

**Select AFSL Pty Limited**

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Mr Simon Sherwood  
Office of the Solicitor Assisting  
Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry  
Level 34, 600 Bourke Street, Melbourne

14 June 2018

By email: [REDACTED]

Dear Mr Sherwood,

**Notice to Produce No. NP-475**

I refer to your email of 31 May 2018 and to the Notice to Produce No. NP-475 attached to it (Notice).

Please find attached to this email electronic copies of all documents in Select's possession, custody and control which respond to that Notice. I have also set out below information which may assist the Commission in understanding Select's response to the Notice, adopting the paragraph numbering of the Notice:

- a) Since 1 January 2015, any documents recording methods used by Select to identify people to whom outbound calls would be made for the purpose of offering Select Funeral insurance policies.

Refer to Annexure RH-01

b) Since 1 January 2015, in respect of outbound calls made for the purpose of offering Select funeral insurance policies:

- i. Any manuals or materials used to train representatives to make such calls; and
- ii. Any Select policies, procedures or guidelines applying to the making of such calls;

The table below sets out all the materials during this period:

Annexure Number	Document Type	Document Title
RH-02	Training Schedule	Training Schedule
RH-03	Training Material	Funeral Cover Product Training Presentation 2015
RH-04	Training Material	Funeral Cover Product Training Presentation 2018
RH-05	Training Material	Sales Training Presentation 2015
RH-06	Training Material	Sales Training Presentation 2018
RH-07	Training Material	Phone Etiquette Presentation 2015
RH-08	Training Material	Compliance Training Presentation 2015
RH-09	Training Material	Compliance Training Presentation 2018
RH-10	Training Material	Compliance Training Manual
RH-11	Training Material	Compliance Verification Process - May 2016
RH-12	Training Material	Compliance Verification Process - Dec 16
RH-13	Training Material	Duty of Care Guidelines 2018

c) Save as already provided in compliance with category (b) above, since 1 January 2015, in respect of outbound calls made for the purpose of offering Select funeral insurance policies to Aboriginal and Torres Strait Islander Australians:

- i. Any manuals or materials used to train representatives to make such calls; and
- ii. Any Select policies, procedures or guidelines applying to the making of such calls;

There are no separate manuals and materials. The Duty of Care Guideline (Annexure RH-13) contains a section on how to treat and deal with customers identified as being a vulnerable consumer.

d) Save as already provided in compliance with a category above, since 1 January 2015, any documents recording methods which could be used by Select representatives during outbound calls in order to overcome any objection of the person to whom Select was offering a funeral insurance policy.

Objection handling techniques are covered under the training material (Annexures RH-05, RH-06, RH-07 and RH-08)

- e) Since 1 January 2015, any documents that set out:
- i. remuneration arrangements (including discounts, commissions or other benefits or rewards, including non-monetary benefits); or
  - ii. targets, quotas or other key performance indicators,

applicable to representatives of Select who offer Select funeral insurance policies.

Select's representatives received a fixed salary, plus commission (where applicable) in accordance with the table below:

Period	Product Category
	Funeral
01/03/2018 – 19/03/2018	<ul style="list-style-type: none"> <li>• No commission</li> <li>• \$30 for every sale with 100% QA</li> </ul>
01/01/2018 – 28/02/2018	<ul style="list-style-type: none"> <li>• Commission of \$80 for every sale</li> <li>• Penalties for failed QA</li> <li>• 100% clawback of commission for policies cancelling in 1<sup>st</sup> year</li> <li>• 60% clawback of commission for policies cancelling in 2<sup>nd</sup> year</li> </ul>
01/02/2017 – 31/12/2017	<ul style="list-style-type: none"> <li>• Commission of \$80 for every sale</li> <li>• Penalties for failed QA</li> <li>• 100% clawback of commission for policies with a premium dishonour or cancelling within 1 month of policy start date</li> </ul>
01/11/2016 – 31/01/2017	<ul style="list-style-type: none"> <li>• Commission of \$60 for every sale</li> <li>• Penalties for failed QA</li> <li>• 100% clawback of commission for policies cancelling within 1 month of policy start date</li> </ul>
01/08/2016 – 31/10/2016	<ul style="list-style-type: none"> <li>• Commission of \$75 for the 1<sup>st</sup> life insured &amp; \$25 for additional adult lives insured</li> <li>• Penalties for failed QA</li> <li>• 100% clawback of commission for policies cancelling within 1 month of policy start date</li> </ul>
01/01/2015 – 31/07/2016	<ul style="list-style-type: none"> <li>• Commission of between 4% - 10% of the 1<sup>st</sup> year's premium</li> <li>• Penalties for failed QA</li> <li>• 100% clawback of commission for policies cancelling within 1 month of policy start date</li> </ul>

The key performance indicators were:

Key Performance Indicators (KPI)	Funeral Insurance
Policies (Sales per day)	2.0
Talk Time	4.5 hours
Dial Time Utilisation (DTU)	75%
Non Call Time	2.5 hours
QA & compliance	Pass with minimum 90% QA score

Yours faithfully

A handwritten signature in blue ink, consisting of several overlapping, sweeping strokes that form a cursive, somewhat abstract shape.

Russell Howden  
Managing Director

