiums are paid by policyholders pursuant to policies issued by CLA upon the introduction of the Agent as aforesaid.
2. Where the premium under a policy introduced by the Agent is payable by half-yearly, quarterly or monthly instalments the commission in respect thereof for any one (1) year shall be earned by and payable to the Agent in instalments in the same proportion as the instalments of premium aforesaid paid bear to the annual premium PROVIDED THAT CLA may in its absolute and unfettered discretion advance to the Agent upon payment of the first such instalment of premium the full amount of commission for any one (1) year to which he would be entitled if the annual premium is paid to CLA notwithstanding that only part of such annual premium has been paid to CLA WHEREUPON such advance of commission to the Agent shall become and be deemed to be a debt due and payable by the Agent to CLA. 10 20
3. The Agent's Commission Account shall be made up on the last day of each calendar month and payments of commission in respect of premiums or instalments thereof paid to CLA during such calendar month under policies introduced by the Agent shall be made to the Agent no later than the fifteenth (15th) day of the succeeding calendar month.
4. Commission shall not be payable to the Agent in respect of any extra premium charged by CLA for medical, health, war, residential, occupational, recreational or other extraneous risks whatsoever. 30
5. If CLA shall for any reason reassure any portion of the risk under a policy introduced by the Agent, CLA reserves the right to limit the rate of commission on that portion of the risk so reassured to the rate of commission payable by the reinsurer.
6. If CLA shall for any reason cancel a policy or portion thereof or return any premium or instalment thereof paid to it or return any premium or instalment thereof received in advance of the due date AND in respect of which commission has been paid to the Agent, the Agent shall repay to CLA the amount of such commission. 40
7. If a policy introduced by the Agent is cancelled for any reason but subsequently reinstated by CLA whether through another Agent of CLA or otherwise, CLA shall have the right to disallow to the Agent any further commission in respect of such policy from the date of such cancellation PROVIDED THAT

if after such cancellation the Agent reinstates such policy himself he shall be entitled to receive commissions in respect thereof as from the date of such reinstatement.

8. If a premium or an instalment thereof in respect of a policy introduced by the Agent is paid to CLA by an allowance granted in consideration of the discontinuance or conversion of an existing policy of CLA, commission shall be earned by and payable to the Agent only to such extent as determined by CLA. 10

9. If any policyholder introduced to CLA by the Agent proves to the satisfaction of CLA that the Agent has given him an incorrect or misleading description of the conditions, benefits or premiums applicable to such policy, no commission shall be earned by nor payable to the Agent in relation to such policy and any commission which has already been paid to the Agent in respect thereof shall be refunded by the Agent to CLA.

10. Unless otherwise determined by CLA, commission shall not be earned by nor payable to the Agent in respect of policies effected on his own life or upon the lives of relatives, servants, employees, representatives, agents or sub-agents of the Agent or servants, employees or representatives of CLA or of any company within the group of companies controlled by Manor Holdings Limited. 20

11. (1) When a policy introduced by the Agent lapses with six (6) or fewer months premiums having been paid thereunder to CLA, the Agent shall forfeit any further right to commission in respect of such lapsed policy AND any commission which has been received by the Agent in relation thereto shall be debited against him with a charge back of commission equal to the amount of commission that the Agent did receive. 30

(2) In the event that a policy introduced by the Agent lapses with more than six (6) months but less than two (2) years premiums having been paid to CLA thereunder, the Agent shall forfeit the balance of commission, if any, otherwise payable to him AND if the amount of commission received by the Agent in respect of such lapsed policy exceeds the amount of pro rata annual premium (excluding policy fee) received by CLA thereunder, the Agent shall be debited with a charge back of commission equal to such excess. 40

These Commission Rules shall form and be deemed to form part of the Schedule to the Agent's Agreement made between the parties hereto.

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Sentry and Peter John Mullens

AGENT'S AGREEMENT

THIS AGREEMENT made the first day of March One thousand nine hundred and seventy three (1973) BETWEEN COMMERCIAL LIFE ASSURANCE LIMITED a company duly incorporated under the laws of New South Wales and having its registered office in that state at 115 Pitt Street, Sydney (hereinafter referred to as "CLA") of the one part AND Peter John MULLENS

(hereinafter referred to as "the Agent") of the other part, 10

WITNESSETH AS FOLLOWS:

1. CLA hereby appoints the Agent and the Agent hereby agrees to act as an agent of CLA for the purpose of soliciting proposals for new life assurance policies upon and subject to the terms and conditions set forth in this Agreement including the Schedule attached hereto and forming part hereof. CLA reserves the right to reject any life assurance proposal submitted by the Agent and such proposals solicited by the Agent shall not be binding upon CLA in any way whatsoever unless and until they have been accepted by CLA. 20

2. CLA shall have the right to define or restrict the area in which an Agent may solicit proposals for life assurance policies.

3. The Agent hereby agrees to at all times during the currency of this Agreement:

(a) do all things to the best of his ability skill and judgment to maintain and increase the business and further the interests of CLA;

(b) use CLA's appropriate printed forms and no other forms for the taking of any proposal for a policy and for the issue of any receipt; 30

(c) observe and comply with meticulously, in so far as they may be applicable to the area in which the Agent operates, all laws, ordinances, regulations, rules and orders of any Parliament of Australia, whether State or Federal, or any proclamation thereunder, and in particular but without limiting the generality hereof, all such laws, ordinances, regulations, rules, orders or proclamations relating to life assurance or any aspect thereof whatsoever; 40

(d) forward immediately to CLA all proposals or other forms of any nature obtained by him as a result of the activities performed by him pursuant hereto;

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(e) receive, hold separate and promptly transmit all monies, cheques or other orders for the payment of money received by him to be made payable to CLA or to the order of such other person, firm or company as may from time to time be designated by CLA;

(f) render full and true accounts of all monies received by him at such times and in such form as CLA may from time to time require; 10

(g) instruct his servants, employees and representatives of the obligations and duties cast upon him by this Agreement AND ensure that they observe and comply with meticulously all such obligations and duties as if they are and each of them parties to this Agreement.

(h) seek, obtain and maintain in force all licences, authorities and permissions which the Agent shall or for the time being be required to hold or have under the laws of the area in which he operates AND inform CLA whenever such licence authority or permission is obtained, lapses, expires or is revoked or is refused to be granted or renewed by the competent governmental instrumentality; 20

(i) indemnify and keep CLA indemnified from and against all costs, damages and expenses incurred by CLA whether directly or indirectly in consequence of any breach of this Agreement or of any part or provision hereof or of any act, neglect or default on the part of the Agent or of any such breach, act, neglect or default by any servant, employee or representative of the Agent. 30

4. The Agent hereby agrees that he shall not, except with the authority of CLA, at any time during the currency of this agreement:

(a) submit proposals for life assurance to or act directly or indirectly for any other Life Office, or mutual fund, unit trust or similar organisation, or any person, firm or company in competition with CLA or with any Affiliated Company, or any trust, partnership or other entity whatsoever in which such person, firm or company has a financial interest; 40

(b) accept risks or business of any kind, nor alter or discharge any policy, nor revive or waive any forfeiture thereof;

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(c) grant any permit in respect of, nor make any endorsement nor affix any document to any policy;

(d) collect any premium except that he may when receiving a proposal collect the deposit in respect of the first premium under the policy applied for;

(e) publish, issue, write, circulate, use or cause to be published, issued, written, circulated or used any proposal, application form, policy, letter, whether on the letterhead of CLA or otherwise, pamphlet, brochure, booklet, business card or other printed matter whatsoever, including but without limiting the generality thereof any advertising material of any kind whatsoever; 10

(f) pay or advance monies for the payment of any premium or any part thereof on behalf of a proponent or policyholder;

(g) make or offer to make a payment or allowance or rebate of commission or give or offer any gift or inducement in relation to any proposal nor discriminate between proponents or policyholders; 20

(h) incur any debt or other obligation in the name of, or for the account of, nor pledge or extend the credit of CLA, nor expose it to any liability or debt whatsoever;

(i) make or purport to make any contract on behalf of or in the name of CLA or alter or discharge any proposal, policy, contract or other document to which CLA is a party or purport to do so; 30

(j) in action, writing or speech disparage or cast any adverse reflection upon the integrity or activities of any other Life Office nor engage in the practice known as "twisting" within the Life Assurance industry;

(k) divulge to any person, firm or company any information whatsoever concerning the business of CLA or any of its dealings, transactions or affairs;

(l) take or recommend any action which is not in the opinion of CLA in the best interests of persons who apply for life assurance from the Agent or from his servants, employees or representatives; 40

(m) utter any untrue statements or misrepresentations

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or omit any material fact when having discussions with
any proponent or prospective proponent;

(n) endorse his name on any proposal obtained by an-
other agent of CLA.

5. (1) Subject to the terms and conditions hereof, the Agent
may during the continuance of this Agreement engage in any
other business or employment and may carry out the activi- 10
ties, duties and obligations hereby agreed to be performed
by him either personally or through his servants, employees
or representatives at such time and in such manner as it
appears to him best fitted for the proper performance
thereof without direction or control by CLA.

(2) Nothing contained in this Agreement shall be deemed to
constitute the Agent as an officer or an employee of CLA
and the Agent hereby expressly agrees that he will not
claim to be nor act as if he is such an officer or emplo- 20
yee or as being in any way entitled to act for or in the
name of or otherwise to bind CLA AND the Agent hereby ex-
pressly acknowledges that the relationship hereby created
and subsisting between him and CLA is solely that of prin-
cipal and agent.

6. CLA shall as remuneration for the Agent's services pay
to him commission in accordance with and subject to the terms
and conditions contained in the Schedule hereto on proposals
solicited by the Agent and accepted by CLA and lodged by an
bearing the name of the Agent AND the payment of such commis- 30
sion shall be in full satisfaction of all activities, duties
and obligations which the Agent performs or carries out here-
under PROVIDED THAT CLA may at any time and from time to time
during the continuance hereof alter, vary, modify or add to
such Schedule or any part thereof in such manner as it may in
its absolute and unfettered discretion think fit and upon ser-
vice upon the Agent in the manner hereinafter mentioned of a
copy of such alteration, variation, modification or addition
to the Schedule the same shall thereupon be and remain binding
upon the parties hereto and be read and construed with and be 40
deemed to form part of this Agreement.

7. The records and books of account of CLA at its Head
Office shall be accepted as final and conclusive evidence of
all matters relating to the state of account between the par-
ties to this Agreement.

8. (1) All monies due under this Agreement shall be payable
at the Head Office of CLA in the state of New South Wales
and any legal proceedings arising out of this Agreement
shall be brought in a court holden in that state.

(2) No suit at law or in equity brought by the Agent against CLA arising out of this Agreement shall be commenced until fourteen (14) days have expired after service by the Agent upon CLA's Managing Director or upon an officer of CLA duly authorised on his behalf for such purpose of a written statement precisely describing the nature of the suit and indicating the amount of the claim against CLA. 10

9. (1) CLA may make advances to the Agent on account of commission or for any other reason whatsoever and thereupon such advances shall be and be deemed to be a debt due and payable to CLA which shall have a first lien on all sums payable under this or any ancillary or other Agreement between the parties hereto to secure any indebtedness of the Agent to CLA AND such sums may be applied by CLA directly towards the liquidation of such indebtedness AND the Agent hereby assigns and transfers to CLA all such sums for such purpose. 20

(2) CLA may set off any and all amounts from time to time due by the Agent to CLA against any and all sums then and thereafter payable by CLA to the Agent hereunder or otherwise or against any and all claims, actions, suits or proceedings whatsoever brought by the Agent against CLA arising out of this Agreement or otherwise.

(3) CLA may apply any debit or credit balance in any other account between the Agent and CLA, in particular, any sum due to the Agent or his assigns under any life assurance policy, to the debit or credit of the Agent's Commission Account as the case may be AND the Agent hereby irrevocably appoints CLA as his attorney for the purpose of receiving monies and giving receipts for such monies under such policies and for signing or executing any contracts, transfers, deeds or other writings and doing all such other acts as may be necessary for taking the benefit of the proceeds of such policies as aforesaid. 30

10. In the event of any dispute between the Agent and another agent of CLA with regard to commission in respect of the same proposal or policy the decision of CLA's Managing Director or an officer of CLA duly authorised on his behalf for such purpose shall be final and binding on the parties to such dispute. 40

11. (1) This Agreement shall terminate:

(a) at the expiration of not less than seven (7) days

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written notice which may be given by either party to the other at any time;

(b) immediately upon CLA giving the Agent verbal or written notice that the Agent has committed any fraudulent act or has failed to observe or perform any of the terms or conditions hereof or if the Agent has conducted himself in a way which in the opinion of CLA brings the name of CLA or of any Affiliated Company into disrepute; 10

(c) immediately if the Agent becomes bankrupt or enters into any arrangement or composition with his creditors, or if any attempt is made to levy execution or take garnishee proceedings against CLA in respect of or arising out of any of the Agent's debts or obligations;

(d) immediately if the Agent dies, or in the opinion of CLA becomes incapable of properly performing for CLA his activities and duties hereunder; 20

(e) upon attainment by the Agent of the age of sixty-five (65) years or of such other age as may be agreed by the parties hereto;

whichever first applies.

(2) The fact that CLA shall defer giving notice of termination upon the happening of any of the events mentioned in sub-paragraph (b) of sub-clause one (1) hereof shall not prejudice the right of CLA to give such notice at any later date upon the happening of the same event or events or another or others of such events NOR shall it constitute a waiver of the rights of CLA under this Agreement in respect of any subsequent occurrence of such events. 30

(3) Subject to the terms and conditions of this Agreement, termination hereof shall not abrogate or modify any accrued rights or liabilities of CLA or the Agent at the date of termination, including but without limiting the generality hereof, the right of CLA to recover from the Agent the amount if any by which sums advanced, paid or credited to the Agent by CLA exceed sums due from, debited to or accountable for by the Agent. 40

(4) Subject to clause twelve (12) hereof, upon termination of this Agreement any adjusted debit balance of the Agent's Commission Account shall forthwith and without formal demand become a debt immediately due and payable by the

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Agent to CLA and shall be recoverable at law. A Certificate signed by a director of CLA or by a person duly authorized by CLA for such purpose certifying the amount of any debit or credit balance in any account between the Agent and CLA shall be conclusive evidence thereof in any legal proceedings brought in relation to this Agreement.

(5) Upon the termination of this Agreement for any reason whatsoever, the Agent or his legal personal representative shall forthwith deliver up to CLA or to such officer of CLA as may be nominated by CLA for such purpose all Company Property then or thereafter in the possession or which ought to be in the possession of the Agent. 10

12. Subject to clause nine (9) hereof, after termination of this Agreement the Agent shall continue to be entitled to receive commission credits as and when premiums or instalments thereof are paid to CLA under policies issued by it in respect of proposals bearing the Agent's name PROVIDED THAT such commissions shall not be payable by CLA to the Agent until eighteen (18) calendar months after termination of this Agreement AND PROVIDED FURTHER THAT if this Agreement is terminated pursuant to sub-paragraph (b) of sub-clause (1) of clause eleven (11) hereof, CLA shall cease to be liable to the Agent for any further commissions as from the date of such termination whereupon the Agent shall forfeit the right to payment of such further commissions. 20

13. (1) The Agent agrees that, for the period following the termination hereof during which he continues to receive commissions or other benefits from CLA, he shall not whether as agent, servant, employee, independent contractor, director or in any other capacity carry on or engage in or be concerned with or interested in carrying on or engaging in whether directly or indirectly within the area in which he performs his activities and duties hereunder the business or activity of soliciting proposals for life assurance for any person, firm or company in competition with CLA or with any Affiliated Company or for any trust, partnership or other entity whatsoever in which such person, firm or company has a financial interest in a manner which constitutes unfair competition. In particular, the Agent hereby agrees to:- 30

(a) refrain from directly or indirectly soliciting clients of CLA or of any Affiliated Company and from interfering with an existing business relationship between CLA and another agent; and 40

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(b) refrain from uttering any statement or committing any act which is detrimental to the business or reputation of CLA or of any Affiliated Company.

(2) In the event that the Agent breaches any part of sub-clause one (1) hereof, CLA may without prejudice to any of its other rights hereunder, immediately cease payment of any and all commissions and other benefits due and payable to the Agent hereunder or otherwise. 10

(3) If for any reason this clause is or becomes invalid or unenforceable it shall be read down and given effect to the extent to which it is capable of being validly and enforceably given effect to PROVIDED NEVERTHELESS THAT this clause shall be considered severable from the other provisions of this Agreement and such other provisions shall not be rendered invalid or unenforceable by reason of the invalidity or unenforcibility in whole or part of this clause. 20

14. This Agreement is not assignable and the Agent agrees not to assign, or attempt, or purport to assign any duty or obligation of the Agent towards CLA or the right to receive any commission or other benefit from CLA hereunder.

15. All expenses of the Agent incidental to the performance of his duties and obligations hereunder shall be for the account of the Agent and shall be borne and paid by the Agent accordingly.

16. CLA hereby reserves the right to at any time and from time to time during the continuance hereof alter, vary, modify or add to this Agreement or any part hereof in such manner as CLA may in its absolute and unfettered discretion think fit and upon service upon the Agent in manner hereafter mentioned of a copy of such alteration, variation, modification or addition, the same shall thenceforth be made binding upon the parties hereto and be read and construed with and be deemed to form part of this Agreement. 30

17. (1) Notices required or permitted to be given under this Agreement may be served upon CLA at its registered office for the time being in the state of New South Wales and upon the Agent at his last known place of abode. 40

(2) To prove service of a notice hereunder, it shall be sufficient to prove that the envelope containing such notice was properly addressed and posted.

(3) A notice so served shall take effect forty-eight (48) hours from the time of such posting.

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18. Where required by statute, the Agent will effect Workers' Compensation insurance in accordance with the relevant legislative requirements and will maintain such insurance in force during the continuance of this Agreement.

19. This Agreement shall be deemed to be a contract made in the state of New South Wales and shall be construed in all respects in accordance with the laws of that state.

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20. It is hereby expressly agreed by the parties that the terms and conditions hereof shall be deemed to have governed and to have been applicable to the relationship of principal and agent subsisting between CLA and the Agent since the creation of such relationship.

21. Words importing any gender include the other genders. Words importing persons include firms, partnerships, companies, trusts and other legal entities. The singular number includes the plural number and vice versa.

22. This Agreement shall be and be deemed to be in substitution for, and to the exclusion of any and all agreements, written or oral, heretofore subsisting between the parties in connection with any of the matters dealt with or referred to herein.

20

23. In this Agreement

(1) "Affiliated Company" includes any company within the Manor Holdings Limited group of companies and any person, firm or company for whom any company in the Manor Holdings Limited group of companies acts or may hereinafter act as distributor, broker, dealer, sponsor, agent, underwriter, adviser or consultant and any person, firm or company who acts as distributor, broker, dealer, sponsor, agent, underwriter, adviser or consultant for any company within the Manor Holdings Limited group of companies.

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(2) "Company Property" includes all monies, cheques or other orders for the payment of monies, applications, proposals, policies, receipts, rate books, sales manuals, letters, pamphlets, brochures, booklets, business cards and client files and all other literature, documents, papers and properties whatsoever belonging to CLA which are for the time being in the possession or which ought to be in the possession of the Agent or for which the Agent is accountable under this Agreement or otherwise.

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(3) "Life Assurance policy" means a life policy as defined in the Life Insurance Act, 1945, as amended.

