



Austral Anglo

INSURANCE BROKERS

THE FINANCIAL SERVICES GUIDE

A GUIDE TO OUR RELATIONSHIP WITH YOU AND OTHERS

This FSG was prepared 01/11/2018

THE PURPOSE OF THIS GUIDE

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

ABOUT US

The Financial Services covered by this FSG are provided by: Austral Anglo Pty Ltd, 2/36 Heversham Drive, Seaford, Victoria, 3198. Our ABN Number is 32 005 231 229 and our Australian Financial Services Licence Number is 238328. We hold this Australian Financial Services Licence under the Corporations Act 2001 to provide financial product advice on, and deal in, 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.

In order to be granted and then retain our Licence we are required to meet stringent guidelines in areas such as: staff training, organisational competence, management expertise, financial control and compliance disciplines.

We have an ongoing requirement to maintain and enhance our professionalism to ensure that you receive fair and honest Financial Services from us. We are a member of the National Insurance Brokers Association and a member of IBNA Limited. We subscribe to the Insurance Brokers Code of Practice.

WHO DO WE ACT FOR?

We usually act on your behalf and in your interests. In some situations, however, it may be more appropriate for us to access insurance arrangements or manage claims where we act as the agent of the insurer. If and when this situation arises, we will clearly 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
- Assisting with insurance claims

HOW TO CONTACT US

You can contact us by telephone, in writing, by fax, 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.

WHAT WE EXPECT FROM YOU

To enable us to provide the right advice, we need you to provide us with complete information about the risk(s) that you face and those that you want to be insured for.

You should also tell us about any relevant changes as they occur so we can review your insurance needs accordingly. We also ask you to pay our invoices on time and complete all proposal forms honestly; accurately and most importantly return them to us by the required date.

RETAIL CLIENTS

Under the Corporation Act 2001 (The Act) Retail Clients are provided with additional levels of protection from other insurance purchasers. 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,(under 2 tonne).Home building, contents, personal and domestic, Sickness, Accident or 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 whether you are covered by the additional protection provided.

RETAIL CLIENT ISSUES

Typically we only provide General Advice to our Retail Clients. General Advice does not take into account your particular needs and requirements and you should consider the appropriateness of this advice to your circumstances prior to acting upon it. We will provide you with a General Advice Warning in such cases.

If you are a new Retail Client purchasing Personal Accident or Sickness insurance and obtain Personal Advice, that is, advice that takes into account your particular circumstances, we will give you a **Statement of Advice (SOA)**, that sets out the advice provided and the basis on which the advice is made and our remuneration should you purchase the product.

For existing Retail Clients we may not provide an SOA but rather provide the advice to you orally. In such cases you may request us to provide you with a Record of Advice (via phone or in writing) which we will provide to you within 28 days of such request.

When you ask us to recommend an insurance policy for you, we will usually only consider the policies offered by the insurers or insurance providers that we deal with regularly. In giving you advice about the costs and terms of recommended policies we have not compared those policies to other policies available, other than from those insurers we deal with regularly.

If we recommend the purchase of a particular financial product, we will also give you a **Product Disclosure Statement** at that time, which sets out details specific to that product and the key benefits and risks in purchasing the product.

WHAT ADVICE IS BEING PROVIDED (RETAIL CLIENTS ONLY)

If you are a RETAIL CLIENT (refer above) and a Statement of Advice has not been provided to you with this invoice then the advice that we are giving you related to this transaction is General Advice.

General Advice is advice that has been prepared without considering your current objective's, financial situation or needs. Therefore, before acting on this advice, you should consider the appropriateness of the advice having regard to your current objective's, financial situation or needs.

If the advice provided relates to the acquisition or possible acquisition of a new insurance policy and the insurer has prepared a Product Disclosure Statement (PDS) we will have attached the PDS for your review. You should consider the PDS prior to making the decision to purchase this product. Further information regarding the income we have been paid by the insurer for this transaction is available upon request.

COOLING OFF PERIOD

All Retail Products are subject to a 14-day "cooling off period". This means that if you are not happy with a Retail Product, you have 14 days to withdraw from the new contract at no cost to you other than our broker's fee, which is not refundable. You cannot withdraw from the contract of insurance if it has already expired or if you have made a claim under it.

POLICY

This FSG and the 'Important Notices' that are found on the back of your invoice refer to a contract of insurance that you have entered into via our company. You should refer to your policy document for the full terms and conditions applicable and you should read them carefully. Should any doubts arise as to the scope of cover provided please contact us for an explanation.

ALTERATIONS

No alterations to the risk whatsoever will be admitted until you have notified us in writing and will not take effect until acceptance is confirmed by the insurance underwriters.

NEW POLICIES

Notwithstanding the above, you will not be insured if you do not submit the relevant Proposal within 30 days from commencement of the risk unless an extension of time has been agreed with us in writing.

INTERESTS OF OTHER PARTIES

Many policies exclude cover for an interest in the insured property held by someone other than the named insured, unless that interest is specifically noted on the policy. For example, if property is jointly owned or subject to finance, the interest of the joint owner or financier may be excluded, if it is not specifically noted on the policy.

