

## Financial Services Guide

### ABOUT US

The financial services set out in this Guide will be provided by:

InterRISK Australia Pty Ltd  
Level 1, 7-15 Macquarie Place  
Sydney NSW 2000  
Australia

Tel: +612 9346 8050  
Fax: +612 9346 8051  
[www.interrisk.com.au](http://www.interrisk.com.au)

InterRISK Australia Pty Ltd ("**InterRISK**") is a privately owned General Insurance Broking Firm, the majority shareholding of which is held by major corporations.

InterRISK holds Australian Financial Services Licence No 255 080 under the *Corporations Act 2001 (Cth)* authorising it to advise and deal in general insurance products to wholesale and/or retail clients.

### WHAT THIS GUIDE CONTAINS

This Guide contains important information which will assist you in deciding whether to use our services including our charges, information about our relationships and associations, how any complaints you may have will be dealt with and the arrangements we have in place to compensate clients for losses.

This guide was prepared on the date set out below. If you ask us to act as your general insurance broker, we will do so on the terms set out in this Guide. Unless you tell us otherwise your continued instructions to us will constitute your agreement with these terms. If there is any change to these terms, we will also provide you with a Letter of Engagement which, together with this Guide, will record the basis of our relationship.

You might also receive some other documents after or at the time we advise you about your insurance needs including:

- Statement of Advice – if we have arranged consumer credit or sickness and personal accident insurance then you will receive a Statement of Advice as defined by the Corporations Act. The Statement of Advice contains our advice, the basis upon which it is given, information about remuneration we receive and any relationships with associates and issuers of financial products that may affect our advice to you;
- General Advice Warning – if we provide you with general advice that does not take into account any of your particular objectives, financial situation or needs, we will provide you with a general advice warning. Before you act on this advice, you should consider the appropriateness of the advice taking into account your own objectives, financial situation and needs and read the product disclosure statement that we will provide to you for the relevant policy;
- Product Disclosure Statements – these will contain information about the products we recommend to you and will enable you to make an informed decision about purchasing that policy; and
- Confirmation notices – these will confirm the details of transactions we have arranged on your behalf.

If you need more information or have any questions, please feel free to telephone us.

## **OUR SERVICE**

InterRISK is committed to providing sound advice based upon your needs and our comprehensive market knowledge.

We offer a range of services to assist you to protect your assets. These include:

- Reviewing and advising on your insurance needs.
- Arranging and renewing insurance contracts on your behalf.
- Arranging premium funding, if required.
- Assisting with insurance claims.

We can advise about and arrange any general insurance product on your behalf.

To enable us to provide advice which is appropriate to your circumstances, we will need you to provide us with complete information about the risk(s) to be insured, your situation and your needs and objectives. You should also tell us about any relevant changes as they occur.

If you are unable or choose not to provide some information to us, we will be unable to comprehensively review your circumstances. As this may limit our ability to make appropriate recommendations, you will need to assess the appropriateness of our advice to your needs before acting on it.

Many commercial or business contracts contain clauses dealing with your liability (including indemnities or hold harmless clauses). Such clauses may entitle your insurers to reduce cover, 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.

## **IMPORTANT RELATIONSHIPS**

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.

We may have binder agreements with a number of insurers including Lloyd's of London. Where we act as an insurance broker in arranging your insurance we will advise you if the business is to be placed under these binding agreements.

InterRISK is a shareholder of Steadfast Group Limited (Steadfast). Details of remuneration and other benefits InterRISK and Steadfast may receive in relation to our services are set out in the section 'Our Remuneration'.

Wesfarmers General Insurance Ltd ("Wesfarmers") and InterRISK share a common director. Our relationship with the common director will not influence us if we recommend that you purchase a product underwritten by Wesfarmers or any of its related bodies corporate.

## **HOW WE WILL LOOK AFTER YOUR INSURANCE NEEDS**

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

### **New Business**

Contact us as soon as possible if you need cover for a risk or property that is not insured. 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.

We will send the original insurance contract document 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 arrange or last renewal 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 arrange or renewed insurance directly with an insurer or through another broker, we will not be not 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**

When we receive your claims notification, we will 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 negotiate settlement on your behalf subject to a claim service fee of \$100 per hour plus GST.

## **OUR REMUNERATION**

You are entitled to know how and what we will charge for our services and what other benefits we receive.