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(4) "Life Office" means any company carrying on life insurance business in Australia and registered under the Life Insurance Act, 1945, as amended.

24. (1) All proposals for insurance other than life assurance solicited by the Agent shall first be offered by him to Manor Insurances (Australasia) Limited and to Australian Casualty Company Limited for so long as such companies are Affiliated Companies of CLA. 10

(2) In the event that such proposals are accepted by Manor Insurances (Australasia) Limited or by Australian Casualty Company Limited, CLA shall notify the Agent of such acceptance whereupon the Agent shall be entitled to receive commission from CLA in consideration therefor at rates to be agreed upon between the parties.

(3) In the event that such proposals are not accepted by Manor Insurances (Australasia) Limited or by Australian Casualty Company Limited, CLA shall notify the Agent accordingly whereupon the Agent shall be at liberty to offer such proposals to other insurance companies. 20

25. (1) Clauses twenty-five (25) and twenty-six (26) hereof ("the supplemental clauses") shall apply only if the Agent is incorporated as a company and are supplemental to clause 1 to 24 inclusive hereof ("the general clauses").

(2) The supplemental clauses shall not be deemed to be in substitution for the general clauses and the general clauses shall be deemed to be varied by the supplemental clauses only in so far as any of the provisions of the supplemental clauses are inconsistent with those of the general clauses. 30

26. In the event of:

(a) there being any change in the directors of the Agent;

(b) there being any change in the shareholders of the Agent;

(c) there being any change in the Memorandum or Articles of Association of the Agent;

(d) an order being made or an effective resolution being passed for the winding up of the Agent; 40

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(e) a Receiver or Receiver and Manager of the Agent's undertaking or any part thereof being appointed;

(f) an official Manager of the Agent being appointed;

(g) the Agent passing a special resolution in terms of Section 56 of the Companies Act or Ordinance applying in the area in which the Agent operates;

the Agent shall notify CLA of any such event within fourteen (14) days of the happening thereof.

10

Notwithstanding the provisions of clause eleven (11) hereof, CLA shall have the right to terminate this Agreement immediately if the Agent does not so notify CLA of the happening of any of the abovementioned events or, at its election, at the expiration of the said fourteen (14) day period.

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SCHEDULE

AGENT'S COMMISSION RATES

1. Whole Life and Endowment Assurances ages 11 next birthday or more (Tables 10, 15, 40 & 45)	\$15 per \$1,000 Sum Assured	
2. Pure Endowment (Tables 60 & 65)	\$7.50 per \$1,000 Sum Assured	10
3. (a) Children's Policies ages 1 to 10 next birthday (Tables 10 & 40)	\$7.50 per \$1,000 Sum Assured	
(b) Child's Special Option Endowment Assurance (Table 30)	\$15 per \$1,000 Sum Assured	
4. (a) Superannuation Whole Life and Endowment Assurances (Tables 12, 17, 42 & 47)	\$7.50 per \$1,000 Sum Assured	20
(b) Superannuation Pure Endowment (Tables 62 & 67)	\$3.75 per \$1,000 Sum Assured	
5. All forms of Temporary Assurance including riders to basic contracts where premium paying term is:-		
(a) 10 years to more -	50% of the first annual premium excluding policy fee.	
(b) less than 10 years -	5% of the first annual premium, excluding policy fee, multiplied by the premium paying term in years.	30

Commission rates for assurances not listed above will be indicated to the Agent by CLA.

The Tables referred to above are those set out in CLA Rate Book and the classes of policies listed above shall have the meaning ascribed to them in their normal usage in the Life Assurance industry.

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COMMISSION RULES

1. In respect of life assurance proposals solicited by the Agent and accepted by CLA, commission shall be deemed earned by and payable to the Agent only when, as and if premiums are paid by policyholders pursuant to policies issued by CLA upon the introduction of the Agent as aforesaid.
2. Where the premium under a policy introduced by the Agent is payable by half-yearly, quarterly or monthly instalments the commission in respect thereof for any one (1) year shall be earned by and payable to the Agent in instalments in the same proportion as the instalments of premium aforesaid paid bear to the annual premium PROVIDED THAT CLA may in its absolute and unfettered discretion advance to the Agent upon payment of the first such instalment of premium the full amount of commission for any one (1) year to which he would be entitled if the annual premium is paid to CLA notwithstanding that only part of such annual premium has been paid to CLA WHEREUPON such advance of commission to the Agent shall become and be deemed to be a debt due and payable by the Agent to CLA.
3. The Agent's Commission Account shall be made up on the last day of each calendar month and payments of commission in respect of premiums or instalments thereof paid to CLA during such calendar month under policies introduced by the Agent shall be made to the Agent no later than the fifteenth (15th) day of the succeeding calendar month.
4. Commission shall not be payable to the Agent in respect of any extra premium charged by CLA for medical, health, war, residential, occupational, recreational or other extraneous risks whatsoever.
5. If CLA shall for any reason reassure any portion of the risk under a policy introduced by the Agent, CLA reserves the right to limit the rate of commission on that portion of the risk so reassured to the rate of commission payable by the re-assurer.
6. If CLA shall for any reason cancel a policy or portion thereof or return any premium or instalment thereof paid to it or return any premium or instalment thereof received in advance of the due date AND in respect of which commission has been paid to the Agent, the Agent shall repay to CLA the amount of such commission.
7. If a policy introduced by the Agent is cancelled for any reason but subsequently reinstated by CLA whether through another Agent of CLA or otherwise, CLA shall have the right to disallow to the Agent any further commission in respect of such policy from the date of such cancellation PROVIDED THAT if after such cancellation the Agent reinstates such policy himself he shall be entitled to receive commissions in respect thereof as from the date of such reinstatement.

8. If a premium or an instalment thereof in respect of a policy introduced by the Agent is paid to CLA by an allowance granted in consideration of the discontinuance or conversion of an existing policy of CLA, commission shall be earned by and payable to the Agent only to such extent as determined by CLA.

9. If any policyholder introduced to CLA by the Agent proves to the satisfaction of CLA that the Agent has given him an incorrect or misleading description of the conditions, benefits or premiums applicable to such policy, no commission shall be earned by nor payable to the Agent in relation to such policy and any commission which has already been paid to the Agent in respect thereof shall be refunded by the Agent to CLA.

10

10. Unless otherwise determined by CLA, commission shall not be earned by nor payable to the Agent in respect of policies effected on his own life or upon the lives of relatives, servants, employees, representatives, agents or sub-agents of the Agent or servants, employees or representatives of CLA or of any company within the group of companies controlled by Manor Holdings Limited.

20

11. (1) When a policy introduced by the Agent lapses with six (6) or fewer months premiums having been paid thereunder to CLA, the Agent shall forfeit any further right to commission in respect of such lapsed policy AND any commission which has been received by the Agent in relation thereto shall be debited against him with a charge back of commission equal to the amount of commission that the Agent did receive.

30

(2) In the event that a policy introduced by the Agent lapses with more than six (6) months but less than two (2) years premiums having been paid to CLA thereunder, the Agent shall forfeit the balance of commission, if any, otherwise payable to him AND if the amount of commission received by the Agent in respect of such lapsed policy exceeds the amount of pro rata annual premium (excluding policy fee) received by CLA thereunder, the Agent shall be debited with a charge back of commission equal to such excess.

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These Commission Rules shall form and be deemed to form part of the Schedule to the Agent's Agreement made between the parties hereto.

Exhibit "S8" Agreement between
Sentry and Peter John Mullens

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Signed for and on behalf of
COMMERCIAL LIFE ASSURANCE
LIMITED by:

(Sgd.) R.W. Hillhouse J.P.
.....
Witness

(Sgd.) G. Miller
.....

Signed by the said

(Sgd.) R.W. Hillhouse J.P.
.....

(Sgd.) P.J. Mullens
.....

(Commercial Life Assurance
Limited) (Stamp Duty)

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Exhibit C - Agreed Statement of Facts
(ALD 508 of 1978)

IN THE SUPREME COURT OF NEW SOUTH WALES

ADMINISTRATIVE LAW DIVISION

No. 508 of 1978

GENERAL ACCIDENT FIRE AND
LIFE ASSURANCE CORPORATION
LIMITED

Plaintiff

THE COMMISSIONER OF PAYROLL
TAX

Defendant

AGREED STATEMENT OF FACTS

DAWSON WALDRON,
SOLICITORS,
60 MARTIN PLACE,
SYDNEY. N.S.W. 2000.

D.X. 355
TEL: 231 0033
REF: WDC
150279
ZMW4

General Accident Fire and
Life Assurance Corporation
Limited (hereinafter refer-
red to as "General Accident")
a company incorporated in
Scotland and registered in
New South Wales as a foreign
Company at 175 Pitt Street,
Sydney, carried on during
the period 1st September,
1971, to 30th September, 1976,
the business of general in-
surance at 12 Spring Street,
Sydney. During the period
1st September, 1971, to 30th
September, 1976, in the
course of its business,
General Accident issued the
following classes of insur-
ance policies - Householders
(Home Combined), Fire, Loss
of Profits, Public Liability,
Personal Accident, Products

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Exhibit C
Agreed Statement of Facts
(ALD 508 of 1978)

Exhibit C
Agreed Statement of Facts
(ALD 508 of 1978)

liability, Glass, Money, Burglary, Fidelity Guarantee,
Engineering, Travel, Workers Compensation, Marine, Livestock,
Motor Vehicles, and made payments to the companies, partner-
ships and individuals hereinafter referred to, being pay-
ments of commission for effecting the classes of insurance
policies hereinbefore referred to in respect of which the
Commissioner of Payroll Tax has assessed payroll tax.

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PAYMENTS OF COMMISSION TO INDIVIDUALS WHOSE BUSINESS IS SUCH THAT FROM TIME TO TIME THEY ARE ASKED TO ARRANGE INSURANCE FOR THEIR CLIENTS AS PART OF THEIR SERVICE FOR SUCH CLIENTS AND WHO HAVE AN AGENCY AGREEMENT WITH GENERAL ACCIDENT - E.G. SOLCITORS, ACCOUNTANTS.

Case 1 - JOHN DICK

- 1.1 John Dick (hereinafter referred to in this case as "the Solicitor") Solicitor of the Supreme Court of New South Wales, carried on during the period 1st September, 1971, to 30th September, 1976 (hereinafter referred to as "the said period") the practice of a sole practitioner solicitor at 105 Pitt Street, Sydney. 10
- 1.2 On 30th September, 1955, the Solicitor entered into an agency agreement with General Accident. That agreement remained in force during the said period. The document marked exhibit "GAL" sets out the terms applicable to that agreement.
- 1.3 The total amount of commission received by the Solicitor during the said period was approximately \$1,260. This amount represented approximately 1% of the gross income of the Solicitor during the said period. The remaining 99% of gross income of the Solicitor consisted of income received by the Solicitor in respect of his practice as a solicitor as well as returns on investments held by the Solicitor. 20

- 1.4 The Solicitor arranged householders (home combined) insurance for clients in connection with conveyancing transactions. Where a client did not have insurance for a property owned or purchased by him, the Solicitor suggested to the client that the Solicitor could arrange the insurance for the client. The Solicitor nominated to the client the names of two or three insurance companies including General Accident and asked the client to instruct him to arrange the insurance with one of those companies or any other insurance company. When the client instructed the Solicitor to arrange insurance with General Accident, a proposal form supplied by General Accident to the Solicitor was completed by the client or the Solicitor and signed by the client or occasionally by the Solicitor on the clients behalf. Where the client wished to insure with an insurance company other than General Accident, the Solicitor obtained a proposal form from that company and arranged for its completion with the client. The Solicitor did not have agencies with any insurance companies other than General Accident and did not receive any commission in respect of insurance effected with insurance companies other than General Accident.
- 1.5 The Solicitor had no authority under the terms of his agency with General Accident to issue cover notes of

Exhibit C - Agreed Statement
of Facts Case 1 John Dick

insurance nor did he issue cover notes of insurance on behalf of General Accident. On exchange of contracts for the purchase of a property, the Solicitor contacted General Accident by telephone and asked for a cover note of insurance to be issued in respect of the property the subject of the contract.

- 1.6 A cheque for the first premium payable on the proposed policy, together with the completed proposal form, was then posted or delivered to General Accident by the Solicitor. When authorised by his client, the Solicitor usually drew a cheque on his trust account for the first premium where moneys were held by him on trust for the client. When the Solicitor did not hold any moneys on trust for his client, the Solicitor collected from the client a cheque made payable to General Accident for the amount of the premium. 10
- 1.7 The Solicitor directed General Accident to forward all premium renewal notices direct to the client. The Solicitor did not collect renewal premiums payable in respect of policies effected by him. If renewal premiums were not paid on the due date, General Accident forwarded to the Solicitor a notice advising him of that fact. The Solicitor then usually contacted the client by telephone or letter and informed the client that the policy would lapse if the premium was not 20

paid. The Solicitor did not make any attempt to call and see clients to collect overdue premiums.

1.8 The Solicitor after forwarding the completed proposal form and cheque for the first premium to General Accident, usually received from General Accident the policy document. The Solicitor checked the policy and either placed this in his strongroom with the deeds of the property to which the insurance related, if he held those deeds, or forwarded the policy to the client.

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1.9 The Solicitor did not at any stage arrange valuations of properties for General Accident. General Accident when it required a valuation, arranged this direct with the client.

1.10 Commission was paid to the Solicitor on an irregular basis by General Accident, generally when the accumulated amount of commission due to the Solicitor exceeded \$150.00. The commission was paid to the Solicitor only after premiums were received by General Accident.

20

When a policy lapsed because of non-payment of a premium by the insured, the Solicitor received no further commission in respect of that policy.

1.11 The Solicitor did not hold himself out as an Agent of General Accident. The Solicitor considered at all times that his total responsibility was to his client and not to General Accident. General Accident did not give to the Solicitor any directions as to the

management of his agency nor did it supply to the Solicitor the names of or other information or leads as to potential clients.

1.12 General Accident did not make available to the solicitor any secretarial or other facilities nor any stationery apart from proposal forms when the Solicitor requested these be supplied to him.

1.13 On a number of occasions during the period, clients of the Solicitor for whom the Solicitor had effected insurance with General Accident contacted the Solicitor indicating to him that they wished to make a claim in respect of the policy. On each occasion the Solicitor informed the client that the client should write to General Accident direct and to contact the Solicitor if there were any problems in relation to the claim. On one occasion during the period, General Accident refused to pay an amount claimed by a client and the client contacted the Solicitor. The Solicitor obtained details of the claim from the client and subsequently acted for the client in connection with negotiations with General Accident concerning payment of the claim. 10 20

1.14 The Solicitor was not aware of disputes, if any, relating to the terms of policies effected by him during the said period.

1.15 Except as hereinbefore set out, the facts contained in the preceding fourteen paragraphs applied without significant variation during the said period.

Case 2 - NORMAN CLYDE ONGLEY

- 2.1 Norman Clyde Ongley (hereafter in this case referred to as "the Accountant") carried on business as a sole practitioner chartered accountant at 47 York Street, Sydney, during the period 1st September, 1971, to 30th September, 1976 (hereinafter referred to as "the said period"). 10
- 2.2 The Accountant entered into an agency agreement with General Accident on the 21st day of February, 1956. That agreement was in force during the said period. The document marked exhibit "GA2" sets out the terms applicable to that agreement.
- 2.3 During the said period, the Accountant received a total amount of approximately \$3,892 commission from General Accident. The said amount of \$3,892 represented a very small percentage of the gross income of the Accountant during the said period. The balance of the gross in- 20
come of the Accountant during the said period consisted of fees received from his accounting practice.
- 2.4 Clients of the Accountant for whom the Accountant acted generally, often asked the Accountant whether he was able to provide advice in relation to insurance. The Accountant did not first suggest to a client that he could arrange insurance for the client nor did he hold himself out as an agent for General Accident.

- 2.5 When asked by a client to advise on insurance, the Accountant considered the client's particular insurance needs and discussed with the client the different policies offered by different insurance companies and which policy best suited the client's particular insurance needs. When the client chose to insure with General Accident the Accountant indicated to the client that the Accountant would receive a commission in respect of that policy. If the client did not wish to insure with General Accident, the Accountant arranged for the insurance to be effected with an insurance company chosen by the client. The Accountant did not have agency agreements with insurance companies other than General Accident and did not receive commission in respect of any policies effected by him with insurance companies other than General Accident. 10
- 2.6 The Accountant then contacted the new business department of General Accident by telephone and arranged for General Accident to issue a cover note of insurance in respect of the client's property. The Accountant then introduced the client to an employee of General Accident who took over the conduct of effecting the insurance for the client. The Accountant only arranged householders and houseowners comprehensive fire and contents insurance for properties owned or occupied by clients. 20

- 2.7 The Accountant occasionally assisted clients to complete proposal forms and the Accountant kept in his office proposal forms supplied to him by General Accident for that purpose. The Accountant only assisted in the completion of a proposal form where the client specifically asked that the Accountant do so. The Accountant never signed a proposal form on behalf of a client. The Accountant forwarded the proposal form to General Accident when he assisted the client in completing the proposal form. The policy of insurance was always sent direct by General Accident to the client. 10
- 2.8 The Accountant did occasionally collect from the client at the time the proposal form was completed, a cheque always made payable to General Accident for the amount of the initial premium on the proposed policy. Where such cheques were received by the Accountant, they were forwarded by him with the proposal form to General Accident. Premium renewal notices were forwarded direct by General Accident to the insured and all renewal premiums were paid by the insured to General Accident. 20
- 2.9 As far as possible, the Accountant tried to introduce his clients to an employee of General Accident as soon as the client raised the question of insurance with the Accountant. Once the introduction was effected, the Accountant usually had nothing further to do with the

Exhibit C - Agreed Statement
of Facts Case 2 Norman Clyde
Ongley

arrangement of the insurance for the client.

- 2.10 Cheques for commission were received by the Accountant once or twice a year from General Accident. Commission was only paid to the Accountant in respect of premiums actually received by General Accident. If there was default in payment of a premium, the policy lapsed and no further commission was paid to the Accountant in respect of that policy. 10
- 2.11 If a client failed to pay a premium on the due date, General Accident contacted the Accountant by letter. The Accountant then contacted the client by letter or telephone informing him that the premium was due and asking him to forward a cheque to General Accident for the premium. Generally no further action was taken by the Accountant to collect the premium. If the Accountant had arranged to see the client about other matters, the Accountant would also mention to the client when he called to see him that the payment of the premium was overdue. 20
- 2.12 If an inspection or valuation of a property was required, General Accident arranged this direct with the client.
- 2.13 General Accident did not provide any secretarial or other facilities to the Accountant nor any stationery, apart from proposal forms, nor did General Accident

Exhibit C - Agreed Statement
of Facts Case 2 Norman Clyde
Ongley

give to the Accountant any direction as to the management of his agency. The Accountant did not deal with any particular person at General Accident but spoke to whoever was handling the type of insurance required at the time.

