

## 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

## 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, 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

## 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

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 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 that we can review your insurance needs accordingly.

## Complaints

Clients not satisfied with our services should contact our Complaints Officer. We are members of the Financial Ombudsman Service Australia (FOS), a free consumer service. Further information is available from our office, or contact FOS directly on 1800 367 287 or visit [www.fos.org.au](http://www.fos.org.au). We also follow The Insurance Brokers Code of Practice.

## 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 (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 paying ability 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 (incl. arrangement & handling) 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 installments. 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.

### **Steadfast Membership**

Eagle Insurance Brokers Pty Ltd is a Steadfast Group Limited (Steadfast) Network Broker. Steadfast has exclusive arrangements with some insurers and premium funders (Partners) under which Steadfast will receive between 0.5 – 1.5% commission for each product arranged by us with those Partners. Steadfast is also a shareholder of some Partners.

We may receive a proportion of that commission from Steadfast at the end of each financial year (or other agreed period).

As a Steadfast Network Broker we have access to member services including model 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 Steadfast, subsidised by Steadfast or available exclusively to Steadfast Network Brokers for a fee.

You can obtain a copy of Steadfast's FSG at [www.steadfast.com.au](http://www.steadfast.com.au)

### **Aviso affiliation**

Eagle Insurance Brokers Pty Ltd is a subsidiary of a shareholder in Aviso Group Pty Ltd, which is the owner the Aviso Group trademarks. Aviso Group Pty Ltd has granted Eagle Insurance Brokers Pty Ltd a licence to use and exploit the Aviso Group trademarks.

### **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 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.

### **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 or links to 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.

### **How our representatives are paid**

Some of our representatives receive a benefit directly from the sale of a product to you but mostly they are paid an annual salary and may receive bonuses payable based on the overall performance of our business. If a person has referred you to us, we may pay them a part of any fees or commission received. If you are a Retail Client and receive Personal Advice full remuneration details will be disclosed in the SOA or invoices related 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.

***If you ask us to arrange cover it is understood that you accept the following terms and conditions:***

### **Interim cover**

Cover will be interim cover only and based upon the Insurers standard policy wording - continued cover may be dependent on you providing a signed proposal form and it being accepted by the Insurer.

### **Policy documentation**

The policy document will be sent to you as soon as possible after issue by the insurer. Should our firm have the ability to issue the policy electronically we will issue this within one month of the policy being fully paid.

### **Explanation of policy conditions & exclusions**

- a) It is not feasible for us to explain to you every term, condition or exclusion that the policy contains - you accept responsibility to read the policy so as to be aware of the terms, conditions and exclusions it imposes.
- b) We will be pleased to explain any policy term, condition or exclusion that you don't understand but unless we hear from you within 30 days of sending the policy to you it will be taken that you accept the policy as meeting your requirements.

### **Insurer security**

- a) Eagle Insurance Brokers will endeavour to obtain sound cover with licensed Insurers but we cannot vouch for the financial stability or claim paying ability of any Insurer.
- b) Should cover be placed with an insurer domiciled overseas and referred to as an "Unauthorised Foreign Insurer" then we will provide written details of that insurer and their location and require your written consent accepting that insurer but we cannot vouch for the financial stability or claim paying ability of any insurer.

### **Premiums**

- a) All Premiums will be invoiced by Eagle Insurance Brokers and are payable to Eagle Insurance Brokers.
- b) Premiums are not necessarily the lowest available since 'Best Insurance' does not always equate with the lowest premium. We endeavour to find the best priced policy taking into consideration the insurer and their reputation for service beyond the contract.
- c) If you use 'Premium Funding' to pay the premium and the premium funder requests cancellation of the policy (as per your contract with the funder) we will act on that request and forward any premium refund to the premium funder.

### **Termination of service**

- a) Our services can be terminated at any time by either you or us giving written notice to the other.
- b) If services are terminated by Eagle Insurance Brokers then you will be entitled to a refund of a pro-rata portion of brokerage and fees paid or payable for the period of the insurance contract – any premiums held by Eagle Insurance Brokers will be remitted to Insurers.
- c) If services are terminated by you then Eagle Insurance Brokers will be entitled to retain all brokerage and fees paid or payable for the period of the insurance contract - any premiums held by Eagle Insurance Brokers will be remitted to the Insurers.

