

Fraser And Associates Insurance Brokers Pty Ltd

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Financial Services Guide

This Financial Services Guide (FSG) contains information about our services and charges, your rights as a client and other things you need to know in relation to insurance matters including how any complaints you may have will be dealt with. It has been designed to assist you in deciding whether to use any of the services we provide.

We trust it will assist you in deciding whether to use our services.

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 in writing, we assume that you agree with these terms. Any terms which are specific to our relationship with you, may be contained in a Letter of Engagement.

The purpose of the Financial Services Guide is to briefly explain the relationship, obligations and duties to you, the insured, and for us, the broker and how this relationship operates. We would like to take this opportunity, for our mutual benefit, to record the terms of our appointment and to advise you of matters arising. It is an important document. Please read it carefully and keep in a safe place.

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

- Statements of Advice (SoA) – these will be summaries of our personal advice on Retail products, and the basis on which it was provided;
- Product Disclosure Statements (PDS) – these will contain information about the Retail products we recommend to you; and
- Confirmation notices (Invoice) – 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.

ABOUT US

Fraser And Associates Insurance Brokers Pty Ltd holds an Australian Financial Services Licence under the Corporations Act 2001 to provide financial product advice on, and deal in the full spectrum of general insurance products. We are committed to providing sound advice based upon your particular needs and our comprehensive industry and market knowledge.

We are a member of the National Insurance Brokers Association (NIBA) and a member and shareholder of IBNA Limited (IBNA).

We are a member and shareholder of Merlyn Financial Services Pty Ltd (MFS).

We subscribe to the Insurance Brokers' Code of Practice.

OUR SERVICES

Fraser And Associates Insurance Brokers Pty Ltd are 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 and your legal liabilities. These include:

- Reviewing and advising on your insurance needs;
- Arranging and renewing insurance contracts (except those contracts we arrange under a binder – eg. Private Travel)
- Arranging premium funding on commercial contracts, if required;
- Checking all insurers documentation and obtaining corrections as required; and
- Assisting with insurance claims.

We can advise about and arrange general insurance products including corporate, commercial and retail (private / personal) insurance programs tailored to your needs.

We hold a binding authority from various insurers to issue contracts of insurance, these include Private Travel insurance. When we arrange insurance under one of these binders, we will be acting as agents of the insurers, not as your agent.

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 to or choose not to provide some information to us, we are 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.

If you need advice on your insurance covers or rationalisation of your insurance arrangements or if you have other queries please do not hesitate to contact one of our representatives. They are happy to answer minor queries over the telephone, but written advice or confirmation should be sought in relation to any matter on which you propose to rely. We accept full responsibility for written advice, but we accept no responsibility for verbal advice.

We do charge for the service of providing quick advice, if the matter requires a significant amount of time we shall discuss the charge with you at the time.

IMPORTANT RELATIONSHIPS

Fraser And Associates Insurance Brokers Pty Ltd are a privately owned, independently owned, insurance advisory firm.

We are also a Shareholder of IBNA Limited ("IBNA"). IBNA is a national marketing group that provides us with access to a range of resources and develops products and services for our clients. This assists us when we provide services to you by giving:

- Access to insurance products underwritten by a wide range of insurers.
- Access to insurance products that provide wide insurance cover.
- Access to consultants with specialised skills in certain risk products and services.

Fraser And Associates Insurance Brokers Pty Ltd is a member of the National Insurance Brokers Association ("NIBA") which is an industry association.

We are also a Shareholder of Merlyn Financial Services Pty Ltd, (MFS), ABN 96 126 922 763. MFS is a privately owned company that provides us with access to a range of Financial Services resources and services for our clients, through Financial Services Licencee(s) that are licensed to carry on the business of dealing in Financial Products and providing Financial Product Advice. This assists us when we provide services to you by giving you:

- Access to Financial Services (life risk, super or investment type covers) insurance products underwritten by a wide range of insurers.
- Access to Financial Services insurance products that provide wide insurance cover.
- Access to Financial Services consultants with specialised skills in certain life risk, super or investment type products and services.