2.14 General Accident did not give the Accountant any directions or suggestions as to the conduct or management of his agency business nor the names of or information or leads as to potential clients. 10

2.15 The majority of insurance business placed by the Accountant with General Accident was for one particular client of the Accountant, that client being a group of companies. The Accountant was secretary of those companies and, as such, approximately every five years reviewed the insurance on the properties owned by the companies. The Accountant, as secretary of the companies, arranged for the gross amount of the premiums on the policies with General Accident to be paid to General Accident by cheques drawn on the companies accounts in favour of General Accident. The Accountant received commission on the premiums so paid. 20

2.16 When a client wished to make a claim, the client contacted the Accountant and informed him of the details of the claim. The Accountant then contacted General Accident by telephone and asked General Accident to

Exhibit C - Agreed Statement
of Facts Case 2 Norman Clyde
Ongley

forward to the Accountant a notice of claim form. The Accountant then arranged for the client to complete the claim form and the Accountant then lodged the claim form with General Accident. All claims made by the Accountant on behalf of clients were paid by General Accident. The Accountant was not aware of any disputes arising out of claims made by clients in respect of policies of insurance effected by him with General Accident during the said period. 10

2.17 The Accountant was not aware of any disputes between clients and General Accident concerning the terms of policies effected by the Accountant for clients with General Accident.

2.18 The Accountant did not have authority to issue cover notes of insurance on behalf of General Accident and did not issue cover notes of insurance.

2.19 Except as hereinbefore set out, the facts contained in the preceding eighteen paragraphs applied without significant variation during the said period. 20

PAYMENT OF COMMISSIONS TO PARTNERSHIPS WHOSE BUSINESS IS SUCH
THAT FROM TIME TO TIME THEY ARE ASKED TO ARRANGE INSURANCE
FOR THEIR CLIENTS AS PART OF THEIR SERVICE FOR SUCH CLIENTS
AND WHO HAVE AN AGENCY AGREEMENT WITH GENERAL ACCIDENT
E.G. SOLICITORS, ACCOUNTANTS

Case 3 - PETER DAVID KENNEDY AND PETER FRANCIS MOONEY

- 3.1 Peter David Kennedy and Peter Francis Mooney Solicitors 10
of the Supreme Court of New South Wales and partners in
the firm of Mooney and Kennedy (hereinafter in this
case referred to as "the Solicitors") carried on the
practice of solicitors in partnership at Room A, 1st
floor, 149 Castlereagh Street, Sydney, during the
period 24th November, 1971, to 30th September, 1976
(hereinafter referred to as "the said period").
- 3.2 On 24th November, 1971, the Solicitors entered into an
agency agreement with General Accident. The document
marked exhibit "GA3" evidences that agreement. The 20
agreement was in force during the said period.
- 3.3 The total amount of commission received by the Solici-
tors during the said period was approximately \$2,802
and this amount represented less than 1% of the gross
income of the Solicitors during the said period. The
balance of the gross income of the Solicitors during
the said period consisted of income received from their
practice as Solicitors.

3.4 Houseowners and householders combined fire and contents insurance was arranged by the Solicitors for their clients in connection with conveyancing transactions. When a client required insurance in connection with a property being purchased by him, the Solicitors mentioned to the client that it would be necessary to arrange insurance on exchange of contracts. The Soli- 10
citors asked the client which insurance company the client wished to insure with. When the client nominated General Accident, the Solicitors contacted General Accident and requested that General Accident issue a cover note of insurance in respect of the property the subject of the contract. General Accident then forwarded to the Solicitors a proposal form which the Solicitors completed on behalf of the client and which was signed either by the client or by one of the Solici- 20
tors on behalf of the client. When the client indicated that he wished to insure with a company other than General Accident, the same procedure was adopted by the Solicitors in relation to that other insurance company. The solicitors did not have agency agreements with any insurance company other than General Accident and did not receive any commission from insurance companies other than General Accident.

3.5 The Solicitors then arranged to deliver the proposal

form either by post or by hand to General Accident.

If money was held by the Solicitors in trust for the client for whom the insurance was being arranged and the client so directed, the Solicitors paid from their trust account to General Accident a cheque for the initial premium. This cheque was forwarded with the completed proposal form to General Accident. If moneys were not held on trust by the Solicitors for the client, the Solicitors arranged for the initial premium to be paid direct by the client to General Accident. 10

3.6 The insurance policy was usually sent by General Accident to the Solicitors who retained the policy if they acted for a client who has provided finance for the conveyance or otherwise held the deeds of the client. If not forwarded to the Solicitors, the policy was forwarded by General Accident to the client or as he directed. The Solicitors did not check the policy unless their attention was drawn by the client or General Accident to a particular aspect that might have needed consideration. 20

3.7 Commission was paid to the Solicitors by General Accident each month. The Solicitors did not deduct an amount equal to their commission from any premiums they forwarded to General Accident.

3.8 If a premium was not paid on the due date, General

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Kennedy & Peter Francis Mooney

Accident notified the Solicitors of this fact on the monthly statement sent to the Solicitors by General Accident. Premiums that were more than three months overdue were shown in a special column on the statements sent by General Accident. Where payment of a premium was shown as overdue on the statement received from General Accident, the Solicitors contacted the client by letter or telephone and asked the client to send to the Solicitors or General Accident a cheque payable to General Accident for the amount of the premium. Usually the client forwarded a cheque for the amount of the premium direct to General Accident and not to the Solicitors. When the client forwarded a cheque to the Solicitors, the Solicitors either paid this into their trust account and subsequently paid to General Accident a cheque for the same amount drawn on their trust account or endorsed the cheque received from the client over to General Accident, subsequently forwarding the client's cheque with the endorsement thereon to General Accident. If a premium still remained unpaid after the Solicitors had contacted the client, the Solicitors notified General Accident that they were unable to obtain payment of the premium and the Solicitors took no further steps with regard to recovering the overdue premium.

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- 3.9 Premium renewal notices were in almost all cases forwarded direct by General Accident to the client. In some cases, premium renewal notices were forwarded addressed to the client at the address of the Solicitors, who then forwarded these to the client with a covering letter asking the client to pay the amount of the premium to General Accident or to the Solicitors. 10
Most renewal premiums were paid direct by clients to General Accident. When cheques for the amount of premiums were paid to the Solicitors, the Solicitors dealt with those amounts in the manner above described in relation to payment of overdue premiums.
- 3.10 The Solicitors only received commission from General Accident where premiums were paid to General Accident. If a policy lapsed because of non-payment of a premium by a client, the Solicitors received no further commission in respect of that policy. 20
- 3.11 The Solicitors never had authority to issue cover notes of insurance on behalf of General Accident nor did they issue cover notes of insurance.
- 3.12 General Accident did not make any secretarial or other facilities available to the Solicitors nor did it provide to the Solicitors any stationery, apart from proposal forms. General Accident did not refer the names of or other information or leads as to potential clients

to the Solicitors, nor did it exercise any control or direction over the insurance agency business of the Solicitors. The Solicitors usually contacted one employee of General Accident in connection with taking out cover notes of insurance or collection of unpaid premiums or other similar matters.

- 3.13 If a valuation or inspection of a property was required, 10
General Accident arranged this direct with the client.
If the Solicitors had obtained a valuation of the property for mortgage purposes and General Accident asked the Solicitors if they had a valuation of the property, the Solicitors supplied to General Accident a copy of the valuation obtained by them.
- 3.14 When clients wished to make claims, they generally
contacted General Accident direct. Occasionally, the
Solicitors received a telephone call from a client for
whom they had effected insurance with General Accident 20
when the client indicated that he wished to make a
claim under the policy. In such cases, the Solicitors
suggested to the client that he should contact General
Accident direct.
- 3.15 When there was a dispute as to a claim or a policy,
generally the client dealt direct with General Accident.
However, when the client was not satisfied, he contacted the Solicitors who then contacted General Accident

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Kennedy & Peter Francis Mooney

on behalf of the client and attempted to have the matter dealt with to the satisfaction of the client.

- 3.16 Except as hereinbefore set out, the facts contained in the preceding fifteen paragraphs applied without significant variation during the said period.

Case 4 - ALAN RICH AND PATIENCE RICH

- 4.1 Alan Rich and Patience Rich (hereinafter in this case referred to as "the Tax Agents") carried on a tax agents practice in partnership under the business name Alan Rich & Co., during the period 1st September, 1971 to 30th June, 1973 (hereinafter referred to as "the said period") at 11 Spring Street, Chatswood. 10
- 4.2 On the 29th day of July, 1963 the Tax Agents entered into an Agency Agreement with General Accident. The terms applicable to that agreement are set out in the document marked exhibit "GA4". Such agreement was in force during the said period.
- 4.3 During the said period the total commission received by the Tax Agents from General Accident was approximately \$1,467 and this sum represented less than 1% of the gross income of the Tax Agents during the said period. The balance of the gross income of the Tax Agents received during the said period consisted of: fees received by the Tax Agents in connection with their tax agency business; commission received from other general insurance companies in respect of life insurance effected by the Tax Agents. 20
- 4.4 It was the responsibility of one of the Tax Agents to ensure that the Tax Agents obtained as much commission as possible. To this end the Tax Agents arranged for

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of Facts Case 4 Alan Rich &
Patience Rich

circular letters to be forwarded to clients for whom they acted generally, informing the clients that the Tax Agents could arrange general insurance through the agencies of the Tax Agents. The Tax Agents had agency agreements with two other insurance companies. Some clients requested the Tax Agents to effect assurance with an insurance company nominated by the Tax Agents in which case the Tax Agents arranged the insurance with the insurance company they considered had the policy best suited to the client's needs. In other cases the client nominated the insurer and the Tax Agents in those cases effected the insurance with that insurer.

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4.5 When clients asked the Tax Agents to arrange insurance with General Accident or when the Tax Agents decided insurance should be arranged with General Accident, the Tax Agents arranged for a proposal form supplied to the Tax Agents by General Accident to be completed. The proposal form was normally completed by the client, however the Tax Agents occasionally completed the proposal form on behalf of the client. The proposal form was always signed by the client personally.

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4.6 The Tax Agents collected from the client a cheque usually made payable to General Accident for the initial premium and forwarded this with the completed

proposal form to General Accident. Occasionally the cheque for the initial premium was made payable to the Tax Agents. In that event, the cheque was banked by the Tax Agents into their Trust account and a cheque drawn on their account made payable to General Accident for the amount of the initial premium. The amount forwarded to General Accident was a gross amount of the premium without any deduction. 10

4.7 Premium renewal notices were forwarded by General Accident to the Tax Agents. The Tax Agents then forwarded a notice to the client requesting payment of the premium. Almost all premiums were then subsequently paid by the client to the Tax Agents and not to General Accident. On receipt of the renewal notices and monthly accounts setting out the amount of premiums due for that month, the Tax Agents forwarded to General Accident a cheque for the gross amount of premiums due for that month. The Tax Agents when they received the cheque for the renewal premium from the client then banked this to their account. 20

4.8 If a client failed to pay a premium on the due date, the Tax Agents contacted the client by letter or telephone requesting payment of the premium. If the clients still did not pay, the Tax Agents notified General Accident that the policy should be cancelled.

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of Facts Case 4 Alan Rich &
Patience Rich

- 4.9 When a policy was cancelled no further commission was received by the Tax Agents in respect of that policy. When the Tax Agents had already paid the premium on the policy and the client had cancelled the policy, General Accident allowed the Tax Agents a credit for the full amount of the premium paid by them and debited to their account any commission previously paid to them. 10
- 4.10 The policy document when prepared by General Accident was forwarded either to the client direct or to the Tax Agents who then forwarded this on to the client.
- 4.11 General Accident forwarded monthly commission statements to the Tax Agents together with a cheque for the net amount of the commission due to the Tax Agents after making allowances for the crediting of premiums and debiting of commission paid on policies that had lapsed.
- 4.12 If an inspection or valuation of the property was re- 20
quired, General Accident arranged this direct with the client.
- 4.13 General Accident did not provide any secretarial or other facilities to the Tax Agents nor any stationery apart from proposal forms. General Accident did not direct the Tax Agents in any way as to the management of their agency. Nor did General Accident supply to the Tax Agents the names of or other information or

Exhibit C - Agreed Statement
of Facts Case 4 Alan Rich &
Patience Rich

leads as to potential clients.

4.14 The Tax Agents had no authority to and did not issue cover notes of insurance on behalf of General Accident.

4.15 When a client wished to make a claim, the client contacted the Tax Agents. The Tax Agents then assisted the client to complete a claim form and contacted General Accident by telephone or letter on behalf of the client in an endeavour to obtain payment of the claim.

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4.16 When there was a dispute as to a claim or any aspect of a policy, the client contacted the Tax Agents who then contacted General Accident by telephone or letter and negotiated with General Accident on behalf of the client until the matter was resolved to the satisfaction of the client.

4.17 Except as hereinbefore set out, the facts contained in the preceding sixteen paragraphs applied without significant variation during the said period.

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PAYMENTS OF COMMISSION TO INDIVIDUALS WHO CARRY ON A BUSINESS NOT BEING INSURANCE AND COME INTO CONTACT WITH PEOPLE WHO ASK THEM TO ARRANGE INSURANCE NOT NECESSARILY RELATED TO THE PRINCIPAL MATTER OF BUSINESS CONTACT AND WHO HAVE AN AGENCY AGREEMENT WITH GENERAL ACCIDENT, E.G. COUNTRY STOREKEEPER, GARAGE PROPRIETOR, FARMER, REAL ESTATE AGENTS ETC.

Case 5 - RICHARD JOHN BASTO

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5.1 Richard John Basto (hereinafter in this case referred to as "the Agent") carried on business as a property manager during the period from 1st September, 1971 to 30th September, 1976 (hereinafter referred to as "the said period") until September, 1972 from premises at 114 Coonanbarra Road, Wahroonga and thereafter from premises at 20 Gottenham Street, Glebe.

5.2 On 16th July, 1959, the Agent entered into an agency agreement with General Accident. The terms applicable to that agreement are set out in the document marked exhibit "GA5" and such agreement was in force during the said period.

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5.3 During the said period, the total commission received by the Agent from General Accident was approximately \$1,924 and this sum represented approximately 3.7% of the gross income of the Agent during the said period. The balance of the income of the Agent received during the said period consisted of fees received by him from

Exhibit C - Agreed Statement
of Facts Case 5 Richard John
Basto

the management of properties and profit on sales of
land.

5.4 Prior to commencing business as a property manager,
the Agent was a life insurance salesman and persons to
whom the Agent sold life insurance sometimes asked the
Agent to arrange their general insurance. When the
Agent commenced business as a property manager, there- 10
fore, he had a number of clients for whom he arranged
general insurance.

5.5 In addition to these clients, the Agent arranged in-
surance on the properties partly owned or managed by
him. About 60% of any insurance arranged during the
said period by the Agent was in respect of properties
partly owned and managed and properties managed by him.
The other clients consisted mainly of household ac-
counts. The Agent did not hold himself out as an agent
of General Accident. 20

5.6 Insurance on properties partly owned and managed and
properties managed by the Agent were all arranged by
him with General Accident. Proposal forms for all in-
surance on properties partly and managed and properties
managed by the Agent were completed and signed by the
Agent. Proposal forms for insurance on properties not
partly owned and managed and/or properties not managed
referred to in Clause 5.4 hereof by the Agent were

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of Facts Case 5 Richard John
Basto

usually completed and signed by the Agent on behalf of the client. The Agent did arrange insurance for clients with insurance companies other than General Accident if the client so requested and the Agent received a commission for any insurance so arranged.

- 5.7 As manager of properties partly owned and managed and properties managed by the Agent, the Agent forwarded 10
to General Accident cheques for the amount of the premium due without any deduction of an amount equal to the Agent's commission. In respect of other clients, the Agent obtained from them a cheque in favour of General Accident for the initial premium and forwarded this to General Accident with the completed proposal form.
- 5.8 All renewal notices were sent by General Accident direct to clients except in the case of properties partly owned and managed and properties managed by the Agent in 20
which case they were forwarded to the Agent. In respect of properties partly owned and managed and properties managed by the Agent, the Agent arranged for the payment of renewal premiums in the manner hereinbefore referred to. In all other cases, renewal premiums were paid direct by the client to General Accident.
- 5.9 The Agent had no authority to and did not issue cover notes of insurance on behalf of General Accident.

When insurance was to be arranged for a property, the Agent telephoned an employee of General Accident and asked for a cover note to be issued and this was then forwarded by General Accident to the Agent by mail.

5.10 General Accident did not supply to the Agent any secretarial or other facilities or any stationery apart from proposal forms nor did General Accident give to the Agent any directions as to the management of his agency.

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5.11 General Accident did not supply to the Agent the names of or other information or leads as to potential clients.

5.12 The Agent dealt mainly with General Accident's Sydney Office. The Agent did not deal with any particular employee of General Accident but with any employee who was available at the time.

5.13 When a valuation of a property was required, General Accident arranged this direct with the client.

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5.14 When a payment of a premium was overdue, General Accident notified the Agent by letter and the Agent then called on the client in an attempt to obtain from him a cheque for the amount of the premium. If the client was not willing to pay at that stage, the Agent did not pursue the matter further.

5.15 Commission was paid to the Agent by General Accident

at irregular intervals. Commission was only paid to the Agent by General Accident where premiums had been paid in respect of a policy. When a policy lapsed because of non-payment of a premium, no further commission was received by the Agent in respect of that policy.

- 5.16 Usually a client when he wished to make a claim, con- 10
tacted General Accident direct. Occasionally, a
client contacted the Agent indicating to him that the
client wished to make a claim. The Agent then con-
tacted an employee of General Accident and asked for a
claim form to be sent to the client. On one or two
occasions during the said period, a client asked the
Agent to assist him in completing a claim form. On
all other occasions, the client completed the claim
form himself and dealt direct with General Accident in
relation to the claim. 20
- 5.17 On one occasion during the period, a client contacted
the Agent informing the Agent that General Accident
had disallowed a claim. The Agent spoke to an employee
of General Accident asking General Accident to recon-
sider the matter. The Agent is not aware of the outcome
of the dispute having done nothing further in relation
to the matter.

Exhibit C - Agreed Statement
of Facts Case 5 Richard John
Basto

5.18 Except, as hereinbefore set out, the facts contained
in the preceding seventeen paragraphs applied without
significant variation during the said period.

Case 6 - PHILLIP JOHN CASSIDY

- 6.1 Phillip John Cassidy (hereinafter referred to in this case as "the Merchant") a wine and spirit merchant, carried on business as a wine and spirit merchant at Richmond during the period 1st September, 1971, to 30th September, 1976 (hereinafter referred to as "the said period").
- 6.2 On 29th March, 1955, the Merchant entered into an Agency Agreement with General Accident. That agreement remained in force during the said period and the terms applicable to that agreement are set out in the document marked exhibit "GA6".
- 6.3 The total amount of commission received by the Merchant during the said period was approximately \$5,290 which sum represented less than 10% of the gross income received by the Merchant during the said period. The balance of the income of the Merchant received during the period 1st September, 1971, to May, 1973, consisted of salary from his occupation as a life insurance manager initially for the Legal and General Assurance Society Limited and later for the Amev Life Assurance Company Limited. The balance of the income of the Merchant received during the period May, 1973, to 30th September, 1976, consisted of income from his business as a wine and spirit merchant conducted by him at Richmond.

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6.4 The Merchant arranged insurance for members of his family, friends and personal and business contacts. He did not actively approach people asking them about their insurance needs. New clients were referred to the Merchant by clients for whom he had arranged insurance previously. The Merchant usually suggested to clients that insurance be arranged with General Accident. However, when the Merchant felt that a better policy of insurance could be obtained for a particular client from another insurance company, the Merchant arranged insurance with that other company and not General Accident. The Merchant did not have any insurance agencies with any insurance companies other than General Accident and received no commission where insurance was effected with an insurance company other than General Accident.

