

FINANCIAL SERVICES GUIDE (FSG)

This FSG was prepared on 1st of July, 2019

This Financial Services Guide (FSG) is designed to assist you in deciding whether to use any of our services and contains important information about:

- The services we offer you
- How we and our associates are paid
- Any potential conflicts of interest we may have
- What to do in the event of a complaint

RESPONSIBILITY FOR SERVICES PROVIDED

We hold an Australian Financial Services Licence and are authorised to advise and deal in the full spectrum of general insurance products.

We are responsible for the financial services provided to you, or through you to your family members, including the distribution of this FSG.

We are required to meet high standards for staff training, organisational competence, management expertise, financial control and compliance disciplines.

WHO DO WE ACT FOR

We usually act on your behalf and in your interests in all matters. Sometimes, it may be more appropriate for us to access insurance or manage claims where we act as an agent of the insurer. If and when this situation arises we will explain and highlight this to you.

OUR SERVICES

We offer a range of services to assist you to protect your assets and guard against unexpected liabilities including:

- Reviewing and advising on your insurance needs
- Identifying risk factors to avoid claims
- Seeking competitive premium quotations

HOW TO CONTACT US

- You are able to contact us by phone, in writing, email or in person.

OUR PRODUCTS

- We can advise and arrange a broad range of insurances on your behalf including Home Building and Contents, Private and Commercial Motor, Farm, Business Packages, Construction, Liability, Industrial and Professional covers.

RETAIL CLIENTS

- Under the Corporations Act 2001 (The Act) Retail Clients are provided with additional protection from other clients. The Act defines Retail Clients as:
- Individuals or a manufacturing business employing less than 100 people or any other business employing less than 20 people And that are purchasing the following types of insurance covers:
- Motor vehicle, home building, contents, personal and domestic, sickness/accident/travel, consumer credit and other classes as prescribed by regulations.
- Some of the information in this FSG only applies to Retail Clients and it is important that you understand if you are covered by the additional protection provided.

RETAIL CLIENT ISSUES

For these retail products, you might also receive some other documents on, or after the time we advise you about your insurance needs including:

- Statements of Advice (SOA) – these set out the advice provided and the basis on which the advice is made and our remuneration should you purchase the product,
- General Advice Warning (GAW) – these confirm that the advice provided for a particular transaction has not taken into account your particular needs and requirements and you should consider the appropriateness of this advice to your circumstances prior to acting upon it,
- Product Disclosure Statements (PDS) – these set out details specific to that product and the key benefits and risks in purchasing the product
- Confirmation Notices – these will confirm the details of transactions we have arranged on your behalf.

PERSONAL INFORMATION

The Privacy Act 1988 sets out standards for the collection and management of personal information. With your consent, we will only use your personal information for general insurance services. Our Privacy Policy Statement is available on our website.

COMPLAINTS

Clients not satisfied with our services should contact our Complaints Officer. We are members of the Australian Financial Complaints Authority (AFCA), a free consumer service. Further information is available from our office, or contact AFCA directly on 1800 931 678 or visit www.afca.org.au. We also follow The Insurance Brokers Code of Practice.

COMPENSATION

We hold a Professional Indemnity Policy. This policy is designed to pay claims by Third Parties (including our clients) arising out of our Professional Negligence. The policy extends to covers us for work done for us by representatives/employees after they cease to work for us and satisfies the requirements for compensation arrangements under Section 912B of The Act.

CONTACT AGREEMENT

To ensure that we provide you with appropriate products and services, you agree to us calling you to discuss any new products and services. If you do not wish to receive such calls please advise us and we will place you on our Do Not Call Register.

ELECTRONIC DELIVERY OF DISCLOSURE NOTICES

Please note that where possible we prefer to provide all correspondence and disclosure notices (including Financial Services Guides and Product Disclosure Statements) to you electronically, via email attachments or email links to documents/websites etc. If you have provided your email address to us we will typically use that email address for all correspondence and disclosure notices. Should you not wish to be sent disclosure documents electronically please advise us and we will update our records accordingly.