OUR SOURCES OF INCOME

We may be paid in a number of ways which vary according to the service you require and our arrangements with the relevant insurer. When placing your insurance we usually receive a commission from the insurer. The amount varies between 0% and 25% 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 (where an SOA is not required to be provided) included on any relevant invoices. 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.

FEES PAID BY YOU

We may charge you:

- An administration fee in addition to commission when you enter into an insurance policy.
- A flat fee for arranging an insurance policy or a fee based upon the time we spend advising you.
- An annual management fee.

All fees payable for our services will be advised to you at the time of providing the advice or service. These fees are non-refundable on cancellation.

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

OTHER REMUNERATION INFORMATION

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

IBNA MEMBERSHIP

We are a member and shareholder of the national marketing group, IBNA Limited (IBNA). IBNA may receive a commission of up to 1.5% on premiums paid in respect of some products from certain insurers. This income is used to offset IBNA's operating expenses. Depending on the operating costs of IBNA (including the costs of member services provided to us and other shareholders) and the amount of total business we place with the participating insurers we may receive a rebate of revenue that they have received.

As a shareholder of IBNA Limited (IBNA) we have access to member services including operating and compliance tools, procedures, manuals and training, legal, technical, banking and recruitment advice and assistance, group insurance arrangements, product comparison and placement support, claims support and group purchasing arrangements. These member services are either funded by IBNA, subsidised by IBNA or available exclusively to shareholders for a fee. For more details about IBNA you can visit their website: www.ibna.com.au.

HOW OUR REPRESENTATIVES ARE PAID

Our employees do not receive any benefit directly from the sale of a product to you. Our employees receive an annual salary package and may receive bonuses which are based on a number of factors including achievement of company goals and the overall performance of our business.

Where a third party has referred you to us, we may share part of our commission and fees with them or pay them an agreed referral fee. This will be disclosed in any SOA you receive. This will not increase the amount you pay us.

TERMS OF PAYMENT

Terms of Trade

Payment of your account constitutes your acknowledgement and acceptance of the conditions of the insurance and authorises us to act as your insurance brokers for the risks outlined in the invoice and no others unless specifically agreed by us in writing. You will not be insured if you fail to pay the premium in full within 14 days from commencement of the new risk for new policies and prior to the due date for renewals unless alternative credit arrangements have been agreed with us in writing. If you pay by credit card, a credit card fee will be charged. This fee is a bank charge and is retained by the bank and is not payable to us.

Premium Funding Warning

Premium Funding products enable you to pay your premiums by instalments. Premium Funders do charge interest. We receive a commission from the funder for arranging the funding contract. We may also receive a Profit Share Bonus from some premium funders. Full details are available on request. Please note that should the insurance policy be cancelled before the expiry date for whatever reason, the Premium Funder will charge you the full interest applicable to the contract, as detailed in the Loan Application Form. Typically there will be no refund of our commission on the refund premium and no refund of any fee we may have charged you for arranging the cover. We also reserve the right to charge you a policy cancellation handling fee. In some cases underwriters also apply minimum premiums to policies, which may further reduce the refund that you might otherwise receive.

The impact of the above on you is that any refund you receive for the mid-term cancellation of your policy will usually be significantly less than a pro rata calculation would produce and in extreme cases may involve you having to make an additional final payment even though the policy has been cancelled. Therefore prior to cancelling a policy and replacing it with another cover we strongly recommend that you discuss your situation with us so that we can advise the exact extent and impact of the early cancellation provisions mentioned above.

UNDERWRITING AGENTS AND WHOLESALE BROKERS

In some cases we access insurance products via Underwriting Agents and Wholesale Brokers rather than directly with the insurer. In such cases should you wish to access the Financial Services Guide of the Underwriting Agency or Wholesale Broker please contact us and we will arrange to have a copy sent out to you.

WHOLESALE BROKER INFORMATION

In some cases we use the services of a Wholesale Broker (insurance intermediary) to access products that are not available to us directly from the insurer. You can identify where we have used an insurance intermediary as the invoice/schedule will show that the policy is placed via another Insurance Intermediary. This situation usually arises where the insurance intermediary has developed a specialised product and competitive pricing for risks that are not commonly available from most underwriters. This means we are not dealing with the end insurer directly but via the insurance intermediary. All insurance intermediaries that we deal with are required to hold an Australian Financial Services Licence and to place all client funds received into a Trust Account and are required to meet the same high standards in the delivery of their services that apply to us. Importantly all claims will be the ultimate responsibility of and paid for by the end underwriter.

CANCELLATION WARNING- RETENTION OF BROKERAGE AND FEES

If a contract of insurance is cancelled before expiry of the period of insurance, we will refund the net premium we receive from your insurer. We will not refund our fees or commission for arranging the insurance. A Broker Service Fee maybe charged to process the cancellation.

AVERAGE / CO-INSURANCE

It is most important that the Sum Insured you select is adequate to represent the value of the insured property and is calculated in accordance with the cover being arranged. Otherwise, you will be under-insured and in terms of the Average / Co-insurance provisions of your policy, you may be responsible for paying part of the loss you actually suffer.