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6.5 The Merchant had no authority under the terms of the Agency Agreement with General Accident to issue cover notes of insurance and did not issue cover notes of insurance on behalf of General Accident. The Merchant discussed a client's insurance needs with the client and arranged for a cover note to be issued by contacting an employee of General Accident and asking for a cover note to be forwarded to the client. The Merchant also arranged for General Accident to forward to the

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client a proposal form. The proposal form was then completed either by the client or by the Merchant on the client's instructions and subsequently forwarded to General Accident by the client or the Merchant together with the client's cheque for the amount of the initial premium.

- 6.6 Premium renewal notices were forwarded in most cases 10
direct by General Accident to the client. Occasionally,
they were forwarded to the Merchant who then forwarded
these onto the client.
- 6.7 Renewal premiums were usually paid by the client direct
to General Accident. Occasionally, the client handed
to the Merchant a cheque made payable to General Acci-
dent in respect of an initial or renewal premium in
which case the Merchant sent the cheque to General
Accident. Where the client was a member of the Mer- 20
chant's family, the Merchant always asked General Acci-
dent to charge the amount of this premium to his ac-
count. In one or two cases during the said period,
the Merchant arranged for clients to pay premiums by
way of bank authority. The Merchant arranged for the
client to complete a form of bank authority at the time
the proposal form was completed.
- 6.8 Subject to clause 6.7 hereof, the full amount of the
premium was sent to General Accident who subsequently

credited the Merchant's account with the amount of
commission due to him.

- 6.9 The Merchant was notified by General Accident in the
event of a non-payment of premiums by one of his
clients. In such a case, he would contact the client
either by telephone or by a personal visit to the
client and would attempt to obtain payment of the pre- 10
mium.
- 6.10 The Merchant did not usually arrange valuations of the
property for General Accident. In most cases, if
General Accident required a valuation, it arranged this
direct with the client. Sometimes, however, valuations
were arranged by the Merchant.
- 6.11 General Accident forwarded to the Merchant at irregular
intervals a statement setting out the amount of commis-
sion due to the Merchant and premiums due on policies
effected by the Merchant for himself and members of 20
his family, together with a cheque for the net amount
of commission (if any) shown on the statement.
- 6.12 When a policy lapsed because of non-payment of a pre-
mium by a client, the Merchant received no further
commission in respect of that policy.
- 6.13 When a client wished to make a claim, the client some-
times contacted the Merchant and sometimes contacted
General Accident direct. When a client contacted the

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of Facts Case 6 Phillip John
Cassidy

Merchant, the Merchant then assisted the client to complete the claim form and submitted the claim form to General Accident on the client's behalf. After submission of the claim form, the Merchant continued to negotiate with General Accident on behalf of the client until the claim was paid or the matter otherwise dealt with to the satisfaction of the client.

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6.14 When a dispute arose between General Accident and the client concerning the policy document or a claim, the Merchant usually contacted General Accident on the client's behalf and dealt with the matter until it was resolved to the satisfaction of the client.

6.15 General Accident did not make available to the Merchant any secretarial or other facilities or any stationery, apart from proposal forms, nor did General Accident give to the Merchant any instructions as to the manner of conducting his agency nor the names of or other information or leads as to potential clients. General Accident did not give to the Merchant any directions as to the management of his agency.

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6.16 Except as hereinbefore set out, the facts contained in the preceding fifteen paragraphs applied without significant variation during the said period.

PAYMENTS OF COMMISSIONS TO PARTNERSHIPS WHO CARRY ON A BUSINESS NOT BEING INSURANCE AND COME INTO CONTACT WITH PEOPLE WHO ASK THEM TO ARRANGE INSURANCE NOT NECESSARILY RELATED TO THE PRINCIPAL MATTER OF BUSINESS CONTACT AND WHO HAVE AN AGENCY AGREEMENT WITH GENERAL ACCIDENT, E.G. COUNTRY STORE-KEEPER, GARAGE PROPRIETOR, FARMER, REAL ESTATE AGENTS, ETC.

Case 7 - BARRY FREDERICK CHILDS AND NOREEN RAY CHILDS

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7.1 Barry Frederick Childs and Noreen Ray Childs (hereinafter referred to in this case as "the Partners") licensed Real Estate Agents, carried on business as Real Estate and Business Agents and Auctioneers at 140 Oak Road, Kirrawee, during the period 1st September, 1971, to 30th September, 1976 (hereinafter referred to as "the said period").

7.2 On 6th March, 1968, the Partners entered into an agency agreement with General Accident. That agreement remained in force during the said period. The document marked exhibit "GA7" sets out the terms applicable to that agreement.

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7.3 The total amount of commission received by the Partners during the said period was approximately \$781. This amount represented only a negligible portion of the gross income of the Partners during the said period. The balance of the gross income of the Partners received during the said period consisted of

income received by them in connection with the business of real estate and business agents and auctioneers carried on by them.

- 7.4 The Partners occasionally arranged insurance for a client in connection with the purchase of real property. The Partners arranged insurance purely as a facility for such clients. Most insurance arranged by the Partners, however, was for the friends, personal contacts and relations of the Partners. The Partners did not actively seek insurance business. 10
- 7.5 Prior to 1972, the Partners had authority to issue cover notes of insurance on behalf of General Accident and issued approximately four or five such cover notes. From 1972, the Partners did not have authority to issue cover notes of insurance on behalf of General Accident and did not issue cover notes from that date.
- 7.6 Subject to Clause 7.5 hereof when a client requested the Partners to arrange insurance for them with General Accident, the Partners contacted an employee of General Accident and arranged for a cover note of insurance to be issued in respect of the client's property. At that time, the Partners obtained from the client the amount of the initial premium in the form of a cheque made payable to General Accident or cash. Where the initial premium was paid to the 20

Partners in cash, the Partners banked this amount to their account and drew a cheque on their account payable to General Accident for the gross amount of the premium.

7.7 Occasionally the Partners arranged for the client to complete a proposal form in respect of the insurance. More often, however, the Partners waited until a representative from General Accident called at their office and asked that representative to call to see the client to arrange for a proposal form to be completed.

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7.8 When the Partners arranged for the client to complete the proposal form, the Partners then forwarded this by post to General Accident together with the cheque for the initial premium or, alternatively, handed the completed proposal form and the cheque for the premium to the representative of General Accident when he called at the Partners' office.

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7.9 Premium renewal notices were forwarded by General Accident direct to the client. No premiums other than initial premiums were paid by clients to the Partners during the said period.

7.10 General Accident forwarded a monthly statement to the Partners setting out the amount of commission due to them, together with a cheque for the amount of

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of Facts Case 7 Barry Frederick
Childs & Noreen Ray Childs

commission shown on the statement. Commission was only paid to the Partners by General Accident where premiums had been paid to General Accident. If a policy lapsed because of non-payment of a premium by an insured, the Partners received no further commission in respect of that policy. If a policy lapsed because of non-payment of a premium by an insured, General Accident did not inform the Partners of such lapses apart from noting that fact on the Commission Statement sent to the Partners. No attempts were made by the Partners to collect from clients premiums that were overdue.

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7.11 When the policy issued, General Accident forwarded this direct to the client.

7.12 If a client did not wish to insure with General Accident, the Partners did not arrange insurance with any other insurance company. The Partners did not have an agency agreement with any insurance company other than General Accident.

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7.13 When a client wished to make a claim, the client contacted General Accident direct.

7.14 When there was any dispute relating to a policy or any claim, the client dealt direct with General Accident.

7.15 General Accident never gave to the Partners any directions as to how they should manage their agency, nor did General Accident provide the Partners with any

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of Facts Case 7 Barry Frederick
Childs & Noreen Ray Childs

secretarial or other facilities nor the names of or
other information or leads as to potential clients nor
any stationery apart from proposal forms.

7.16 When a valuation of a property was required, General
Accident arranged this direct with the client.

7.17 Except as hereinbefore set out, the facts contained in
the preceding sixteen paragraphs applied without signi- 10
ficant variation during the said period.

Case 8 - LORRIE RAYMOND AND CAROLINE MARION FRIAR

8.1 Lorrie Raymond and Caroline Marion Friar (hereinafter in this case referred to as "the Partners") were semi-retired during the period 1st September, 1971, to 30th September, 1976, (hereinafter referred to as "the said period") carrying on various part-time businesses from premises at 43 Ridge Street, South Grafton. 10

8.2 On 28th day of April, 1969, the Partners entered into an Agency Agreement with General Accident. That agreement remained in force during the said period. The document marked exhibit "GA8" sets out the terms applicable to that agreement.

8.3 The total amount of commission received by the Partners during the said period from General Accident was approximately \$9,802. This amount represented approximately 20% of the gross income of the Partners during that period. 20

8.4 The income apart from commissions received by the Partners during the period was received in connection with transporting new motor cars from Sydney to Grafton, work performed by one of the Partners part-time for the Department of Attorney-General and of Justice as a Court attendant and various investments of the Partners.

8.5 The Partners knew a large number of people in the

Exhibit C - Agreed Statement
of Facts Case 8 Lorrie Raymond
& Caroline Marion Friar

Clarence River area having come to know these people through their business of garage proprietors carried on by them prior to 1965. During the said period, the Partners contacted some of these people as well as friends and relations with a view to arranging fire and related insurance for them. The Partners also went personally from door to door asking people they did not necessarily know beforehand if they needed fire insurance cover and, if so, informing them that the Partners could arrange such cover with General Accident or other insurance companies if the client so desired. The Partners did not have agency agreements with any other insurance companies, but when a client indicated that they would like the Partners to arrange insurance with an insurance company other than General Accident, the Partners arranged the insurance through a firm of insurance brokers, Clarence Insurance Services. Usually the Partners received a commission in respect of insurance arranged by them from Clarence Insurance Services.

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- 8.6 When a person approached by the Partners indicated to the Partners that they would like the Partners to arrange insurance for them with General Accident, the Partners arranged for a proposal form supplied to them by General Accident to be completed and signed by the Client.

Exhibit C - Agreed Statement
of Facts Case 8 Lorrie Raymond
& Caroline Marion Friar

- 8.7 The Partners usually collected from clients a cheque made payable to General Accident for the amount of the initial premium and this cheque was sent in gross without any deduction, together with the completed proposal form to General Accident by the Partners.
- 8.8 Premium renewal notices were sent direct to the client by General Accident and the client arranged payment of subsequent premiums in almost all cases direct to General Accident. Occasionally, the amount of the initial premium or a renewal premium was paid to the Partners in cash. In such instances, the Partners banked the amount of cash to their account and drew a cheque on their account made payable to General Accident for an amount of the premium less an amount equal to the amount of the Partners' commission in respect of that policy. 10
- 8.9 The policy document when prepared was sent by General Accident to clients direct. 20
- 8.10 When premiums were overdue, General Accident forwarded to the Partners a notice notifying them of this fact. The Partners then attempted to contact the insured either by telephone or by visiting them personally to obtain payment of the overdue premium.
- 8.11 General Accident forwarded to the Partners irregularly not less than every three months statements showing

the amount of commission due to the Partners, together with a cheque for the amount of commission.

8.12 Commission was only paid to the Partners when a premium was paid. If a policy lapsed because of non-payment of a premium, no further commission was received by the Partners in respect of that policy

8.13 The Partners did not seek any advice or directions from General Accident as to how they should manage their agency and General Accident did not give any such advice or directions to the Partners. General Accident did not make available any secretarial or other facilities to the Partners nor any stationery other than proposal forms. General Accident did not provide to the Partners the names of or any other information or leads as to potential clients. 10

8.14 The Partners had authority to issue cover notes of insurance on behalf of General Accident and did issue cover notes of insurance on behalf of General Accident until approximately mid-1972. After that date, General Accident withdrew this authority and the Partners did not after that date issue cover notes of insurance on behalf of General Accident. 20

8.15 As far as the Partners are aware, it was not necessary for clients for whom they arranged insurance to obtain valuations of properties insured. When such valuations

were arranged, they were arranged direct by General Accident with clients.

8.16 During the said period, clients of the Partners contacted the Partners informing them that the clients wished to make a claim under a policy arranged by the Partners. The Partners suggested to the clients that they should contact General Accident direct and the client on all occasions then dealt direct with General Accident in relation to the claim.

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8.17 When there was any dispute as to the terms of a policy or a claim in respect of a policy effected by the Partners, General Accident dealt direct with the clients in relation to the dispute or claim.

8.18 Except as hereinbefore set out, the facts contained in the preceding seventeen paragraphs applied without significant variation during the said period.

PAYMENTS OF COMMISSION TO CORPORATE BODIES WHO CARRY ON A BUSINESS NOT BEING INSURANCE AND COME INTO CONTACT WITH PEOPLE WHO ASK THEM TO ARRANGE INSURANCE NOT NECESSARILY RELATED TO THE PRINCIPAL MATTER OF BUSINESS CONTACT AND WHO HAVE AN AGENCY AGREEMENT WITH GENERAL ACCIDENT E.G. COUNTRY STOREKEEPER, GARAGE PROPRIETOR, FARMER, REAL ESTATE AGENTS ETC.

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Case 9 - PERCY WOODS & CO. PTY. LIMITED

9.1 Percy Woods & Co. Pty. Limited (hereinafter in this case referred to as "the Company") carried on the business of a real estate agency at 91 Spofforth Street, Cremorne Junction, during the period 1st September, 1971, to 30th September, 1976 (hereinafter referred to as "the said period").

9.2 The Company entered into an agency agreement with General Accident on the 9th day of November, 1967, which agreement was in force during the said period. The document marked exhibit "GA9" sets out the terms applicable to that agreement.

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9.3 During the said period, the Company received a total of approximately \$1,577 by way of commission from General Accident. The said amount of \$1,577 represented less than 1% of the gross income of the Company during the said period. The balance of the income of the Company received during the said period consisted

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of Facts Case 9 Percy Woods
& Co. Pty. Limited

of commission received on the sale of properties, fees from the management of flats and strata title units and a small amount of valuation fees.

- 9.4 The Company arranged insurance mainly on buildings managed by it in connection with its real estate business. The properties insured were almost exclusively flats and homes, although insurance was also arranged for some bodies corporate. The directors of the Company periodically renewed insurance on properties and if they considered that the insurance was not adequate or that the premium being paid was excessive, a director or employee of the Company obtained quotes for the premium payable in respect of a similar policy with several other insurance companies. When a premium payable was less than that currently being paid by the client or a better policy was available at a similar premium rate, the directors of the Company informed the client of this and asked the client if he would like the Company to arrange for the insurance to be renewed with the insurance company having the lower premium or better policy. The Company also had an insurance agency with Guardian Royal Exchange Insurance Limited and received a commission when insurance was effected with that company. When a client indicated to the directors of the Company that he wished to

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insure with a company other than General Accident or the Guardian Royal Exchange Insurance Limited, the Company arranged such insurance. No commission was received by the Company in connection with insurance effected with insurance companies other than General Accident and the Guardian Royal Exchange Insurance Limited.

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9.5 When the client indicated to the directors of the Company that he wished to insure with General Accident, the directors of the Company arranged for a proposal form to be completed by the client. When completed the proposal form was signed by the client or by the directors on the client's behalf. The directors then, subject to the next succeeding paragraph, obtained a cheque for the amount of the initial premium from the client and forwarded this together with the completed proposal form to General Accident.

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9.6 In cases where the Company acted as managing agent of a property, premiums were paid by cheque drawn by the Company on its account. This amount was then debited against rent or other fees collected in respect of the property by the Company for the client. All premiums were forwarded to General Accident by the Company in gross without any deduction of amounts equal to the commission due to the Company.

Exhibit C - Agreed Statement
of Facts Case 9 Percy Woods
& Co. Pty. Limited

- 9.7 The policy document when prepared by General Accident was forwarded to the client and not to the Company.
- 9.8 The Company had no authority to issue cover notes of insurance and did not issue cover notes of insurance on behalf of General Accident.
- 9.9 General Accident forwarded to the Company at irregular intervals, statements setting out the commission due to the Company together with a cheque for the amount of the commission. 10
- 9.10 General Accident did not supply to the Company any secretarial or other facilities or stationery, apart from proposal forms, nor did it supply to the Company the names of or other information or leads as to potential clients. General Accident did not give to the Company any directions as to the management of its agency.
- 9.11 The directors of the Company during the said period were Richard Boshier Downs (Managing Director) of 14 Adderston Avenue, North Sydney, Estate Agent, and Shirley Margaret Downs of the same address and who had no business interests apart from her directorship of the Company. 20
- 9.12 The Company did not have any signs erected indicating that it was an agent of General Accident and did not hold itself out as an insurance agent of General

Exhibit C - Agreed Statement
of Facts Case 9 Percy Woods
& Co. Pty. Limited

Accident. If the directors of the Company considered that competitive insurance could be arranged with General Accident, then they would arrange for the insurance to be effected with General Accident.

- 9.13 When a client wished to make a claim, the client contacted General Accident direct except in cases where the Company was acting as managing agent of the property. In those cases, the directors of the Company contacted General Accident and arranged for a claim form to be completed and submitted to General Accident.
- 9.14 Except as hereinbefore set out, the facts contained in the preceding thirteen paragraphs applied without significant variation during the said period.

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PAYMENTS OF COMMISSIONS TO INDIVIDUAL LIFE AGENTS WITH A
LIFE ASSURANCE AGENCY AGREEMENT WITH A RELATED OR NON-RELATED
COMPANY AND WITH AN AGENCY AGREEMENT WITH GENERAL ACCIDENT
Case 10 - BRIAN CURTIS BROWN

- 10.1 Brian Curtis Brown of 8 Murrumbidgee Avenue, Sylvania
Waters (hereinafter referred to as "the Agent") was
an individual life insurance agent during the period 10
1st September, 1971, to 30th September, 1976 (herein-
after referred to as "the said period").
On the 11th day of April, 1969, the Agent entered in-
to an agreement with General Accident, which agree-
ment was in force during the said period. The docu-
ment marked exhibit "GA10" sets out the terms applic-
able to that agreement.
- 10.2 On the 11th day of April, 1969, the Agent entered
into an agreement with Yorkshire-General Life Assur-
ance Company Limited, whereby the Agent was appointed 20
a life insurance agent of that company.
- 10.3 During the said period, the Agent received a total of
approximately \$1,360 by way of commission from Gene-
ral Accident. The said amount of \$1,360 represented
1-2% of the gross income of the Agent during the said
period. The balance of the income of the Agent re-
ceived during the said period consisted of commission
received from Yorkshire-General Life Assurance Company

Limited in respect of life insurance effected by the Agent with that company.

10.4 The Agent during the period arranged insurance for clients for whom he arranged life insurance. When such clients asked the Agent if he could arrange householders home combined insurance, sickness and accident insurance or motor vehicle insurance, the Agent informed them that he could and then arranged for a proposal form to be completed and signed by the client.

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10.5 The Agent collected a cheque for the amount of the initial premium from the client. The cheque collected was usually made payable to the Agent, in which case the Agent banked the cheque to his account subsequently drawing a cheque on his own account made payable to General Accident for the amount of the premium. The Agent then delivered the completed proposal form, together with the cheque for the commission, to the office of General Accident at Bankstown.

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10.6 Premium renewal notices were forwarded direct to the Client. Almost all renewal premiums were forwarded direct by clients to General Accident. Occasionally, a cheque for a premium was paid to the Agent who dealt with the cheque in the manner referred to in paragraph 10.5 hereof.

