



COMMENCEMENT OF DEFERRED SALES MODEL FOR ADD-ON INSURANCE PRODUCTS & DESIGN AND DISTRIBUTION OBLIGATIONS

7 September 2021

To: ALL AADA MEMBERS

Members should be aware of two significant regulatory changes occurring in the finance and insurance departments on 5 October 2021.

- The [Deferred Sales Model \(DSM\) for the sale of add-on insurance products](#) will commence. This does not affect the sale of comprehensive car insurance. It does also not include the sale of extended warranties at this stage.
- The [Design and Distribution obligations](#) will also commence and may affect Dealers providing finance or insurance, extended warranties and scratch and dent products.

Members are strongly advised to work closely with their finance, insurance and product providers to ensure they are ready to comply with the new regulations and have the required consumer information.

If you have any questions, please contact the below AADA team member:

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