We cannot ascertain at this stage the remuneration or other benefits we are entitled to receive in relation to the services we provide to you, however we will be remunerated in any one or a combination of the following ways:

- We may be paid commission by the relevant insurers when we arrange insurance on your behalf. As a general rule, the insurer will pay us an amount based on a percentage of the premium in the range of 10-20%. If we accept a commission, we may also charge you an arrangement fee.
- If an insurer quotes its premium net of commission, we may charge you a fee equivalent to the commission that we would otherwise have earned on that policy, based on our usual commission for similar policies.
- We may rebate all commissions to you and charge you a fee based upon the nature of the service we provide.
- We may charge you an additional fee for certain additional services that we provide to you such as:
  - an administration fee for collecting and remitting premium;

- separate fee for specific advice that you ask us to provide such as a business interruption assessment or business continuity planning;
  - a convenience fee for processing premium payments by credit card; and
  - fees for additional documents you request such as certificates of currency.
- We do not often pay any commissions, fees or benefits to others who refer you to us or refer us to an insurer. If we do, we will pay commissions to those people out of our commission or fees (not in addition to those amounts), in the range of 20 to 40% of our commission or fees. This will not increase the amount you pay us.

We will provide you with specific information about the basis and amount you will be charged before or at the time we arrange your insurance. Alternatively, if we provide personal advice to you, we will provide you with a Statement of Advice which will disclose the remuneration and other benefits which we will receive or, if they cannot be calculated at that time, the manner in which they will be calculated.

If we arrange premium funding for you, we may receive a commission based on a percentage of the premium from the premium funder for doing so up to 1% of the funded premium. We will tell you the basis and amount of any such payment before or at the time the premium funding is arranged.

Our charges exclude GST. Some of our charges may be tax deductible. If we hold your money in trust pending payment to the insurer or in the event that an insurer returns money to us which we hold in our trust account, we also receive the interest earned on that money while it is in our trust account.

If a contract of insurance is cancelled before expiry of the period of insurance, we will not refund our fees or commission for arranging the insurance and we will be entitled to recover from you the amount of any commission or other benefit that we are required to repay to the insurer as a result of the cancellation.

If we reasonably incur extraordinary out-of-pocket expenses such as travel, accommodation or other similar expenses in connection with the services that we provide to you, you will reimburse us for those expenses.

If we spend more than 10 hours managing the settlement of a single claim, or series of related claims arising from the same ultimate or originating cause, on your behalf, then you agree to meet our reasonable additional costs of managing the claim or claims.

### **The Steadfast Group**

Steadfast has exclusive arrangements with some insurers under which Steadfast will receive commission in the range of 0.5 - 1% of the premium (including government fees or charges) for each product arranged by us with those insurers. These payments are used to operate Steadfast.

Depending on the operating costs of Steadfast (including the costs of member services provided by Steadfast to us and other Steadfast shareholders) and the amount of total business we place with the participating insurers in any financial year, we may receive a proportion of that commission at the end of each financial year, which is typically in the range of 0.1% to 0.5% of the premium.

Steadfast has a shareholding in Macquarie Premium Funding. If we arrange premium funding with Macquarie Premium Funding for you, under its agreement with Macquarie Premium Funding, Steadfast will receive 0.5% of your insurance premium. As an equity shareholder of Macquarie Premium Funding, Steadfast may also receive dividends from profits of Macquarie Premium Funding. The amount of the Steadfast dividend is based on the share of profit attributable to funding arranged by Steadfast shareholders. The payments (commission and dividends) that Steadfast receives from Macquarie Premium Funding are used to operate Steadfast. Depending on the operating costs of Steadfast and the amount of total business we place with Macquarie Premium Funding in any financial year, we may receive a portion of those amounts at the end of each financial year.

As a shareholder of Steadfast 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 shareholders for a fee.

## **How Our Advisers Paid**

Our advisers are paid by salary only that may include bonuses based on performance criteria (individual skills performance) and achievement of company goals. They may also receive indirect benefits such as tickets to sport or cultural events and other unquantifiable or difficult-to-quantify benefits.

## **Third Parties Who May Receive a Benefit**

In arranging insurance on your behalf, we may use services provided by third party brokers. These brokers may be remunerated by the relevant insurer in accordance with normal insurance market practice or they may us charge a fee, which we will pass on to you

In arranging insurance on your behalf, we may deal with a third party agent acting under a binding authority or similar arrangement for an insurer or group of insurers. These agents may be remunerated by those insurers.