- 10.7 The Agent always instructed General Accident to forward the insurance policy direct to the client, although occasionally a policy was sent to the Agent, who then forwarded it on to the client.
- 10.8 Where the cheques for subsequent premiums were made payable to the Agent, the Agent paid to General Accident an amount equal to the net amount of the premiums 10 after deducting the amount of his commission. In other cases, the amount of commission due to the Agent would be credited against premiums payable on his own insurance or where there was an excess of commission payable and the Agent had paid the premium to General Accident without deducting the amount of his commission, a cheque would be forwarded by General Accident to the Agent for the amount of the excess commission.
- 10.9 Approximately 90% of insurance arranged by the Agent 20 was arranged for members of the New South Wales Police Force and any homeowners and householders insurance or sickness and accident insurance was arranged by the Agent only for these clients.
- 10.10 General Accident did not supply to the Agent any secretarial or other facilities nor did it supply to the Agent any stationery apart from proposal forms.
- General Accident did not supply to the Agent the names

of or other information or leads as to potential clients, nor did General Accident give to the Agent any directions as to the management of his agency.

10.11 The Agent did not have an agency with any insurance companies other than Yorkshire-General Life Assurance Company Limited and General Accident. When a client did not want to insure with General Accident, the Agent did not arrange insurance with any other insurance company.

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10.12 When a payment of a premium was overdue, General Accident notified the Agent on his commission statement of this fact and the Agent then contacted the client by telephone informing him that if the premium was not paid, the policy would lapse. On some occasions the client forwarded cheques for the amount of the premium direct to General Accident and on other occasions cheques were forwarded to the Agent.

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10.13 During the period May 1973 to January 1974, the Agent carried on business in Canberra and occasionally General Accident made available to him a desk and telephone at its office in Canberra. No charge was made by General Accident for the use of the desk and telephone. Prior to May 1973 and since January 1974, the Agent has operated from an office in his home and General Accident did not provide to the Agent any

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of Facts Case 10 Brian Curtis
Brown

secretarial or other facilities nor any stationery
apart from proposal forms. General Accident did not
supply to the Agent the names of or other information
or leads as to potential clients during the said
period. No assessment of payroll tax has been made
in respect of commission payments made by General
Accident to the Agent during the period May 1973 to 10
January 1974.

10.14 Until 1976, the Agent arranged for payment of premiums
on sickness and accident policies to be made by clients
quarterly by bank authority. The Agent had the client
complete a form of bank authority at the time the pro-
posal form was completed and then delivered the autho-
rity, together with the completed proposal form and
cheque for the initial premium, to General Accident.
From 1976, General Accident refused to accept payment
of premiums by way of bank authority and from that 20
date all premiums were paid direct to General Accident.

10.15 When the client wished to make a claim, the client
contacted the Agent. The Agent then contacted the
General Accident inspector concerned (usually the
General Accident inspector from the Bankstown office)
and arranged for him to forward a claim form to the
client. The client then completed the claim form and

Exhibit C - Agreed Statement
of Facts Case 10 Brian Curtis
Brown

Exhibit 10 - Agreed Statement
of Facts Case 10 Brian Curtis
Brown

delivered this to General Accident, who then dealt
with the client direct.

10.16 No disputes arose between General Accident and clients
for whom the Agent arranged insurance.

10.17 During the period 1973 to 1976, the Agent had autho-
rity to and did issue cover notes of insurance on
behalf of General Accident. General Accident provided 10
to the Agent a cover note book for this purpose. In
1976, General Accident withdrew the Agent's cover note
book and his authority to issue cover notes of insur-
ance on behalf of General Accident. From that date,
no further cover notes of insurance were issued by the
Agent on behalf of General Accident, and when the
Agent wished to arrange insurance on a property he
telephoned an employee of General Accident and asked
for a cover note to be issued and forwarded by mail
to him. 20

10.18 When an inspection of a property was required, General
Accident arranged this direct with the client.

10.19 Except as hereinbefore set out, the facts contained in
the preceding eighteen paragraphs applied without
significant variation during the said period.

Case 11 - WILLIAM ALBERT SPONBERG

11.1 William Albert Sponberg of 7 Woodlands Avenue,
Lugarno, (hereinafter referred to as "the Agent") was
an individual life agent during the period 1st Sep-
tember 1971, to 30th September, 1976 (hereinafter
referred to as "the said period").

On the 8th day of March, 1967, the Agent entered 10
into an agreement with General Accident. The docu-
ment marked exhibit "GAll" sets out the terms applic-
able to that agreement, which remained in force
during the said period.

11.2 During the period July, 1971 to December, 1975 the
Agent was a life agent of Commonwealth General Assur-
ance Corporation Limited. During the period Decem-
ber, 1975, to 30th September, 1976 the Agent was a
life agent of Yorkshire-General Life Assurance
Company Limited. 20

11.3 During the said period, the Agent received a total
of approximately \$419 by way of commission from Gene-
ral Accident and this amount represented less than
1% of the gross income received by the Agent during
the said period. The balance of the income of the
Agent received during the said period consisted of
commission received from life insurance and general
insurance effected by the Agent with Yorkshire-

Exhibit C - Agreed Statement
of Facts Case 11 William
Albert Sponberg

General Life Assurance Company Limited and of deferred commission received from Commonwealth General Assurance Corporation Limited in respect of life insurance effected by the Agent with that company during the period July, 1971 to December, 1975 referred to in Clause 11.2 hereof.

- 11.4 The Agent during the period in talking to clients about life insurance, usually mentioned to them that he was able to arrange general insurance for them if they required it. Other clients for whom the Agent arranged general insurance were referred to the Agent by existing clients for whom the Agent had previously arranged general insurance and by clients for whom the Agent had arranged life insurance. The Agent was also approached by friends and acquaintances who knew of the Agent's involvement in the insurance business. 10
- 11.5 During the said period, the Agent had a general agency with Commercial & General Assurance Corporation Limited, as well as with General Accident. The Agent usually suggested to clients that insurance be arranged with that company or with General Accident and then effected insurance with the insurance company chosen by the client. The Agent received commission for insurance effected with the Commonwealth General Assurance Corporation Limited. The Agent did not 20

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of Facts Case 11 William
Albert Sponberg

arrange general insurance with any other insurance companies.

- 11.6 When a client indicated to the Agent that he would like the Agent to arrange his general insurance with General Accident, the Agent arranged for the client to complete a proposal form or complete it himself on the client's behalf with information supplied to him by the client. The proposal form was then signed by the client. 10
- 11.7 The Agent collected from the client at the time the proposal form was completed a cheque always made payable to General Accident for the initial premium on the policy. This was then forwarded with the completed proposal form to General Accident.
- 11.8 Where possible, the Agent did not arrange for the proposal form to be completed nor collect the initial premium from the client, but rather contacted an employee of General Accident and arranged for that employee to contact the client and make arrangements for the insurance to be effected. 20
- 11.9 The Agent arranged with General Accident for premium renewal notices to be forwarded to the client direct. The Agent arranged for the client to pay the premium direct to General Accident and not to himself. Occasionally, a cheque for a renewal premium made payable

Exhibit C - Agreed Statement
of Facts Case 11 William
Albert Sponberg

to General Accident was forwarded to the Agent.

11.10 Where the Agent did receive cheques for the initial or renewal premiums from clients, he paid these in gross to General Accident without deducting any amount for his commission.

11.11 The Agent had no authority to and did not issue cover notes of insurance on behalf of General Accident. 10
Usually, when a client indicated to the Agent that he would like the Agent to arrange general insurance to be effected for him, the Agent contacted General Accident and arranged for a cover note of insurance to be issued by General Accident.

11.12 When payment of a premium was overdue, General Accident informed the Agent of this and the Agent then contacted the client by telephone and endeavoured to obtain payment. Normally, clients were friends of the Agent and the client either paid the amount of the premium or informed the Agent that the policy should lapse. 20

11.13 General Accident never made available to the Agent any secretarial or other facilities or any stationery apart from proposal forms nor did General Accident give to the Agent any directions or advice with regard to the management of his agency. General Accident did not supply to the Agent the names of or other

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of Facts Case 11 William
Albert Sponberg

information or leads as to potential clients. The Agent did not hold himself out as an agent of General Accident.

- 11.14 When a valuation of a property was required, General Accident arranged this direct with the client.
- 11.15 General Accident forwarded to the Agent each month a statement setting out the commission due to the Agent, 10 together with a cheque for the amount of commission shown on the statement.
- 11.16 When a client wished to make a claim, the client contacted the Agent. The Agent then contacted General Accident requesting that a claim form be forwarded to the client. General Accident then dealt direct with the client in relation to the claim.
- 11.17 When there was a dispute between General Accident and a client concerning any aspect of a policy or a claim, General Accident dealt direct with the client in rela- 20 tion to the matter.
- 11.18 Except as hereinbefore set out, the facts contained in the preceding eighteen paragraphs applied without significant variation during the said period.

PAYMENTS OF COMMISSIONS TO PARTNERSHIPS OF LIFE ASSURANCE
AGENTS WITH LIFE ASSURANCE AGENCY AGREEMENTS WITH A RELATED
OR NON-RELATED COMPANY AND WITH AN AGENCY AGREEMENT WITH
GENERAL ACCIDENT

Case 12 - KEITH EDGAR MASON AND MIGNON MASON

- 12.1 Keith Edgar Mason and Mignon Mason (hereinafter refer-
red to in this case as "the Partners") both of 52 10
McIntosh Street, Gordon, carried on business under the
name K. & E. Mason as insurance brokers during the
period 27th November, 1971 to 30th June, 1973 (here-
inafter referred to as "the said period") in partner-
ship.
- 12.2 On 10th November, 1958, Keith Edgar Mason and Eva
Mason entered into an agency agreement with General
Accident. The said Eva Mason died on the 12th Septem-
ber, 1971, and in November, 1971, this agency was as- 20
signed by the said Keith Mason to the Partners by oral
agreement with the consent of General Accident. The
agency was assigned on the basis that the agreement
between the Partners and General Accident would be on
the same terms as the agreement between Keith Edgar
Mason and Eva Mason and General Accident. The agree-
ment between the Partners and General Accident remai-
ned in force during the said period. The document
marked exhibit "GA12" sets out the terms applicable

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Mason & Mignon Mason

to the agreement between the Partners and General
Accident.

- 12.3 In 1955, Keith Mason was appointed a life insurance agent with the Mutual Life & Citizens' Assurance Company Limited (hereinafter referred to as "the M.L.C."). On 10th November, 1958, this agency was assigned by the said Keith Edgar Mason to Keith Edgar Mason and Eva Mason. The said Eva Mason died on 12th September, 1971 and in November, 1971, the said Keith Mason assigned the agency to the Partners by oral agreement with the consent of the M.L.C. 10
- 12.4 The total amount of commission received by the Partners during the said period from General Accident was approximately \$27,414 which amount represented approximately 75% of the gross income of the Partners during the said period. The balance of the gross income of the Partners in the said period consisted of commissions received from other insurance companies. 20
- 12.5 During the said period, the Partners acted as insurance brokers, their total gross income consisting of insurance commissions received from various insurance companies.
- 12.6 As at 27th day of November, 1971, the Partners had a substantial clientele for whom they acted as brokers. All insurance effected by the Partners with General

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of Facts Case 12 Keith Edgar
Mason & Mignon Mason

Accident during the period was effected for existing clients or new clients who approached the Partners on recommendation from existing clients. When the Partners heard from existing clients, friends, acquaintances or any other source that someone was enquiring about or needed insurance cover, the Partners contacted that person and suggested to him that they could arrange the insurance and provide the person with a quote for the premium payable on the policy.

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12.7 The Partners arranged insurance mainly for service station proprietors and the Partners periodically reviewed the cover for these clients (usually every twelve months) and suggested that the insurance cover be changed or increased in accordance with current valuations and policies available.

12.8 The Partners usually suggested to clients that insurance be arranged with an insurance company having, in the Partners' opinion, the best policy suited to the particular client's needs. As insurance brokers, the Partners arranged insurance with insurance companies other than General Accident and received commission in respect of insurance so arranged.

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12.9 Premium renewal notices were forwarded by General Accident to the Partners. The Partners then sent to clients their own invoice statements in respect of

Exhibit C - Agreed Statement
of Facts Case 12 Keith Edgar
Mason & Mignon Mason

the premium together with a self-addressed envelope.
The invoices forwarded to clients were supplied to the
Partners by General Accident and the name of General
Accident appeared on such invoices. Most cheques for
premiums were forwarded to the Partners by the clients
made payable to General Accident. The balance of
premium cheques were paid by clients in favour of the 10
Partners. The Partners did not bank such cheques to
their account but endorsed the cheques over to General
Accident.

12.10 As well as premium renewal notices, General Accident
forwarded to the Partners a monthly statement setting
out premiums due for that month and premiums overdue.

12.11 Cheques for premiums were either forwarded by clients
by post to the Partners or collected personally by
the Partners. With regard to the largest clients of
the Partners, service station proprietors, the 20
Partners usually called at the service station and
collected from the proprietors a cheque for the
amount of the premium. At the same time, the Part-
ners usually discussed the re-assessment of insurance
needs. This was usually the practice of the Partners
in the Sydney metropolitan area.

12.12 When a premium was overdue, General Accident notified
the Partners of this fact and the Partners usually

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Mason & Mignon Mason

called to see the client and collected from him the
overdue premium. If the premium renewal was unpaid
for three months or more, the Partners instructed
General Accident that the policy should lapse.

12.13 All premiums received by the Partners were paid to
General Accident gross without any deduction for the
Partners' commission.

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12.14 The Partners always used proposal forms supplied to
them by General Accident. On most occasions these
were completed by the Partners on behalf of clients
with information supplied by clients and signed by
the Partners on the clients' behalf. This was so
with regard to policies other than those in respect
of sickness and accident when it was necessary for
the client to personally sign the proposal form.

12.15 The Partners had authority to and did issue cover notes
of insurance on behalf of General Accident during the
whole of the said period. General Accident issued the
Partners with a "cover note book" for this purpose.

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12.16 The policy document when prepared was forwarded by
General Accident to the Partners, who checked the
policy, made a record of it and then forwarded it by
post to the client.

12.17 One of the Partners usually attended at the office of
General Accident once or twice a week to collect any

policies or correspondence from General Accident addressed to the Partners and to press General Accident to complete the preparation of policy documents.

12.18 Commission was paid to the Partners monthly. Commission was only paid by General Accident after receipt of the premium in respect of the policy. When a policy lapsed because of non-payment of a premium by the insured, the Partners received no further commission in respect of the policy. When a policy was cancelled mid-term, a pro rata amount of the commission previously credited to the Partners was debited to their account by General Accident.

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12.19 Otherwise than as hereinbefore set out, General Accident did not supply to the Partners any secretarial or other facilities nor did it supply to the Partners any stationery apart from proposal forms, claim forms and invoice statements. General Accident did not supply to the Partners the names or other information or leads as to potential clients, nor did General Accident give to the Partners any advice or directions as to the management of their agency.

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12.20 The Partners did not arrange for premiums to be paid by clients by way of bank authority or any other means other than as hereinbefore set out. It was not necessary for the Partners to arrange valuations of any

properties during the said period. As far as the Partners were aware, General Accident did not require valuations of any properties the insurance of which was arranged by the Partners.

12.21 The Partners at all times during the said period operated from an office in their home. The Partners employed a part-time secretary to do any typing they re- 10
quired.

12.22 When a client wished to make a claim, the client contacted the Partners who then contacted General Accident and arranged for General Accident to forward to the client a claim form. The Partners subsequently acted for the client if there was any dispute as to the payment of a claim or if there was any dispute as to any aspect of the policy. The Partners continued to act for the client until the claim was paid or the matter resolved to the client's satisfaction. 20

12.23 Except as hereinbefore set out, the facts contained in the preceding twenty-two paragraphs applied without significant variation during the said period.

PAYMENTS OF COMMISSIONS TO COMPANIES WITH LIFE ASSURANCE
AGENCY AGREEMENTS WITH A RELATED OR NON-RELATED COMPANY AND
WITH AN AGENCY AGREEMENT WITH GENERAL ACCIDENT
Case 13 - K. & E. MASON PTY. LIMITED

13.1 K. & E. Mason Pty. Limited (hereinafter referred to
in this case as "the Company"), a Company incorporated
in the State of New South Wales and having its regis- 10
tered office at 52 McIntosh Street, Gordon, carried
on business as an insurance broker during the period
30th June, 1973, to 30th September, 1976 (hereinafter
referred to as "the said period").

13.2 On 10th November, 1958, Keith Edgar Mason and Eva
Mason entered into an agency agreement with General
Accident. The said Eva Mason died on 12th September,
1971 and in November, 1971, this agency was assigned
by the said Keith Edgar Mason to Keith Edgar Mason 20
and Mignon Mason by oral agreement with the consent
of General Accident. On 30th June, 1973, this agency
was assigned by the said Keith Edgar Mason and Mignon
Mason to the Company by oral agreement with the con-
sent of General Accident. The agency was assigned on
the basis that the agreement between the Company and
General Accident would be on the same terms as the
agreement between Keith Edgar Mason and Eva Mason and
General Accident. The agreement between the Company

Exhibit C - Agreed Statement
of Facts Case 13 K. & E.
Mason Pty. Limited

and General Accident remained in force during the said period. The document marked exhibit "GA13" sets out the terms applicable to the agreement between the Company and General Accident.

- 13.3 In 1955, Keith Mason was appointed a life insurance agent with the Mutual Life & Citizens' Assurance Company Limited (hereinafter referred to as "the M.L.C."). 10
On 10th November, 1958, this agency was assigned by the said Keith Edgar Mason to Keith Edgar Mason and Eva Mason. The said Eva Mason died on 12th September, 1971 and in November, 1971, the said Keith Mason assigned the agency to Keith Edgar Mason and Mignon Mason by oral agreement with the consent of the M.L.C.
On 30th June, 1973, this agency was assigned by the said Keith Edgar Mason and Mignon Mason to the Company by oral agreement with the consent of General Accident. 20
- 13.4 The total amount of commission received by the Company during the said period from General Accident was approximately \$105,489 which amount represented approximately 75% of the gross income of the Company during the said period. The balance of the gross income of the Company in the said period consisted of commissions received from other insurance companies.
- 13.5 During the said period, the Company acted as insurance

broker, its total gross income consisting of insurance commissions received from various insurance companies.

13.6 As at 30th June, 1973, the Company had a substantial clientele for whom it acted as broker. All insurance effected by the Company with General Accident during the period was effected for existing clients or new clients who approached the Company on recommendation from existing clients. When the Company heard from existing clients, friends, acquaintances or any other source that someone was enquiring about or needed insurance cover, the directors of the Company contacted that person and suggested to him that they could arrange the insurance and provide the person with a quote for the premium payable on the policy. 10

13.7 The Company arranged insurance mainly for service station proprietors and the Company periodically reviewed the cover for these clients (usually every twelve months) and suggested that the insurance cover be changed or increased in accordance with current valuations and policies available. 20

13.8 The directors of the Company usually suggested to clients that insurance be arranged with an insurance company having, in the Company's opinion, the best policy suited to the particular client's needs. As an insurance broker, the Company arranged insurance

with insurance companies other than General Accident and received commission in respect of insurance so arranged.

