



Schedule 2 – CFA 1958

**INSTRUCTIONS - Brokers**

Assuming that the policy of insurance is a Fire Policy, an Industrial Special Risks Policy, or other composite classes of fire insurance then the following action is required to complete the form of Return to arrive at the contribution payable,

- 1) Where the total amount of the premium is required on the form insert the gross premium (including administration fee's, amounts relating to "net rating", and excluding that charged as FSL) (ie \$1000) for any insurance of property located within the country area of Victoria.
- 2) Ascertain from Schedule 3, reproduced on the rear of the attached form what portion of the above premium is subject to a contribution (in the case of this example 80%). Insert that percentage of the premium as the "portion of the total premium that is properly attributable to insurance against fire". (ie  $\$1000 \times 80\% = \$800$ ).
- 3) Multiply this latest figure by the rate of contribution payable, (Currently 91.48% - inclusive of the 1%) and the attachment date of the policy is in the period 1 July 2008 to 30 September 2008, and the premium has been paid by your client. This will represent the amount of contribution "as required" to be inserted on the form and lodged with the Return. (ie  $\$800 \times 91.48\% = \$731.84$ ).
- 4) Complete all other sections of the return as required and lodge same with CFA (attention: Manager Accounting Services) together with a cheque in payment of the required contribution within 14 days of receipt of the premium payment from your client.

**Please note:**

- (a) The term Property extends to include all contents, fixtures & fittings, stock, plant & equipment and Consequential Loss, Business Interruption insurances.
- (b) Where the policy covers more than one situation, a schedule of the situations should be attached.
- (c) That a separate form of return is required for each individual premium payment to an overseas insurer.
- (d) That the sum insured and premium is to relate specifically to property within the country area of Victoria. All other premiums for property in the metropolitan fire district are to be returned to the MFB.
- (e) All monetary amounts are to be shown in Australian Dollars by use of the bank conversion rate applicable at the date of the payment of the premium to the underwriter.

**Important:**

The rate of contribution varies as from 1 July and 1 October each year, dependent on the amount of the contributions required and the total of all premiums returned by the insurance industry each year. Advice will be provided as each change occurs.