### **Collection and use of personal information**

- a) As an insurance broker and advisor it is necessary for us to collect 'Personal Information' as defined by the Privacy Act 1988 so that we can obtain insurance on your behalf or resolve claims or otherwise advise you in regard to insurance and risk management matters.
- b) This 'Personal Information' will need to be disclosed to third parties such as insurers, insurance agents, loss adjusters, lawyers, accountants and others depending on the task we are undertaking on your behalf.
- c) We take reasonable steps to ensure that the information is accurate, complete and up-to-date.
- d) When you provide us with 'Personal Information' about other persons, we rely on you to have made them aware that you are providing the information to us and the way in which we will use it.
- e) If you engage our services you will be confirming your understanding and agreement to the above use of 'Personal Information' on your own behalf and on behalf of those you represent.
- f) See our Privacy Statement at [www.eagleinsurance.com.au](http://www.eagleinsurance.com.au) for more information.

## Average

Where a contract includes the averaging provision we are required to draw your attention to the nature and effect of the provision. Average means that if you under insure you may not receive full compensation in the event of a loss occurring. It puts you in a position where you proportionally share a loss.

## Duty of disclosure

- a) Before you enter into a contract of general insurance with an insurer you have a duty, under the Insurance Contracts Act 1984 to disclose to the insurer every matter that you know, or could be reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so on what terms.
- b) You have the same duty to disclose these matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance. Your duty however does not require disclosure of matter that diminishes the risk to be undertaken by the insurer:
- that is of common knowledge;
  - that your insurer knows or, in the ordinary course of his business, ought to know;
  - as to which compliance with your duty is waived by the insurer.

## Non disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce his liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

## Insuring the interest of other parties

If you require the interest of a party other than the names insured to be covered, you MUST request this. Most policy conditions will exclude indemnity to other parties (e.g. mortgagees, lessors, principles etc.) unless their interest is properly noted on the policy.

## Hold harmless agreements, contracting out and removal of subrogation rights

You will prejudice your rights of a claim, if, without prior agreement from your insurer, you make any agreement that will prevent the insurer from recovering the loss from a third party. These "hold harmless" clauses are often found in leases, in maintenance or supply contracts from burglar alarm or fire protection installers and in building repair contracts – if you are in doubt please consult with us. This notification requirement applies to all property covers and also to Liability insurances. It also has a special connotation in Products Liability where you must not (without the insurer's prior agreement) hold a supplier "harmless".

## Change of risk or circumstance

It is imperative that you advise us of location changes, of new business activities, new products or any radical departure from your normal form of business. For example, an insurer may well accept an engineering risk but no longer give cover if a woodworking activity is entered into. In Liability Insurance, underwriters may not be aware of the nature of your business changes and specifically in Products Liability if your product range changes you are involved in products not previously referred to underwriters. In Personal Accident insurance a change in occupation or sporting activities could prejudice your cover.

## Utmost good faith

Insurance contracts are subject to the doctrine of utmost good faith and this is part of the law. Utmost good faith must be strictly adhered to by both parties and if you fail to do so you may prejudice any claim.

## Claims made policies

Professional Indemnity, Directors and Officers Liability, Management Liability, Trustees Liability, Product Tamper, Legal Expenses and some General and Products Liability policies are issued on a "claims made" basis.

This means that the policy only covers you for claims which are made against you and notified to the insurer during the period of cover. The policy will not respond to:

- events or circumstances that occurred prior to the retroactive date stated in the policy;
- claims or circumstances known or notified prior to inception of the policy; or
- claims or circumstances notified after the expiry irrespective of the date of the occurrence involved.

Where you become aware of facts or circumstances that might give rise to a claim against you, it is important that you give notice in writing as soon as possible and before expiry of the period of cover.

## Terrorism insurance act 2003

The legislation provides replacement terrorism insurance coverage for commercial property and business interruption at affordable premiums. The legislation will have the effect of nullifying any terrorism exclusion clauses included in eligible insurance contracts in force at, or after 1 July 2003. The result will be that the holders of eligible insurance contracts will receive the same cover for eligible terrorism losses as that which the contract provides for in relation to losses from other causes. For example, if a terrorist act caused a fire to a commercial building, then the policy holder would receive the same amount of compensation as the contract may provide in relation to a fire resulting from a different cause.

## Year 2000 / cyber exclusion

It is also not widely known that most policies may also still have a Year 2000 or Cyber clause in them and you should be aware of the consequences of this exclusion.

## Asbestos exclusion

Some insurers are now including an Asbestos exclusion where the Liability section of your policy may exclude cover "resulting from the existence, mining, handling, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products and/or products containing asbestos". You should check your policy, should a clause like this affect your business, please let your account broker know so we can act accordingly.

## Cooling off period

During the cooling off period you can return your policy or provide us a written instruction that you do not wish to proceed with your policy and obtain a refund. There are certain terms and conditions applying to the cooling off clause and these differ from each insurer that we use. Normally the cooling off period is 14 days but some insurers may provide longer time periods. Please ask us for more details if you require them. If you have any further questions about the financial services we provide, please don't hesitate to contact us.