## **TERMS OF PAYMENT**

### **Invoices**

We will invoice you for the premium, statutory charges (e.g. stamp duty, fire services levy etc) and any fees we charge for arranging your insurances. You must pay us within 14 days of the date of the invoice or, in the case of a renewal, before the expiry date of the contract of insurance. If you do not pay the premium on time, the insurer may cancel the contract of insurance and you will not be insured. The insurer may also charge a short term penalty premium for the time on risk.

### **Premium Funding**

Premium funding products enable you to pay your premiums by instalments. Although they do not usually require any security, premium funders do charge interest. We can arrange premium funding on your behalf if you require it.

### **Cancellation**

We cannot cancel a contract of insurance without written instructions from a person(s) who is authorised to represent each of the parties who are named as insureds in the contract of insurance. We cannot cancel any contract of insurance which is subject to the Marine Insurance Act 1909.

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.

## **IMPORTANT INFORMATION**

### **Duty of Disclosure**

In order to make an informed assessment of the risk and calculate the appropriate premium, your insurer needs information about the risk you are asking it to insure. For this reason, before you enter into a contract of insurance, you have a duty under the Insurance Contracts Act 1984 to disclose to your insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept this risk and, if so, on what terms. The duty also applies when you renew, extend, vary or reinstate a contract of insurance. You do not have to disclose anything that:

- Reduces the risk to be undertaken by the insurer;
- Is common knowledge;
- Your insurer knows, or in the ordinary course of its business, ought to know; or
- Your insurer has waived your obligations to disclose.

If you do not comply with your duty of disclosure, your insurer may be entitled to reduce its liability in respect of a claim or may cancel your contract of insurance. If the non-disclosure was fraudulent, the insurer may be able to avoid (or cancel) the contract of insurance from its beginning. This would have the effect that you were never insured.

One important matter to be disclosed is the history of losses suffered by the person seeking insurance or any closely associated person or entity. As you are responsible for checking that you have made complete disclosure, we suggest that you keep an up to date record of all such losses and claims. If you have any questions about whether information needs to be disclosed, please contact us.

### **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 – Retail Insurance only**

If you decide that you do not need a contract or 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.

### **Privacy**

We are committed to protecting your privacy. We use the information you provide to advise about and assist with your insurance needs. We only provide your information to the insurance companies with whom you choose to deal (and their representatives). We do not trade, rent or sell your information. You can check the information we hold about you at any time. For more information about our Privacy Policy, ask us for a copy or visit our website [www.interrisk.com.au](http://www.interrisk.com.au)

### **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 any one other than the person named 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 has 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.

### **Professional Indemnity Insurance Arrangements**

We and our employees and representatives are covered under professional indemnity insurance that we believe meets the requirements of section 912B of the *Corporations Act 2001 (Cth)*. The insurance (subject to its terms and conditions) covers us and our employees and representatives for claims made by clients as a result of the conduct of our employees or representatives in the provisions of the relevant financial services and will continue to cover claims in relation to our representatives and employees who no longer work for us (but who did at the time of the relevant conduct).

### **COMPLAINTS AND DISPUTES**

InterRISK subscribes to the Insurance Brokers Code of Practice promulgated by the National Insurance Brokers Association which sets out the levels of service and standards of good practice expected of insurance brokers.

If you are not fully satisfied with our service, please telephone our complaints and disputes Manager on +612 9346 8050. We will acknowledge your complaint in writing and endeavour to resolve your problem as quickly as possible. If your complaint is not satisfactorily resolved within 5 working days, please put your complaint in writing and address it to the Managing Director at the address provided in this Guide.

If you are still not satisfied, we subscribe to the Insurance Brokers Division of the Financial Ombudsman Service (FOS) which handles complaints against brokers relating to a variety of small business and domestic processes. You can refer your complaint to an FOS Case Manager who will conciliate with a view to seeking a solution that is acceptable to both parties.

If the dispute remains unresolved after a further 20 days, it will be referred to the FOS Referee whose decision is binding on us (but not on you). Further information about the FOS is available from its website [www.fos.org.au](http://www.fos.org.au) or from our office.

The FOS may be contacted via phone on 1300 780 808, by fax on 03 9613 6399, by email at [info@fos.org.au](mailto:info@fos.org.au) or by post at GPO Box 3, Melbourne, VIC 3001 or at their street address at Level 12, 717 Bourke Street, Docklands 3008.

If you have any further questions about the financial services InterRISK provides, please contact us.

Please retain this document for your reference.