If the subject matter of insurance (or part thereof) relates to Industrial Special Risks, Fire & Perils or Business Interruption/Consequential Loss, then the policy (or part thereof) will be subject to average. This means that if the sum insured you nominate for buildings, plant, machinery, stock is less than 100% of its value (100% for Business Interruption/Consequential Loss) at the time the insurance was effected (or renewed), then part of the loss will/may not be covered by the policy.

For example a policy with a 100% coinsurance clause pays as follows: if a building is insured for \$150,000 when its value is \$200,000, then in the event of a claim for damage of \$100,000, insurers will only pay \$75,000 and you will be your own insurer for the balance.

AVERAGE/CO-INSURANCE - BUSINESS INTERRUPTION POLICIES

Some policies contain an Average/Co- Insurance clause which is fully set out in the “Basis of Cover” or “Policy Specification” of the policy. For the types of cover most usually provided, the Average/Co- Insurance calculation is arrived at by applying the Rate of Gross Profit, Revenue or Rentals (as applicable) to the Annual Turnover, Revenue or Rentals (as applicable); these factors first being appropriately adjusted as provided for in the “Trend of Business” or “Other Circumstances” clauses. If you are in any doubt regarding this clause insofar as it applies to your policy, please contact your Account Manager for assistance.

SUBROGATION

You are warned that should you become a party to any agreement that has the effect of excluding or limiting your underwriter’s ability to recover from a third party, your underwriters may have the right to refuse to indemnify you for such loss where it is shown that your underwriter’s rights of recovery have been prejudiced by your action.

THIRD PARTY INTERESTS

Insurance policies will only provide cover for your interest in the property insured and does not cover the interest of any third parties unless you have informed us of them in writing and they are noted on the policy.

RIGHTS OF RECOVERY AGAINST OTHERS

It is a condition of a Contract of Insurance that you may not forego any right of recovery that may exist against another party without prior approval in writing being given by your insurer.

PRIVACY

We are committed to protecting your privacy. The Privacy Act 1988 sets out the standards for the collection, use, disclosure and handling of personal information. With your consent, we will only use your personal information in relation to general insurance services. Further information on our Privacy Policy Statement is available on request from our office or from our website.

CLAIMS

We will try and take the pain out of the claims process by assisting and advising you in regard to the scope of cover and explaining how the claims process works. We will promptly forward to you all claims documentation, settlement cheques and other information.

CLAIMS OCCURRING PRIOR TO COMMENCEMENT

Your attention is drawn to the fact that your policies do not provide indemnity in respect of events that occurred PRIOR to commencement of the contract.

COMPLAINTS

Clients not satisfied with our services should contact our Complaints Officer. We are also members of the Australian Financial Complaints Authority Limited (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.

CONFLICTS OF INTEREST

As a business we have relationships with and receive income from various third parties as detailed in this FSG. To ensure that any conflicts arising from such relationships or income do not impair the level of advice and service that we provide to you we have implemented a Conflict of Interest Policy. Our formal documented approach to receiving income and other benefits from third parties is that we will ensure that you receive the most appropriate product or service that we have access to, whilst being mindful that as a business we must receive an adequate income to provide the services and facilities that you would expect from a professional insurance broker.

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.

CONTACT AGREEMENT

To ensure that we provide you with the appropriate products and services, you agree to us calling you at our discretion 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.

CONTRACTUAL LIABILITY

Many commercial or business contracts clauses dealing with your liability (including indemnities or hold harmless clauses) such clauses may entitle your insurers to reduce or in some cases, refuse to indemnify you at all. You should seek legal advice before signing and accepting contracts. You should inform us of any clauses of this nature before you enter into them.

COMPENSATION

For your added protection we hold a Professional Indemnity Policy. This policy is designed to pay claims to Third Parties (including our clients) arising out of our Professional Negligence. The policy extends to cover 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.

YOUR DUTY OF DISCLOSURE

Before you enter into a contract of general insurance and up until the commencement of the insurance, you have a duty, under the Insurance Contracts Act 1984, to tell the underwriter of anything that may affect the underwriters' decision whether to insure you and on what terms. You must tell the underwriter about anything that you know, or could be reasonably expected to know taking into account the nature and extent of the insurance cover to be provided and the class of persons who would ordinarily be expected to apply for such insurance cover.

For Eligible Contracts (Eligible Contracts involve individuals purchasing insurance for motor vehicles with carrying capacity under 2 tonne, motorcycle, home building and contents, residential strata, travel, personal accident and sickness and consumer credit) the above duty only applies to questions asked of you by the underwriter. In answering any such questions you must tell them anything that you know and that a reasonable person in the circumstances would include.

You have the same duty before you renew, extend, vary or reinstate an insurance contract. You do not need to tell the underwriter anything that: reduces the risk to be insured or that is of common knowledge; the underwriter knows or, in the ordinary course of business, ought to know; the underwriter has waived your duty to tell them about.

NON-DISCLOSURE

If you do not tell the underwriter anything you are required to, they may cancel your contract or reduce the amount they will pay you if you make a claim, or both. If your failure to tell the underwriter is fraudulent, they may refuse to pay a claim and treat the contract as if it never existed.

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.