OUR SOURCES OF INCOME

When placing your insurance we usually receive a commission from the insurer. The amount varies between 0% and 30% of the base premium you pay. Where a policy is cancelled before the period of insurance has ended we will usually retain the commission on any return premium involved.

If you are a Retail Client and we give you Personal Advice, commission amounts will be provided in any SOA or on any relevant invoices where an SOA is not provided. When we give you General Advice, full commission information (including dollar amounts) will be provided on request.

We have a set of standard non-refundable Broker Fees that we charge you for services such as:

- Market research on products available.
- Assessing the claims service of insurers.
- Sourcing alternative quotations and coverage.
- Risk analysis and portfolio co-ordination.

All fees payable for our services will be advised to you at the time of providing the advice or service.

We may receive additional remuneration from insurers with whom we have profit share or volume bonus arrangements. This remuneration is payable if we meet certain agreed sales and/or profitability targets set by the insurer. If we have profit share arrangements with an insurer that apply to a product we recommend to you, we will advise you of this at the time of making any such recommendation if the amount involved is material.

We retain the interest on premiums paid by you that are held in our trust account before paying the insurer.

If you pay by credit card we may charge you a credit card fee, which is disclosed and shown separately on our invoices, they are non-refundable. This fee covers the cost of bank charges etc. associated with such facilities.

Premium funding products enable you to pay your premiums by instalments. Premium funders do charge interest. We can arrange premium funding if you require it. We may receive a commission based on a percentage of the premium from the premium funder for doing so. We will tell you the basis and amount of any such payment if you ask us.

IBNA MEMBERSHIP

We are a shareholder of Insurance Brokers Australia Ltd (**IBNA**). They have exclusive arrangements with some insurers where they receive between 0.5 – 1.5% commission on the premium placed by us with those insurers. These payments are used to operate **IBNA**.

Depending on the operating costs of **IBNA** (including the costs of shareholder services provided to us and other shareholders) and the amount of total business we place with the participating insurers in any financial year, we may receive some of that commission at the end of each financial year.

As an **IBNA** shareholder, we can access services including operating and compliance tools, advice and assistance from professional bodies, group insurance arrangements, product comparison and placement support, claims support and purchasing arrangements. These shareholder services are either funded or subsidised by **IBNA** or available exclusively to shareholders for a fee.

HOW OUR REPRESENTATIVES ARE PAID

We have two types of available advisors, Representatives and Authorised Representatives (Stephen McGrath, AR Number 296824 and Anthony Bourke, AR Number 315006).

Our Representatives are usually paid in two ways, salary, and a bonus incentive which results from the efficient operation of AIIB Pty Ltd. Some Representatives may receive up to 30% of the commission and broker fee that we earn on each policy.

Our Authorised Representatives are either remunerated by an annual contract figure and also a bonus incentive which results from the efficient operation of AIIB Pty Ltd or through a commission and fee split to be advised at the time of policy placement.

If a person has referred you to us, we may pay them a part of any fees or commission received. This will not increase the amount you pay us.

If you are a Retail Client and receive Personal Advice full remuneration details will be disclosed in the SOA or invoices that relate to the advice.

CONFLICTS OF INTEREST

As a business we have relationships with and receive income from various third parties as detailed in this FSG. For Retail Clients receiving Personal Advice, details of relationships that impact the advice will be included in any SOA or invoice documentation we send you. All material conflicts that impact our advice, that are not mentioned in this FSG, will be advised to you on the invoices related to that advice.

HOW WE WILL LOOK AFTER YOUR INSURANCE NEEDS

You can provide us with instructions in person, by telephone, email or in writing.

New Business

Contact us as soon as possible if you need cover for a risk or property that is not insured. If you need immediate cover, we can often obtain an interim contract of insurance (which is generally valid for a month or less). To arrange this, we will need details of the property or risk and all other information which you need to disclose to the insurer.

We will then send you a proposal for completion. You will need to complete and sign this and return it to us as soon as possible and before the interim cover expires.

We will send the original insurance contract documents as soon as they are issued correctly by your insurer. As these are legal documents, you should keep them in a safe place.