- 13.9 Premium renewal notices were forwarded by General Accident to the Company. The Company then sent to clients its own invoice statements in respect of the premium together with a self addressed envelope. 10
The invoices forwarded to clients were supplied to the Company by General Accident and the name of General Accident appeared on such invoices. Most cheques for premiums were forwarded to the Company by the clients made payable to General Accident. The balance of premium cheques were paid by clients in favour of the Company. The Company did not bank such cheques to its account but endorsed the cheques over to General Accident.
- 13.10 As well as premium renewal notices, General Accident 20
forwarded to the Company a monthly statement setting out premiums due for that month and premiums overdue.
- 13.11 Cheques for premiums were either forwarded by clients by post to the Company or collected personally by the directors of the Company. With regard to the largest clients of the Company, service station proprietors, the directors of the Company usually called at the service station and collected from the proprietors a

cheque for the amount of the premium. At the same time, the directors of the Company usually discussed the re-assessment of insurance needs. This was usually the practice of the Company in the Sydney metropolitan area.

- 13.12 When a premium was overdue, General Accident notified the Company of this fact and the Company's directors usually called to see the client and collected from him the overdue premium. If the premium renewal was unpaid for three months or more, the Company instructed General Accident that the policy should lapse. 10
- 13.13 All premiums received by the Company were paid to General Accident gross without any deduction for the Company's commission.
- 13.14 The Company always used proposal forms supplied to it by General Accident. On most occasions, these were completed by the directors of the Company on behalf of clients with information supplied by clients and signed by the directors of the Company on the clients' behalf. This was so with regard to policies other than those in respect of sickness and accident when it was necessary for the client to personally sign the proposal form. 20
- 13.15 The Company had authority to and did issue cover notes of insurance on behalf of General Accident during the

whole of the said period. General Accident issued the Company with a "cover note book" for this purpose.

13.16 The policy document when prepared was forwarded by General Accident to the Company, who checked the policy, made a record of it and then forwarded it by post to the client.

13.17 One of the directors of the Company usually attended at the office of General Accident once or twice a week to collect any policies or correspondence from General Accident addressed to the Company and to press General Accident to complete the preparation of policy documents. 10

13.18 Commission was paid to the Company monthly. Commission was only paid by General Accident after receipt of the premium in respect of the policy. When a policy lapsed because of non-payment of a premium by the insured, the directors of the Company received no further commission in respect of the policy. 20
When a policy was cancelled mid-term, a pro rata amount of the commission previously credited to the directors of the Company was debited to their account by General Accident.

13.19 Otherwise than as hereinbefore set out, General Accident did not supply to the Company any secretarial or other facilities nor did it supply to the Company

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any stationery apart from proposal forms, claim forms and invoice statements. General Accident did not supply to the Company the names or other information or leads as to potential clients, nor did General Accident give to the Company any advice or directions as to the management of its agency.

- 13.20 The Company did not arrange for premiums to be paid by clients by way of bank authority or any other means other than as hereinbefore set out. It was not necessary for the Company to arrange valuations of any properties during the said period. As far as the directors of the Company were aware, General Accident did not require valuations of any properties the insurance of which was arranged by the Company. 10
- 13.21 The Company at all times during the said period operated from an office in the home of the directors. The Company employed a part-time secretary to do any typing required. 20
- 13.22 When a client wished to make a claim, the client contacted the Company who then contacted General Accident and arranged for General Accident to forward to the client a claim form. The Company subsequently acted for the client if there was any dispute as to the payment of a claim or if there was any dispute as to any aspect of the policy. The Company continued to

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act for the client until the claim was paid or the
matter resolved to the satisfaction of the client.

13.23 Except as hereinbefore set out, the facts contained
in the preceding twenty-two paragraphs applied with-
out significant variation during the said period.

PAYMENTS OF COMMISSION TO BROKERS, BEING INDIVIDUALS AND
HAVING AN AGENCY AGREEMENT WITH GENERAL ACCIDENT

Case 14 - PAUL JOHN MOUTZOURIS

- 14.1 Paul John Moutzouris (hereinafter in this case referred to as "the Agent") carried on business as an insurance broker during the period 9th July, 1974, to 30th September, 1976 (hereinafter referred to in this case as "the said period") as an individual from premises at 69A St. Paul Street, Randwick. 10
- 14.2 On 9th July, 1974, the Agent entered into an agency agreement with General Accident. That agreement remained in force during the said period. The document marked exhibit "GA14" sets out the terms applicable to that agreement.
- 14.3 The total amount of commission received by the Agent during the said period was approximately \$4,941 which amount represented approximately 20% of the gross income of the Agent during the said period. The balance of the gross income of the Agent received during the said period consisted of insurance commission received from other insurance companies and rent from properties. 20
- 14.4 The Agent acted as an insurance broker during the said period. At the time the agreement was entered into with General Accident, the Agent had been an

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Moutzouris

insurance broker for approximately six years and had a large number of clients at that time.

14.5 The Agent arranged insurance for existing clients and new clients who were usually referred to the Agent by existing clients. The Agent also inherited from a friend who died his register of clients.

14.6 The Agent never spoke at any functions but simply 10
relied on personal contacts or recommendations from existing clients to obtain new clients contacts and leads.

14.7 The Agent's clients consisted during the said period mainly of proprietors of retail shops, take-away food shops and small businesses generally and of householders.

14.8 The Agent discussed with the client the type of insurance required by him and recommended to the client that a policy be taken out with the insurance company having the policy best suited to the client's needs. 20
When the Agent recommended that a policy be taken out with General Accident, the Agent usually filled out the proposal form with information supplied by the client and arranged for the client to sign it. The Agent always used General Accident proposal forms where the client wished to take out insurance with General Accident.

14.9 At the time the client signed the proposal form, the

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Agent collected from the client a cheque always made payable to General Accident for the initial premium. The completed proposal form and cheque for the initial premium were then forwarded by the Agent to General Accident.

- 14.10 Cheques for premiums were always made out by clients to General Accident. The Agent never paid those cheques into his account but always forwarded them on to General Accident. 10
- 14.11 The policy document when prepared was forwarded by General Accident to the Agent, who forwarded it on to the client.
- 14.12 Premium renewal notices were sent by General Accident to the Agent. If these related to insurance on houses, cars, etc., the Agent sent the renewal notice with a self addressed envelope to the client and the client generally returned to the Agent a cheque always made payable to General Accident for the premium within the following week. 20
- 14.13 When the Agent did not receive a reply from the client (which occurred generally in about 10% of cases), the Agent contacted the client by telephone and asked if anything was wrong. When the cheque for the premium did not arrive within a further month, the Agent informed General Accident that the policy should lapse.

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- 14.14 When a policy lapsed, the Agent received no further commission in respect of that policy. When a policy was cancelled mid-term, a pro rata amount of commission previously credited to the Agent was debited to his account by General Accident.
- 14.15 On one or two occasions during the said period, the Agent arranged for General Accident to prepare a debit note in respect of premiums overdue and arranged for this to be forwarded to the client in an endeavour to recover overdue premiums. 10
- 14.16 Except as hereinbefore referred to, General Accident did not provide the Agent with any secretarial or other facilities nor any stationery apart from proposal and claim forms nor the names of or other leads or information as to potential clients. General Accident did not give to the Agent any advice or directions as to the management of his agency. 20
- 14.17 As a broker the Agent arranged insurance with other insurance companies and received commission from those insurance companies.
- 14.18 During the said period, the Agent did not arrange for premiums to be paid by way of bank authority or any other similar means.
- 14.19 The Agent did not have authority to and did not issue cover notes of insurance on behalf of General

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Accident. When a cover note of insurance was required, the Agent contacted an employee of General Accident who issued a cover note and forwarded this to the Agent.

- 14.20 The Agent generally reviewed his clients' insurance each year on receipt of premium renewal notices and if he considered it advisable recommended to his clients that the sum insured should be increased. 10
- 14.21 When a valuation of a property was required (which was not normally the case), General Accident arranged for their own valuers to make an inspection of the property.
- 14.22 General Accident forwarded to the Agent a monthly statement together with a cheque for commission due to the Agent shown on the statement.
- 14.23 The Agent operated from his own office and paid all expenses relating thereto and except as hereinbefore mentioned did all typing he required himself. 20
- 14.24 A representative of General Accident generally attended at the office of the Agent once a week and the Agent discussed with him any problems with policies or claims. The representative also took any documentation that the Agent intended forwarding to General Accident.
- 14.25 Occasionally, the Agent attended at the office of

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General Accident to lodge documentation.

- 14.26 When a client wished to make a claim, the client con-
tacted the Agent. The Agent obtained details of the
claim from the client, completed a claim form and
sent this to the client for signature. The Agent then
arranged for the claim form to be delivered to General
Accident and acted for the client generally in connec- 10
tion with the claim until it was paid or otherwise
resolved to the client's satisfaction. When a claim
was in respect of burglary, it was necessary for an
assessor from General Accident to conduct an investi-
gation and the assessor generally dealt direct with
the client in relation to the matter.
- 14.27 When there was a dispute as to the terms or other as-
pects of a policy, the Agent acted for the client in
discussions with General Accident until the matter
was resolved to the satisfaction of the client. 20
- 14.28 Except as hereinbefore set out, the facts contained
in the preceding twenty-seven paragraphs applied with-
out significant variation during the said period.

PAYMENTS OF COMMISSION TO BROKERS, BEING INDIVIDUALS AND
HAVING AN AGENCY AGREEMENT WITH GENERAL ACCIDENT.

Case 15 - KEITH EDGAR MASON

15.1 Keith Edgar Mason (hereinafter referred to in this
case as "the Agent") of 52 McIntosh Street, Gordon,
carried on business as an individual insurance broker
during the period 12th September, 1971 to 27th Novem- 10
ber, 1971 (hereinafter referred to as "the said
period").

15.2 On 10th November, 1958, Keith Edgar Mason and Eva
Mason entered into an agency agreement with General
Accident. The said Eva Mason died on 12th September,
1971 and from that date until 27th November, 1971 the
Agent continued to carry on the agency as a sole pro-
prietor. The agency was assigned by the said Keith
Mason to the Partners by oral agreement with the con-
sent of General Accident on 27th November, 1971. The 20
Agreement between the Agent and General Accident re-
mained in force during the period 12th September, 1971
to 27th November, 1971. The document marked exhibit
"GA15" sets out the terms applicable to the agreement
between the Agent and General Accident.

15.3 The total amount of commission received by the Agent
during the said period from General Accident was ap-
proximately \$3,526, which amount represented

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Mason

approximately 75% of the gross income of the Agent during the said period. The balance of the gross income to the Agent in the said period consisted of commissions received from other insurance companies.

15.4 During the said period, the Agent acted as an insurance broker, his total gross income consisting of insurance commissions received from various insurance companies. 10

15.5 As at 12th September, 1971, the Agent had a substantial clientele for whom he acted as a broker. All insurance effected by the Agent with General Accident during the period was effected for existing clients or new clients who approached the Agent on recommendation from existing clients. When the Agent heard from existing clients, friends, acquaintances or any other source that someone was enquiring about or needed insurance cover, the Agent contacted that person and suggested to him that he could arrange the insurance and provide the person with a quote for the premium payable on the policy. 20

15.6 The Agent arranged insurance mainly for service station proprietors and the Agent periodically reviewed the cover for these clients (usually every twelve months) and suggested that the insurance cover be

changed or increased in accordance with current valuations and policies available.

- 15.7 The Agent usually suggested to clients that insurance be arranged with an insurance company having, in the Agent's opinion, the best policy suited to the particular client's needs. As an insurance broker, the Agent arranged insurance with insurance companies other than General Accident and received commission in respect of insurance so arranged. 10
- 15.8 Premium renewal notices were forwarded by General Accident to the Agent. The Agent then sent to clients the Agent's own invoice statements in respect of the premium together with a self-addressed envelope. The invoices forwarded to clients were supplied to the Agent by General Accident and the name of the Agent and General Accident appeared on such invoices. Most cheques for premiums were forwarded to the Agent by clients made payable to General Accident. The balance of premium cheques were paid by clients in favour of the Agent. The Agent did not bank such cheques to his account but endorsed the cheques over to General Accident. 20
- 15.9 As well as premium renewal notices, General Accident forwarded to the Agent a monthly statement setting out

premiums due for that month, premiums overdue and
commissions due to the Agent.

- 15.10 Cheques for premiums were either forwarded by client
by post to the Agent or collected personally by the
Agent. With regard to the largest clients of the
Agent, service station proprietors, the Agent usually
called at the service station and collected from the 10
proprietors a cheque for the amount of the premium.
At the same time the Agent usually discussed the re-
assessment of insurance needs. This was usually the
practice of the Agent in the Sydney metropolitan area.
- 15.11 When a premium was overdue, General Accident notified
the Agent of this fact and the Agent usually called
to see the client and collected from him the overdue
premium. If the renewal premium was unpaid for three
months or more, the Agent informed General Accident
that the policy should lapse. 20
- 15.12 All premiums received by the Agent were paid to Gene-
ral Accident gross without any deduction for the
Agent's commission.
- 15.13 The Agent always used proposal forms supplied to him
by General Accident. On most occasions, these were
completed by the Agent on behalf of clients with in-
formation supplied by clients and signed by the Agent
on the client's behalf. This was so with regard to

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Mason

policies other than those in respect of sickness and accident when it was necessary for the client to personally sign the proposal form.

- 15.14 The Agent had authority to and did issue cover notes of insurance on behalf of General Accident during the whole of the said period. General Accident issued the Agent with a "cover note book" for this purpose. 10
- 15.15 The policy document when prepared was forwarded by General Accident to the Agent, who checked the policy, made a record of it and then forwarded it by post to the client.
- 15.16 The Agent usually attended at the office of General Accident once or twice a week to collect any policies or correspondence from General Accident addressed to the Agent and to press General Accident to complete the preparation of policy documents.
- 15.17 Commission was paid to the Agent monthly. Commission 20 was only paid by General Accident after receipt of the premium in respect of the policy. When a policy lapsed because of non-payment of a premium by the insured, the Agent received no further commission in respect of the policy. When a policy was cancelled mid-term, a pro rata amount of the commission previously credited to the Agent was debited to his account by General Accident.

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Mason

- 15.18 Otherwise than as hereinbefore set out, General Accident did not supply to the Agent any secretarial or other facilities nor did it supply to the Agent any stationery apart from proposal forms, claim forms and invoice statements. General Accident did not supply to the Agent the names of or other information or leads as to potential clients, nor did General Accident give to the Agent any advice or directions as to the management of his agency. 10
- 15.19 The Agent did not arrange for premiums to be paid by clients by way of bank authority or any other means other than as hereinbefore set out. It was not necessary for the Agent to arrange valuations of any properties during the said period. As far as the Agent was aware, General Accident did not require valuations of any properties the insurance of which was arranged by the Agent. 20
- 15.20 The Agent at all times during the said period operated from an office in his home and paid all running expenses of that office. The Agent employed a part-time secretary to do any typing he required.
- 15.21 When a client wished to make a claim, the client contacted the Agent who then contacted General Accident and arranged for General Accident to forward to the client a claim form. The Agent subsequently acted for

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Mason

the client if there was any dispute as to the payment of a claim or if there was any dispute as to any aspect of the policy. The Agent continued to act for the client until the claim was paid or the matter resolved to the client's satisfaction.

15.22 Except as hereinbefore set out, the facts contained in the preceding twenty-one paragraphs applied without significant variation during the said period. 10

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PAYMENTS OF COMMISSIONS TO BROKERS OPERATING AS PARTNERSHIPS
AND HAVING AN AGENCY AGREEMENT WITH GENERAL ACCIDENT

Case 16 - KEITH EDGAR MASON AND MIGNON MASON

- 16.1 Keith Edgar Mason and Mignon Mason (hereinafter referred to in this case as "the Partners") both of 52 McIntosh Street, Gordon, carried on business under the name K. & E. Mason as insurance brokers during the period 27th November, 1971 to 30th June, 1973 (hereinafter referred to as "the said period") in partnership. 10
- 16.2 On 10th November, 1958, Keith Edgar Mason and Eva Mason entered into an agency agreement with General Accident. The said Eva Mason died on 12th September, 1971 and in November, 1971, this agency was assigned by the said Keith Mason to the Partners by oral agreement with the consent of General Accident. The agency was assigned on the basis that the agreement between the Partners and General Accident would be on the same terms as the agreement between Keith Edgar Mason and Eva Mason and General Accident. The agreement between the Partners and General Accident remained in force during the said period. The document marked exhibit "GA16" sets out the terms applicable to the agreement between the Partners and General Accident. 20
- 16.3 The total amount of commission received by the Partners

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during the said period from General Accident was approximately \$27,414 which amount represented approximately 75% of the gross income of the Partners during the said period. The balance of the gross income of the Partners in the said period consisted of commissions received from other insurance companies.

16.4 During the said period, the Partners acted as insurance 10
brokers, their total gross income consisting of insurance commissions received from various insurance companies.

16.5 As at 27th November, 1971, the Partners had a substantial clientele for whom they acted as brokers. All insurance effected by the Agents with General Accident during the period was effected for existing clients or new clients who approached the Partners on recommendation from existing clients. When the Partners heard 20
from existing clients, friends, acquaintances or any other source that someone was enquiring about or needed insurance cover, the Partners contacted that person and suggested to him that they would arrange the insurance and provide the person with a quote for the premium payable on the policy.

16.6 The Partners arranged insurance mainly for service station proprietors and the Partners periodically reviewed the cover for these clients (usually every

twelve months) and suggested that the insurance cover be changed or increased in accordance with current valuations and policies available.

16.7 The Partners usually suggested to clients that insurance be arranged with an insurance company having, in the Partners' opinion, the best policy suited to the particular client's needs. As insurance brokers, the Partners arranged insurance with insurance companies other than General Accident and received commission in respect of insurance so arranged. 10

16.8 Premium renewal notices were forwarded by General Accident to the Partners. The Partners then sent to clients their own invoice statements in respect of the premium together with a self-addressed envelope. The invoices forwarded to clients were supplied to the Partners by General Accident and the name of General Accident appeared on such invoices. Most cheques for premiums were forwarded to the Partners by the clients made payable to General Accident. The balance of premium cheques were paid by clients in favour of the Partners. The Partners did not bank such cheques to their account but endorsed the cheques over to General Accident. 20

16.9 As well as premium renewal notices, General Accident forwarded to the Partners a monthly statement setting

out premiums due for that month and premiums overdue.

16.10 Cheques for premiums were either forwarded by clients by post to the Partners or collected personally by the Partners. With regard to the largest clients of the Partners, service station proprietors, the Partners usually called at the service station and collected from the proprietors a cheque for the amount of the premium. At the same time, the Partners usually discussed the reassessment of insurance needs. This was usually the practice of the Partners in the Sydney metropolitan area.

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16.11 When a premium was overdue, General Accident notified the Partners of this fact and the Partners usually called to see the client and collected from him the overdue premium. If the premium renewal was unpaid for three months or more, the Partners instructed General Accident that the policy should lapse.

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16.12 All premiums received by the Partners were paid to General Accident gross without any deduction for the Partners' commission.

16.13 The Partners always used proposal forms supplied to them by General Accident. On most occasions these were completed by the Partners on behalf of clients with information supplied by clients and signed by the Partners on the clients' behalf. This was so

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with regard to policies other than those in respect of sickness and accident when it was necessary for the client to personally sign the proposal form.

16.14 The Partners had authority to and did issue cover notes of insurance on behalf of General Accident during the whole of the said period. General Accident issued the Partners with a "cover note book" for this purpose. 10

16.15 The policy document when prepared was forwarded by General Accident to the Partners, who checked the policy, made a record of it and then forwarded it by post to the client.

