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## Conflict of Interest Policy

### 1. Introduction

In terms of the Financial Advisory and Intermediary Services Act, 2002, BLUE ANCHOR RISK SOLUTIONS (PTY) LTD (hereinafter referred to as BA RISK) is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage conflicts of interest. BA RISK has put in place a policy to safeguard its insureds interests and ensure fair treatment of the insured. The key information is summarised below. Detailed information can be obtained on request from the key individual who is responsible to monitor and manage conflicts of interest on behalf of BA RISK.

### 2. Our Objectives

BA RISK is an authorised financial services provider, providing specialist underwriting expertise to brokers on predominantly HCV, Specialist Liability including pollution business. Like any financial services provider, BA RISK is potentially exposed to conflicts of interest in relation to various activities. However, the protection of our insured's interests is our primary concern and so our policy sets out how:

- a. We will identify circumstances which may give rise to actual or potential conflicts of interest entailing a material risk of damage to our insured's interests;
- b. We have established appropriate structures and systems to manage those conflicts; and
- c. We will maintain systems in an effort to prevent damage to our insured's interests through identified conflicts.

### 3. Conflict of Interest

#### Definitions

BA RISK strives toward ensuring it is able to appropriately and effectively identify and manage potential conflicts. It may manage potential conflicts through avoidance, establishing confidentiality barriers or by providing appropriate disclosure of the conflict to affected insured.

In determining whether there is or may be a conflict of interest to which the policy applies, BA RISK considers whether there is a material risk of damage to the insured, taking into account whether BA RISK or a BA RISK employee:

- i. Is likely to make a financial gain or avoid a financial loss, at the expense of the insured;
- ii. Has an interest in the outcome of a service provided to the insured or of a transaction carried out on behalf of the insured, which is distinct from the insureds interest in that outcome;
- iii. Has a financial or other incentive to favour the interest of another insured or group of insureds over the interest of the insured;
- iv. Receives or will receive from a person other than the insured, an inducement in relation to a service provided to the insured in the form of monies, goods or services, other than the standard commission or fee for that service.

#### Confidentiality Barrier

Our mandatories and employees respect the confidentiality of the insureds information and disclose or use it with circumspect. No such information may be disclosed to a third party without the written consent of a insured.

#### Monitoring

The key individual in charge of supervision and monitoring of this policy will regularly provide feedback on all related matters.

#### Inducements

Inducements from third parties in relation to a service provided to the insured are acceptable to BA RISK only if they are appropriately disclosed to the insured and if it its either the payment of a normal fee or commission to continue the quality of our services to the insured and does not impair our duty to act in the best interest of the insureds.

#### Gifts

BA RISK employees will not accept any gifts other than those considered normal in their line of business. Excessive gifts from insureds may result in a conflict of interest, which we are committed to avoiding.

## Disclosure

Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect clients' interest, the conflict will be disclosed to allow clients to make an informed decision on whether to continue using our service in the situation concerned. In all cases, where appropriate and where determinable, the monetary value of non-cash inducements will be disclosed to the insureds.

## Declining to act

We may decline to act for an insured in cases where we believe the conflict of interest cannot be managed in any other way.

Our policy defines possible conflicts of interest as:

- i. Conflicts of interest between BA RISK and the insured;
- ii. Conflicts of interest between our insureds if we are acting for different insureds and the different interests conflict materially;
- iii. Holding confidential information on insureds which, if we would disclose or use, would affect the advice or services provided to the insureds.

## Personal interest includes

- i. Instances where the FSP sells the product of a smaller product provider company in which the FSP has a financial interest for example, is a shareholder in the company.
- ii. Instances where the interest is other than a reasonable amount of commission.
- iii. Instances where the FSP partakes in some sort of profit share with the product provider company.

## Non-cash incentives includes

- i. Offshore trips, seminars, holidays or other substantial gifts where there is an expectation to do, give or provide something in return for the product provider.
- ii. Prizes or incentives offered to the FSP to reach a certain sales target for a specific product.
- iii. Special commission rate given to the FSP if the FSP sells a certain product.
- iv. Small gifts such as lunches, golf days, rugby tickets, promotional will also be recorded in the register of non-cash incentives.

## Procedures

Whenever the FSP renders a financial service, it must disclose the existence of any personal interest in the relevant services or any circumstances which gives rise to an actual or potential conflict of interest in relation to such service and take all responsible steps to ensure fair treatment of the insured.

Non-cash incentives offered and/or other indirect consideration payable by another provider, a product supplier or any other person to the FSP could be viewed as a potential conflict of interest.

Disclosure will take the form of a specific disclosure of any personal interest in a specific service as well as a general disclosure regarding non-cash incentives in the FOP's contract stage disclosure letter, as well as the maintenance of a register of non-cash incentives.

The details of any non-cash incentives offered and/or indirect consideration paid to the FSP by any other FSP, a product supplier or any other person will be recorded in the non-cash incentives register. The register will be available on the premises should an insured wish to obtain further details.