Renewals

We will give you at least 14 days notice of expiry of any insurance contract which we arranged or last renewed for you.

At that time we will send you an offer to renew the insurance contract and invoice you for the cost of renewal. If you want to change the details of the cover, contact us as soon as you receive the renewal offer. If you wish us to renew the contract on your behalf, you must provide us with written instructions to do so and/or pay the premium and other charges before the date shown on the invoice.

In some circumstances we may be able to arrange for the insurer to cover you temporarily before payment is received, but we cannot guarantee this.

We will notify you when renewal has been effected.

If you arranged or renewed insurance directly with an insurer or through another broker, we will not be responsible for notifying you of expiry or arranging renewal unless you ask us to do so.

Variations

You should carefully monitor and review that your insurance contract is adequate to cover your assets or business activities.

If you want to vary any cover, e.g. by increasing the sum insured or adding other property, please provide us with details of the changes you require and any other information you need to disclose to the insurer.

We will arrange the variation with the insurer and provide you with written confirmation.

Claims

We will receive your claims notifications, assist and advise you regarding the scope of cover and pass the information to the insurer.

If a loss adjuster is appointed we shall, with your permission, pass on your contact details and co-ordinate meetings. In the case of a major loss, we can attend the initial meeting with the loss adjuster if you wish us to.

We will promptly forward to you all claims documentation, insurance company settlement cheques and other information.

If any claims are outstanding when you terminate our appointment as your insurance broker, we will provide details of the claim(s) to your new insurance broker so that they may continue to negotiate settlement on your behalf if requested to do so.

IMPORTANT INFORMATION

Material Changes

You must also notify your insurer of any significant changes which occur during the period of insurance. If you do not, your insurances may be inadequate to fully cover you.

We can assist you to do this and to ensure that your contract of insurance is altered to reflect those changes.

Cooling Off Period (for Retail Insurance only)

If you decide that you do not need a contract of retail insurance which has been arranged on your behalf, you have a minimum of 14 days from the earlier of the date you receive confirmation of the contract and the date it was arranged to change your mind. You must tell the insurer in writing that you wish to return the insurance contract and have the premium repaid.

If you do so, the insurance contract will be terminated from the time you notified the insurer and the premium will be returned. The insurer may retain its reasonable administration and transaction costs and a short term premium.

You cannot return the contract of insurance if it has already expired or if you have made a claim under it.

Sums Insured - Average and Co-Insurance

Some insurance contracts require you to bear a proportion of each loss or claim if the sum insured is inadequate to cover the amount of the loss. These provisions are called 'average' or 'co-insurance' clauses.

If you do not want to bear a proportion of any loss, when you arrange or renew your contract of insurance, you must ensure that the amount for which you insure is adequate to cover the full potential of any loss. If you insure on a new for old basis, the sum insured must be sufficient to cover the new replacement cost of the property.

Interests of other Parties

Some insurance contracts do not cover the interest in the insured property or risk of anyone other than the person in the contract. Common examples are where property is jointly owned or subject to finance but the contract only names one owner or does not name the financier.

Please tell us about everyone who has an interest in the property insured so that we can ensure that they are noted on the contract of insurance.

Waiver of Rights

Some insurance contracts seek to limit or exclude claims where the insured person has limited their rights to recover a loss from the person who was responsible for it, e.g. by signing an agreement which disclaims or limits the liability of the other party.

Please tell us about any contracts of this type which you have or propose to enter into.

Standard Covers

The Regulations to the Insurance Contracts Act set out standard terms for the cover which is provided by motor vehicle, home buildings, home contents, sickness and accident, consumer credit and travel insurance (including a minimum amount of insurance).

If an insurer wants to alter these terms or offer less than the minimum amount of insurance they must clearly inform you in writing that they have done so. They can do this by providing you with a Product Disclosure Statement or a copy of the insurance contract.

Unusual Terms

If an insurer wants to rely on a term in a contract of insurance which is not usually included in contracts that provide similar cover, they must clearly inform you in writing of that term. Again, they may do so by providing you with a copy of the insurance contract.