16.16 One of the Partners usually attended at the office of General Accident once or twice a week to collect any policies or correspondence from General Accident addressed to the Partners and to press General Accident to complete the preparation of policy documents.

16.17 Commission was paid to the Partners monthly. Commission was only paid by General Accident after receipt of the premium in respect of the policy. When a policy lapsed because of non-payment of a premium by the insured, the Partners received no further commission in respect of the policy. When a policy was cancelled mid-term, a pro rata amount of the commission previously credited to the Partners was debited to their account by General Accident. 20

16.18 Otherwise than as hereinbefore set out, General Accident did not supply to the Partners any secretarial or other facilities nor did it supply to the Partners any stationery apart from proposal forms, claim forms and invoice statements. General Accident did not supply to the Partners the names or other information or leads as to potential clients, nor did General Accident give to the Partners any advice or directions as to the management of their agency.

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16.19 The Partners did not arrange for premiums to be paid by clients by way of bank authority or any other means other than as hereinbefore set out. It was not necessary for the Partners to arrange valuations of any properties during the said period. As far as the Partners were aware, General Accident did not require valuations of any properties the insurance of which was arranged by the Partners.

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16.20 The Partners at all times during the said period operated from an office in their home. The Partners employed a part-time secretary to do any typing they required.

16.21 When a client wished to make a claim, the client contacted the Partners who then contacted General Accident and arranged for General Accident to forward to the client a claim form. The Partners subsequently

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acted for the client if there was any dispute as to the payment of a claim or if there was any dispute as to any aspect of the policy. The partners continued to act for the client until the claim was paid or the matter resolved to the client's satisfaction.

16.22 Except as hereinbefore set out, the facts contained in the preceding twenty-one paragraphs applied without significant variation during the said period. 10

PAYMENTS OF COMMISSIONS TO BROKERS OPERATING AS CORPORATE
BODIES AND HAVING AN AGENCY AGREEMENT WITH GENERAL ACCIDENT
Case 17 - K. & E. MASON PTY. LIMITED

17.1 K. & E. Mason Pty. Limited (hereinafter referred to
in this case as "the Company") a Company incorporated
in the State of New South Wales and having its regis- 10
tered office at 52 McIntosh Street, Gordon, carried
on business as an insurance broker during the period
30th June, 1973 to 30th September, 1976 (hereinafter
referred to as "the said period").

17.2 On 10th November, 1958, Keith Edgar Mason and Eva
Mason entered into an agency agreement with General
Accident. The said Eva Mason died on 12th September,
1971, and in November, 1971, this agency was assigned
by the said Keith Edgar Mason to Keith Edgar Mason
and Mignon Mason by oral agreement with the consent
of General Accident. On 30th June, 1973 this agency 20
was assigned by the said Keith Edgar Mason and Mignon
Mason to the Company by oral agreement with the con-
sent of General Accident. The Agency was assigned on
the basis that the agreement between the Company and
General Accident would be on the same terms as the
agreement between Keith Edgar Mason and Eva Mason and
General Accident. The agreement between the Company
and General Accident remained in force during the

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said period. The document marked exhibit "GA17" sets out the terms applicable to the agreement between the Company and General Accident.

17.3 The total amount of commission received by the Company during the said period from General Accident was approximately \$105,489 which amount represented approximately 75% of the gross income of the Company during the said period. The balance of the gross income of the Company in the said period consisted of commissions received from other insurance companies. 10

17.4 During the said period, the Company acted as insurance broker, its total gross income consisting of insurance commissions received from various insurance companies.

17.5 As at 30th June, 1973 the Company had a substantial clientele for whom it acted as broker. All insurance effected by the Company with General Accident during the period was effected for existing clients or new clients who approached the Company on recommendation from existing clients. When the Company heard from existing clients, friends, acquaintances or any other source that someone was enquiring about or needed insurance cover, the directors of the Company contacted that person and suggested to him that they could arrange the insurance and provide the person with a quote for the premium payable on the policy. 20

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- 17.6 The Company arranged insurance mainly for service station proprietors and the Company periodically reviewed the cover for these clients (usually every twelve months) and suggested that the insurance cover be changed or increased in accordance with current valuations and policies available.
- 17.7 The directors of the Company usually suggested to clients that insurance be arranged with an insurance company having, in the Company's opinion, the best policy suited to the particular client's needs. As an insurance broker, the Company arranged insurance with insurance companies other than General Accident and received commission in respect of insurance so arranged. 10
- 17.8 Premium renewal notices were forwarded by General Accident to the Company. The Company then sent to clients its own invoice statements in respect of the premium together with a self addressed envelope. The invoices forwarded to clients were supplied to the Company by General Accident and the name of General Accident appeared on such invoices. Most cheques for premiums were forwarded to the Company by the clients made payable to General Accident. The balance of premium cheques were paid by clients in favour of the Company. The Company did not bank such cheques to 20

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its account but endorsed the cheques over to General Accident.

- 17.9 As well as premium renewal notices, General Accident forwarded to the Company a monthly statement setting out premiums due for that month and premiums overdue.
- 17.10 Cheques for premiums were either forwarded by clients by post to the Company or collected personally by the directors of the Company. With regard to the largest clients of the Company, service station proprietors, the directors of the Company usually called at the service station and collected from the proprietors a cheque for the amount of the premium. At the same time, the directors of the Company usually discussed the reassessment of insurance needs. This was usually the practice of the Company in the Sydney metropolitan area. 10
- 17.11 When a premium was overdue, General Accident notified the Company of this fact and the Company's directors usually called to see the client and collected from him the overdue premium. If the premium renewal was unpaid for three months or more, the Company instructed General Accident that the policy should lapse. 20
- 17.12 All premiums received by the Company were paid to General Accident gross without any deduction for the Company's commission.

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- 17.13 The Company always used proposal forms supplied to it by General Accident. On most occasions, these were completed by the directors of the Company on behalf of clients with information supplied by clients and signed by the directors of the Company on the clients' behalf. This was so with regard to policies other than those in respect of sickness and accident when it was necessary for the client to personally sign the proposal form. 10
- 17.14 The Company had authority to and did issue cover notes of insurance on behalf of General Accident during the whole of the said period. General Accident issued the Company with a "cover note book" for this purpose.
- 17.15 The policy document when prepared was forwarded by General Accident to the Company, who checked the policy, made a record of it and then forwarded it by post to the client. 20
- 17.16 One of the directors of the Company usually attended at the office of General Accident once or twice a week to collect any policies or correspondence from General Accident addressed to the Company and to press General Accident to complete the preparation of policy documents.
- 17.17 Commission was paid to the Company monthly. Commission was only paid by General Accident after receipt

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of the premium in respect of the policy. When a policy lapsed because of non-payment of a premium by the insured, the directors of the Company received no further commission in respect of the policy. When a policy was cancelled mid-term, a pro rata amount of the commission previously credited to the directors of the Company was debited to their account by General Accident.

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17.18 Otherwise than as hereinbefore set out, General Accident did not supply to the Company any secretarial or other facilities nor did it supply to the Company any stationery apart from proposal forms, claim forms and invoice statements. General Accident did not supply to the Company the names or other information or leads as to potential clients, nor did General Accident give to the Company any advice or directions as to the management of its agency.

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17.19 The Company did not arrange for premiums to be paid by clients by way of bank authority or any other means other than as hereinbefore set out. It was not necessary for the Company to arrange valuations of any properties during the said period. As far as the directors of the Company were aware, General Accident did not require valuations of any properties the insurance of which was arranged by the Company.

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Mason Pty. Limited

17.20 The Company at all times during the said period operated from an office in the home of the directors. The Company employed a part-time secretary to do any typing required.

17.21 When a client wished to make a claim, the client contacted the Company who then contacted General Accident and arranged for General Accident to forward to the client a claim form. The Company subsequently acted for the client if there was any dispute as to the payment of a claim or if there was any dispute as to any aspect of the policy. The Company continued to act for the client until the claim was paid or the matter resolved to the satisfaction of the client.

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17.22 Except as hereinbefore set out, the facts contained in the preceding twenty-one paragraphs applied without significant variation during the said period.

Case 18 - PAUL G. MENDELSON INSURANCES PTY. LIMITED

- 18.1 Paul G. Mendelsohn Insurances Pty. Limited (herein-
after referred to in this case as "the Company") car-
ried on during the period 1st September, 1971, to 30th
September, 1976 (hereinafter referred to as "the said
period") business as an insurance broker from 7
Weeroona Avenue, Woollahra. The directors of the 10
Company during the said period were Paul G. Mendelsohn,
Company Director, and Zita Mendelsohn, who had no
other business interests apart from her directorship
of the Company, both of 7 Weeroona Avenue, Woollahra,
and R. A. Greensill of Alma Street, Riverwood.
- 18.2 On 6th April, 1964, Paul G. Mendelsohn entered into
an agency agreement with General Accident. On 16th
August, 1971, this agency was assigned by the said
Paul G. Mendelsohn to the Company by oral agreement
and with the consent of General Accident. The agency 20
was assigned on the basis that the agreement between
the Company and General Accident would be on the same
terms as the agreement between Paul G. Mendelsohn and
General Accident. The agreement between the Company
and General Accident remained in force during the said
period. The document marked exhibit "GA18" sets out
the terms applicable to the agreement between the Com-
pany and General Accident.

18.3 The total amount of commission received by the Company during the said period was approximately \$11,461 which amount represented approximately 10% of the gross income of the Company during that period.

18.4 During the said period the Company acted as an insurance broker and its total gross income during the said period consisted of insurance commissions received from various insurance companies. 10

18.5 As a broker, the Company checked the lists of needs of the clients and considered which insurance company offered the best policy to cover the client's needs. The Company usually arranged sickness and accident insurance through General Accident particularly where these policies were for business men or for, say, a large group of employees of an employer. The Company if it considered General Accident offered the best policy recommended that the policy be taken out with General Accident and forwarded to the client a brief circular letter of advice to this effect. 20

18.6 The Company arranged insurance for existing clients and new clients who were referred to the Company by existing clients.

18.7 The directors and employees of the Company did not go from door to door seeking insurance business nor did the directors or employees of the Company speak at

meetings or other public gatherings seeking insurance business.

18.8 If the client agreed that the policy be taken out with General Accident, the directors of the Company arranged for a proposal form to be completed. All proposal forms relating to sickness and accident insurance were completed by the client personally. In some cases, proposal forms for fire policies were completed by the directors using information supplied by the client and were signed by a director of the Company on behalf of the client. 10

18.9 Cheques for initial premiums were collected by the Company from the client at the time the proposal form was completed and signed and forwarded to General Accident with the completed proposal form. Generally, cheques for initial premiums were made payable to General Accident. Occasionally, cheques for initial premiums were made payable to the Company. In such cases, the cheques made payable to the Company were deposited to the Company's account and a cheque drawn on the Company's account for the gross amount of the premium and this cheque was then forwarded with the completed proposal form to General Accident. No deduction was made from premiums paid to the Company for commission due to the Company. 20

- 18.10 Premium renewal notices were forwarded by General Accident to the Company. The directors of the Company checked these and then forwarded them to the client who then forwarded a cheque for the renewal premium to the Company. Cheques for renewal premiums were usually made payable to General Accident. Occasionally, cheques for renewal premiums were made payable to the Company. In such cases, those cheques were dealt with in a similar manner to cheques received for initial premiums referred to in paragraph 18.9 hereof. 10
- 18.11 The Company received commission from insurance companies other than General Accident when insurance was arranged by the Company with those other insurance companies.
- 18.12 When payment of a premium was overdue, the directors of the Company attempted to contact the client by telephone or letter or occasionally by calling to see the client in an attempt to obtain from him the premium. When payment of a premium still remained overdue, the Company informed General Accident that the policy should lapse. 20
- 18.13 General Accident forwarded to the Company a monthly statement setting out the commission due to it, together with a cheque for the balance of commission

- due as shown on the statement.
- 18.14 When a policy lapsed, no further commission was received by the Company in respect of that policy. If a policy was cancelled mid-term, a pro rata amount of commission previously credited to the Company was debited to its account by General Accident.
- 18.15 The Company usually reviewed the insurance of its clients when premiums were due and if it considered that the amount of the cover should be increased, recommended this to the client. 10
- 18.16 The Company did not have authority to and did not issue cover notes of insurance during the said period on behalf of General Accident.
- 18.17 Except as herein set out, General Accident did not supply to the Company any secretarial or other facilities nor any stationery, apart from proposal forms and claim forms nor the names of or other information or leads as to potential clients. General Accident did not give to the Company any advice or directions as to the management of its agency. 20
- 18.18 When a valuation of a property was required, the Company arranged this direct with the client.
- 18.19 The Company operated its business from the home of the directors. All typing was done by one of the directors, Zita Mendelsohn. All expenses relating

thereto were paid by the Company.

18.20 When a client wished to make a claim, the client contacted the Company. The Company then arranged for a claim form to be completed by the client and lodged with General Accident. General Accident then dealt direct with the client concerning the claim.

18.21 When there was a dispute as to the terms or other aspects of a policy or a claim, General Accident usually dealt direct with the client. When the client specifically requested the directors of the Company to contact General Accident in connection with the dispute or claim, the directors did so.

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18.22 Except as hereinbefore set out, the facts contained in the preceding twenty-one paragraphs applied without significant variation during the said period.

COMMISSIONS RETAINED BY BROKERS, BEING INDIVIDUALS, AND WHERE
THERE IS AN AGENCY AGREEMENT WITH GENERAL ACCIDENT

Case 19 - RICHARD HERBERT HOPKINS

- 19.1 Richard Herbert Hopkins (hereinafter referred to in this case as "the agent") carried on during the period 1st September 1971 to 30th September, 1976, (hereinafter referred to as "the said period") as an individual the business of an insurance broker from premises at 41 Davies Street, Merrylands, from September 1971 to October 1972 and then from 18 Hunter Street, Parramatta, under the business name "Advantage Insurance Services". 10
- 19.2 On 6th October, 1964, the Agent entered into an agency agreement with General Accident. That agreement remained in force during the said period. The document marked exhibit "GA19" sets out the terms applicable to that agreement. 20
- 19.3 The total amount of commission received by the Agent from General Accident, during the said period was approximately \$5,365 which amount represented approximately 5% of the gross income of the Agent during the said period. The balance of the gross income of the Agent consisted mainly of insurance commissions received from other insurance companies.
- 19.4 The Agent during the said period obtained new insurance

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of Facts Case 19 Richard
Herbert Hopkins

business from existing clients and from new clients referred to the Agent by existing clients. The Agent also obtained business by writing to various categories of persons selected from the pink and yellow pages telephone directory, informing the people written to that the Agent could arrange life insurance and also general insurance for them. As a result of such letters, people telephoned the Agent, who then arranged to see them by appointment to discuss their insurance needs. 10

19.5 The Agent during the said period also acted as a life agent for another insurance company and, when he arranged life insurance for a client, he arranged general insurance for the client with General Accident where the client so requested. Sometimes, the Agent suggested to the client that he could arrange the client's general insurance for him with General Accident and, if the client agreed, the Agent did so. 20

19.6 The Agent acted as a general insurance broker and when the client did not wish to insure with General Accident alternative insurance was arranged by the Agent with any one of the following companies: The City Mutual General Insurance Limited; F.A.I. Insurance Group, Australian Eagle Insurance Co. Limited, Australian Life & Accident Agencies Pty. Limited and

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Herbert Hopkins

Associated National Insurance Co. Limited. Commission in such cases was always deducted by the Agent from premiums received by the Agent from the client.

19.7 The Agent usually completed the proposal forms or at least part of them for the client. The client, however, always signed the proposal forms and then returned them to the Agent. The Agent reviewed his clients' insurance cover at least annually. 10

19.8 The Agent always collected a cheque for the first premium from the client, such cheques being made payable to the Agent. On receipt, the Agent banked these cheques to the credit of the Agent's Advantage Insurance Services account.

19.9 The Agent forwarded the proposal form together with a cheque drawn on the above account for an amount equal to the initial premium less his commission, to General Accident. 20

19.10 General Accident forwarded the policy document to the Agent, who then forwarded this on to the client.

19.11 Premium renewal notices were forwarded by General Accident to the Agent and these were then transferred by the Agent to his own renewal notice form. The Agent then forwarded his own renewal notice form to the client and subsequently received cheques from the client for renewal premiums. These cheques were

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Herbert Hopkins

made payable to Advantage Insurance Services.

- 19.12 The Agent always used proposal forms supplied by General Accident.
- 19.13 The Agent had authority to and did issue cover notes of insurance on behalf of General Accident with respect to property insurance for most of the said period. Towards the latter part of the said period, however, 10
General Accident withdrew this authority from the Agent and the client thereafter telephoned an employee of General Accident when a cover note of insurance was required and General Accident then issued the cover note.
- 19.14 When a premium was not paid on the due date, the Agent forwarded to the client a second and, if still not paid, a third notice of payment due and if this did not prompt the client to pay, the Agent contacted the client by telephone. If the premium still remained 20
unpaid, the Agent notified General Accident that the policy should lapse. No arrangement was ever made by the Agent for premiums to be paid to General Accident by bank authority or other similar means.
- 19.15 When a valuation or inspection of a property was required, a General Accident inspector arranged this at the Agent's request. Valuations other than those placed on properties, by the Agent, were rarely required.

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Herbert Hopkins

Valuations of motor vehicles were obtained from trade publications.

- 19.16 General Accident did not make available to the Agent any secretarial or other facilities nor any stationery apart from proposal forms nor did General Accident give to the Agent any directions as to the management of his agency nor supply the Agent with the names of 10
or other information or leads as to potential clients. A representative from General Accident called regularly at the Agent's office to collect documentation and discuss any problems with policies or claims.
- 19.17 The Agent at all times during the said period employed his own secretary and conducted his business from his own office and paid all expenses relating thereto.
- 19.18 When a client wished to make a claim, the client contacted the Agent. The Agent then contacted General Accident and arranged for a claim form to be completed by the client. The Agent generally acted for clients in connection with claims or disputes as to policies with General Accident and continued to act for the client until a claim was paid or the matter otherwise resolved to the satisfaction of the client. 20
- 19.19 Except as hereinbefore set out, the facts contained in the preceding eighteen paragraphs applied without significant variation during the said period.

COMMISSIONS RETAINED BY BROKERS BEING CORPORATIONS AND WHERE
THERE IS AN AGENCY AGREEMENT WITH GENERAL ACCIDENT.

Case 20 - AUSTRALLOYD INSURANCES PTY. LIMITED

- 20.1 Australloyd Insurances Pty. Limited (hereinafter referred to in this case as "the Company") a company incorporated in the State of New South Wales carried on during the period 1st September, 1971, to 30th September, 1976 (hereinafter referred to as "the said period") an insurance brokerage practice at 247 George Street, Sydney. 10
- 20.2 Since approximately 1958, the Company has had an agency agreement with General Accident and/or one of the companies of the General Accident Group. This agreement was in force during the said period. The document marked exhibit "GA20" sets out the terms applicable to the Company's present agency agreement with General Accident. With the exception of the rates of commission specified in that document, the agreement which was in force during the said period was in the same terms as the Company's present agreement with General Accident. The directors of the company during the said period were Alan Tagg of 21 Lambeth Walk, Bundeena, Public Accountant, and Alan David Tagg, Manager, of 46 Farrell Road, Bass Hill. 20
- 20.3 The total amount of commission retained by the Company

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of Facts Case 20 Australloyd
Insurances Pty. Limited

during the said period in respect of insurance effected with General Accident was approximately \$1,687 and this amount represented approximately 1-2% of the gross income of the Company during the said period.

20.4 During the said period the Company acted as a general insurance broker and its gross income consisted almost totally of commissions received from insurance companies.

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20.5 Insurance was arranged by the Company for: existing clients; new clients who were referred by existing clients; clients who responded to advertisements placed by the Company in papers and journals; clients referred by other brokers and clients referred by other business connections of the Company.

20.6 Clients usually asked the directors of the Company to advise on the type of policy that best suited their needs. The directors discussed the types of policies available with the client and when they recommended to the client that a policy be taken out with General Accident, the directors contacted the Bankstown manager of General Accident and obtained from him a quote for the premium payable on the policy. When this was acceptable to the client, the directors asked General Accident to issue a cover note of insurance which was usually forwarded to and kept by the Company on the clients behalf.

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- 20.7 The directors of the Company always made it clear to clients that the Company was acting as a broker and that all risks were with the underwriting company.
- 20.8 When General Accident accepted the risk, the directors of the Company arranged for a proposal form to be completed using information supplied by the client. The directors of the Company sometimes signed the proposal form as agent for the client. Usually, however, the directors arranged for the client to sign the proposal form. The completed proposal form was then forwarded by the Company to General Accident. Proposal forms provided by General Accident were always used by the Company. 10
- 20.9 A cheque for the initial premium made payable to the Company was collected by the Company from the client at the time the proposal form was signed. The Company banked this cheque to its account and subsequently forwarded a cheque drawn on its account for an amount equal to the amount of the premium less the amount of the Company's commission to General Accident with the completed proposal form. 20
- 20.10 The policy document when completed was usually forwarded to the Company and after checking was sent to the client.
- 20.11 Premium renewal notices were forwarded by General

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Accident to the Company. The Company then forwarded an account for the renewal premium to the client who subsequently forwarded a cheque for the renewal premium made payable to the Company, to the Company.

The Company banked the cheque received from the client to its account and drew a cheque in favour of General Accident for an amount equal to the amount of the re- 10
newal premium less the Company's commission.

20.12 When a premium was not paid by the due date, the directors of the Company contacted the client by telephone and by letter in an endeavour to obtain payment.

Occasionally, the directors of the Company called to see a client personally when the premium still remained unpaid. When the premium was still not paid, the directors of the Company informed General Accident that the policy should lapse. When a policy lapsed, the Company received no further commission in respect of 20
that policy. When a policy was cancelled mid-term, a pro rata amount of the commission previously credited to the Company was debited to its account by General Accident.

20.13 As a broker, the Company arranged insurance with a number of other insurance companies and received commission from those insurance companies.

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- 20.14 When an inspection or valuation of a property was required, the Company arranged for the inspection with the client. A director of the Company occasionally attended at the inspection.
- 20.15 General Accident did not supply to the Company any secretarial or other facilities nor any stationery, apart from proposal and claim forms nor the names of 10
or other leads or information as to potential clients. General Accident did not give to the Company any advice or directions as to the management of its agency.
- 20.16 The Company did not during the said period have any authority to and did not issue cover notes of insurance on behalf of General Accident.
- 20.17 The Company did not arrange for premiums to be paid by way of bank authority or any other means.
- 20.18 During the said period, the Company conducted its business from its own office and employed its own 20
staff and paid all expenses relating thereto.
- 20.19 When a client wished to make a claim the client generally contacted the Company. The Company arranged for a claim form to be completed and generally acted for the client in connection with the claim until it was paid or otherwise resolved to the client's satisfaction. The Company generally acted for the client

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in connection with any dispute as to the terms or
other aspects of policies.

20.20 Except as hereinbefore set out, the facts contained
in the preceding nineteen paragraphs applied without
significant variation during the said period.

Case 21 - R. G. LOGAN INSURANCES PTY. LIMITED

- 21.1 R.G. Logan Insurances Pty. Limited (hereinafter in this case referred to as "the Company"), a company incorporated in the State of New South Wales carried on an insurance brokerage business during the period 1st September, 1971 to 30th September, 1976 (hereinafter referred to as "the said period") from premises at 250 Military Road, Neutral Bay. The directors of the Company during the said period were Robert Gray Logan of Spruson Street, Neutral Bay and Loraine Logan of the same address neither of who had any business interests other than as a directors of the Company. 10
- 21.2 On 19th March, 1967 the Company entered into an agency agreement with General Accident. That agreement remained in force during the said period and the document marked exhibit "GA21" sets out the terms applicable to that agreement 20
- 21.3 The total amount of commission received by the Company during the said period from General Accident was approximately \$776 which amount represented not more than 1% of the gross income of the Company during the said period. The balance of the gross income of the company during the said period consisted of insurance commissions received from other insurance companies.
- 21.4 During the said period, the Company acted as a general

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Insurances Pty. Limited

insurance broker and arranged insurance for existing clients and for new clients referred by existing clients.

21.5 The Company also obtained clients by mailing campaigns carried out approximately twice yearly. The Company decided on a particular industry and then arranged for 100 or so letters to be sent to firms in that industry 10 such firms being selected from the yellow pages of the telephone directory and any other source available to the Company's directors.

21.6 The Company also obtained clients from accountants, lawyers or existing clients who referred persons with a particular insurance need to the Company. Normally the directors contacted the person referred by telephone and made an appointment to see the client to discuss with him his particular insurance needs. The directors also advised the client generally as to the 20 types of insurance policies the Company considered best suited to the client's needs.

21.7 The Company had a large livestock insurance portfolio and also advertised its services in magazines etc., dealing with livestock. Most advertising however was undertaken at country rodeos. This was achieved by: placing barriers around the rodeo ring with the company's name displayed on the barriers; sometimes by

hiring a band and placing similar barriers around the band; and also by purchasing the numbers which are worn by the riders in the ring and exhibiting the Company's name on these. As well, the Company usually hired the announcer for the day who between calling the events advertised the Company's services over the public address system.

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21.8 The Company also arranged the insurance of hotels, engineering workshops and take-away fast food shop chains.

21.9 In some cases direct approaches to potential clients were made by the Company. A representative of the Company either made a personal call on a person, or wrote to or contacted the potential client by telephone. People so approached by the Company were usually contacted because of a personal recommendation by another client. Similarly new clients came to the Company directly as a result of personal recommendations from existing clients.

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21.10 The directors or employees of the Company usually completed the proposal form for the client and took this to him and had it signed by him or sometimes signed it on the client's behalf.

21.11 A cheque for the initial premium was obtained from the client at the same time the proposal form was

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signed by him. This cheque was always made payable to the Company and banked to its account. A cheque was then drawn on the Company's account for an amount equal to the premium less the Company's commission and this cheque together with the completed personal form was then forwarded to General Accident.

- 21.12 Premium renewal notices together with a monthly account were forwarded by General Accident to the Company, which then prepared a separate account and sent the renewal notice and account prepared by the Company to the client. Cheques for subsequent premiums were then paid by the client to the Company and banked to its account. A cheque drawn on the Company's account for the amount of premiums due for that month less the Company's commission was then forwarded to General Accident each month. 10
- 21.13 A representative from General Accident called regularly at the office of the Company and collected proposal forms and cheques for premiums. The representative discussed with the directors and employees of the Company problems with existing policies or claims. 20
- 21.14 When a valuation was required by General Accident, the Company usually organised this with the client.
- 21.15 If a premium was not paid on the due date, the directors or employees of the Company wrote to the client

or contacted him and informed him that the premium was overdue. When the Company had, in fact, paid the premium on the client's behalf, the Company informed General Accident that the policy should lapse and instructed a debt collection agency to take action to collect the premium from the client.

21.16 The Company used its own "broker" proposal forms and not proposal forms of General Accident. The name of General Accident was filled in in the space provided on the form where appropriate. 10

21.17 When a client wished to make a claim, he usually contacted the Company by telephone first. On some occasions the Company appointed an assessor in order to inspect the damage giving rise to the claim. Normally when a claim was made, a claim form was completed by the client or the Company and sent to General Accident and the amount of the claim was paid. On occasions disputes arose in respect of a claim, in which case the claim was usually discussed by representatives of the Company and of General Accident. During the said period almost all claims were paid by General Accident. Similarly, if there was a dispute as to some aspect of the policy a representative of the Company discussed the situation with an employee from General Accident in an attempt to settle the dispute. 20

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- 21.18 Clients' insurance requirements were reviewed by the Company every twelve months and recommendations made to the clients usually concerning increasing the amount of insurance cover.
- 21.19 A commission statement was sent to the Company each month by General Accident showing the Company's total monthly dealings with General Accident, with a column 10 indicating the commissions due to the Company for that month.
- 21.20 When a policy was cancelled mid-term a pro rata portion of the commission allowed to the Company in respect of that policy was subsequently debited to the Company's account by General Accident on the next monthly statement.
- 21.21 General Accident did not supply to the Company any secretarial or other facilities nor any stationery apart from claim forms nor did General Accident supply 20 to the Company the names of or other information or leads as to potential clients. General Accident did not give to the Company any directions or advice as to the management of its agency.
- 21.22 At no time did the Company ever arrange for premiums to be paid by bank authority or by any other means.
- 21.23 The Company acted as a general insurance broker and usually arranged insurance with the insurance company

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having the best policy suited to the clients' particular insurance needs. Where insurance was arranged with South British United Insurance, Commercial Union, Hartford Fire Insurance Company, New Zealand Insurance and Switzerland General Insurance Company, the Company received a commission in respect of the insurance so arranged. The Company arranged insurance with these companies in a manner similar to that described above for insurance arranged with General Accident. The same arrangements also existed with regard to payment of premiums and commission.

10

- 21.24 The Company during the said period operated from its own office and employed its own staff.
- 21.25 Except as hereinbefore set out, the facts contained in the preceding twenty-four paragraphs applied without significant variation during the said period.

PAYMENTS OF COMMISSION TO INDIVIDUALS WHO ARE NOT EMPLOYED
AND WHO DO NOT CARRY ON BUSINESS BUT WHO COME INTO CONTACT
WITH PEOPLE WHO ASK THEM TO ARRANGE INSURANCE AND WHO HAVE
AN AGENCY AGREEMENT WITH GENERAL ACCIDENT

Case 22 - MARGARET JEAN DAVIES

- 22.1 Margaret Jean Davies of 41 Carinda Street, Ingleburn
(hereinafter in this case referred to as "the Agent") 10
was during the period 1st September, 1971, to 30th
September, 1976 (hereinafter referred to as "the
said period") a housewife.
- 22.2 On 14th April, 1968, the Agent entered into an agree-
ment with General Accident. This agreement remained
in force during the said period. The document marked
exhibit "GA22" sets out the terms applicable to that
agreement.
- 22.3 The total amount of commission received by the Agent
during the said period from General Accident was ap- 20
proximately \$2,190. This amount represented almost
the total gross income of the Agent during the said
period.
- 22.4 The Agent's husband during the said period was a Life
Assurance Agent with the Scottish Amicable Life Assu-
rance Company Limited. When a client of the Agent's
husband asked him if he could arrange personal acci-
dent or fire or other general insurance cover for

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Jean Davies

- them, the Agent's husband arranged for the client to complete and sign a proposal form for such insurance.
- 22.5 The Agent's husband collected from the client a cheque made out to General Accident for the initial premium and the Agent or her husband then forwarded the proposal form and cheque for the initial premium to General Accident in gross without deducting any amount 10 for the Agent's commission. In the event that the premium was collected in cash, the Agent or her husband banked the cash to their account and then drew a cheque in favour of General Accident on their account for the gross amount of the premium.
- 22.6 The insurance policy was usually sent direct by General Accident to the client.
- 22.7 The Agent or her husband directed General Accident to forward renewal notices direct to the client, who then paid renewal premiums direct to General Accident. 20
- 22.8 General Accident forwarded to the Agent a cheque for commission after payment of the initial and renewal commissions.
- 22.9 The Agent contacted clients once a year with a view to reviewing their insurance cover, asking them in particular if they wished to increase the amount of their insurance. If they did, the Agent arranged for the increased cover to be taken out.

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Jean Davies

22.10 When a premium was overdue, the Agent did not contact the client or make other attempts to collect the overdue premium. When premiums were not paid after the usual reminders had been sent by General Accident, the policies lapsed. The only premiums collected by the Agent were initial premiums which were collected at the time of completion of the proposal form. All subsequent premiums were forwarded direct by clients to General Accident.

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22.11 When a policy lapsed, the Agent received no further commission in respect of that policy. When a policy was cancelled by a client mid-term, a portion of the commission which had initially been credited to the Agent was debited to her account or her next monthly commission statement.

22.12 When a client did not wish to place his general insurance with General Accident, the Agent through her husband arranged the insurance with another insurance company. The Agent received a commission in respect of such insurance on substantially the same terms as General Accident.

20

22.13 The Agent had no authority to and did not issue cover notes of insurance on behalf of General Accident during the said period.

22.14 The Agent used stationery provided free of charge by

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Jean Davies

General Accident. Letterheads, however, were not used, all of the Agent's business being conducted by telephone or by personal contact, either by the Agent or by her husband. The stationery provided consisted of General Accident proposal forms and other documents necessary to effect the insurance and claim forms.

- 22.15 Except as hereinbefore set out, General Accident did not supply to the Agent any secretarial or other facilities nor any leads or other information as to potential clients. General Accident did not give to the Agent any directions as to the management of her agency. 10
- 22.16 The Agent operated her business from her home, doing all secretarial work required herself and arranging for her husband to do the outside work.
- 22.17 The Agent never arranged for the payment of premiums by bank authority or any other means. 20
- 22.18 All valuations of properties were made by mutual agreement between the client and the Agent's husband: no independent valuation was ever required by General Accident.
- 22.19 When a client wished to make a claim on his policy, he was encouraged by the Agent's husband to make the claim through the Agent rather than directly to General Accident. When clients did contact the Agent

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Jean Davies

concerning a claim, she or her husband argued the client's case with General Accident. At all times the Agent considered this to be part of her responsibility to the client. Most disputes, whether as to a claim or concerning a policy generally were argued by the Agent's husband on behalf of the client and were resolved to the satisfaction of the client.

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22.20 Except as hereinbefore set out, the facts contained in the preceding nineteen paragraphs applied without significant variation during the said period.

Case 23 - OLGA DAPHNE McFARLAND

23.1 Olga Daphne McFarland of 470 Pacific Highway, Asquith (hereinafter in this case referred to as "the Agent") was during the period 1st September, 1971, to 30th September, 1976 (hereinafter referred to as "the said period") a housewife.

23.2 On 11th December, 1962, the Agent entered into an agency agreement with General Accident. This agreement remained in force during the said period. The document marked exhibit "GA23" sets out the terms applicable to that agreement. 10

23.3 The total amount of commission received by the Agent during the said period from General Accident was approximately \$12,966 which sum represented almost the total gross income of the Agent during that period.

23.4 The Agent obtained general insurance business from clients through mailing programmes, leads referred to her by existing clients, her own contacts made by her through social activities and clients referred to her by her husband, who is a life insurance agent. 20

23.5 The Agent at irregular intervals during each year of the said period conducted mailing campaigns by sending leaflets prepared by General Accident and made available to the Agent by General Accident free of charge to persons whom the Agent considered may require insurance.

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McFarland

- 23.6 The Agent's husband as a life insurance agent when organising sickness and accident insurance for a client, indicated to the client that the Agent could arrange general insurance for the client if he so desired.
- 23.7 In response to the mailing campaign, prospective clients contacted the Agent by telephone. The Agent discussed with them their insurance needs and often took down details over the telephone and filled out a proposal form for the insurance and forwarded this by mail to the client for signature with a covering letter requesting a cheque for the initial premium to be returned with the proposal form when completed. 10
- 23.8 In other cases, the Agent arranged for her husband to discuss the client's insurance needs direct with him and on such occasions the Agent's husband arranged for the client to complete and sign a proposal form and return this to the Agent, together with a cheque for the initial premium usually made payable to General Accident obtained by him from the client. 20
- 23.9 The Agent then forwarded to General Accident the proposal forms and cheque for the initial premium made payable to General Accident.
- 23.10 Policy documents when prepared were forwarded by General Accident to the Agent who subsequently forwarded them on to clients.

- 23.11 Premium renewal notices were forwarded by General Accident to the Agent, who then forwarded these on to clients with a self addressed envelope.
- 23.12 On receipt from clients of cheques, which were always made payable to General Accident, for renewal premiums the Agent forwarded the cheques on to General Accident.
- 23.13 Occasionally cheques for initial premiums were made payable to the Agent. In such cases, the Agent banked these cheques to her account and then drew a cheque on her account in favour of General Accident for the amount of the premium. The Agent then forwarded to General Accident the completed proposal form and the cheque for the initial premium made payable to General Accident. 10
- 23.14 The Agent had no authority to and did not issue cover notes of insurance on behalf of General Accident. If a cover note of insurance was required, the Agent contacted an employee of General Accident by telephone and arranged for General Accident to issue a cover note. 20
- 23.15 When a valuation of a property was required, General Accident arranged this with the client.
- 23.16 General Accident forwarded a monthly statement and a cheque for the commission which was due to the Agent and which was shown on the statement to the Agent.

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- 23.17 In some cases, the Agent arranged for premiums to be paid direct from clients' bank accounts by banker's order and the Agent was sometimes called upon to sort out problems with any bank authority lodged.
- 23.18 When premiums were not paid by the due date, the Agent first contacted the client by telephone informing him that the premium was overdue. When the premium was still not paid, the Agent forwarded to the client a letter of reminder. If the client did not then pay the premium, the Agent informed General Accident that the policy should lapse. The Agent did not call personally on clients to enquire as to the reason a premium was not paid. 10
- 23.19 When a policy lapsed the Agent received no further commission in respect of that policy. When the policy was cancelled mid-term, a pro rata amount of the commission previously credited to the Agent was debited to her account by General Accident. 20
- 23.20 The Agent every six months reviewed the insurance needs of existing clients and indicated to them when she felt their insurance should be adjusted in some way, particularly having regard to inflation.
- 23.21 When a client wished to insure with an insurance company other than General Accident, the Agent arranged the insurance and received commission from the other insurance companies.

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- 23.22 The Agent operated her business from her home and did all typing herself and paid all expenses in relation thereto.
- 23.23 Except as herein provided, General Accident did not provide to the Agent any secretarial or other facilities nor any stationery apart from proposal forms, claim forms, bank authority forms and leaflets herein- 10
before referred to, nor did General Accident supply to the Agent the names of or other information or leads as to potential clients. General Accident did not give to the Agent any advice or directions as to the management or her agency.
- 23.24 When a client wished to make a claim, the client generally contacted the Agent who subsequently arranged for a claim form to be completed and lodged with General Accident and acted generally or arranged for her husband to act generally for the client in negotiations with General Accident until the claim was 20
paid or was resolved to the satisfaction of the client.
- 23.25 When there was any dispute with regard to the terms or other aspects of a policy, General Accident usually dealt directly with the client concerning the matter.

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23.26 Except as hereinbefore set out, the facts contained
in the preceding twenty-five paragraphs applied with-
out significant variation during the said period.

(Sgd.) J. F. McDarra
.....
Solicitor for the Plaintiff

(Sgd.) H. K. Roberts
.....
Solicitor for the Defendant

By R. Barlow a Solicitor
in his employ