HOW WE WILL LOOK AFTER YOUR INSURANCE NEEDS

You can provide **Fraser And Associates Insurance Brokers Pty Ltd** 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 usually obtain an interim contract of insurance within our normal office working hours (which is generally valid for a month or less). To arrange this, we will need full 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 fully complete and sign this and return it to us, with payment, 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 endeavour to 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. For all insurances we will renew the insurance after you have considered whether it meets your needs and made payment, or payment arrangements, with us.

We seek your instructions, prior to expiry, before we renew your insurance. If there is a change to your circumstances, please notify us as soon as possible. This will allow us to assess the appropriateness of your personal insurances and whether you require further advice from us.

Fraser And Associates Insurance Brokers Pty Ltd do not accept responsibility for chasing you to check whether you wish to renew. If we do not receive payment of our invoice or written renewal instructions by the expiry date, the cover will not be renewed. In some circumstances we may be able to arrange for the insurer to cover you temporarily before payment is received, if you request in writing, 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 intermediary/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, liabilities or business activities.

If you want to vary any cover, eg 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 can usually obtain an interim contract of insurance within our normal office working hours.

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 where required. In the case of a major commercial 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, or are lodged thereafter, we will at your written request:

- Negotiate settlement on your behalf subject to a claim service fee of \$110.00 per hour (as at 11 March 2004 - plus increased annually by the CPI rate thereafter) including travel time, plus any reasonable accommodation and other expenses; or
- Provide details of the outstanding claim(s) to your new insurance broker so that they may continue to negotiate settlement on your behalf.
- Provide history details for any new claim(s) to your new insurance broker, at the above fee & expenses, so that they may negotiate the claim on your behalf.

If any claims are outstanding when you start our appointment as your insurance broker, or are lodged thereafter for an event or circumstance prior, we will at your written request:

- Assist you to negotiate a settlement with your insurer, subject to a claim service fee of \$110.00 per hour (as at 11 March 2004 - plus increased annually by the CPI rate thereafter) including travel time, plus any reasonable accommodation and other expenses.

FEES FOR OUR SERVICES

You are entitled to know how and what **Fraser And Associates Insurance Brokers Pty Ltd** will charge for our services and what other benefits we receive.

Our remuneration:

- We are paid commission by the relevant insurers when we arrange insurances on your behalf. As a general rule, the insurer will pay us an amount based on a percentage of the base premium (exclusive of fire service levies / stamp duties, GST and any other government charges, taxes, fees or levies). The rate ranges from 0% to 30% depending on the product. We will receive the commission upon payment of the premium. It is important to remember that any commission we are paid does not represent our profit margin as it includes reimbursement/remuneration for certain administration and other services the insurer may include in its pricing if it were issuing the product directly. The commission is paid each time you buy or renew the policy, or when you alter the policy and are charged an extra premium. Commissions are non refundable and will be deducted from any return premiums and cancellations credited to you. This will not increase the amount you pay us.
- We charge a broker (handling and arrangement) fee, which we always show separately on our invoice(s), depending on the product arranged and the time we spend placing and administering the business. It is calculated either by a flat fee or by the hour, with allowance for other factors including how complex and difficult the work is, the skill, specialized knowledge or responsibility involved, its urgency or priority and the value added through our involvement. Fees are non refundable and additional fees may also be payable on return premiums and cancellations credited to you.

Fees and commission are our main source of income and cover the cost of providing services to you, they are non refundable.

Our charges include GST. Some of our charges may be tax deductible. If we hold your money in trust pending payment to the insurer, we also receive the interest earned.

If requested 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.

We are a shareholder of IBNA Ltd., they receive from 0% up to 5% on premiums or service fees paid from certain insurers or suppliers. The amount paid to IBNA is used for the operation of a national office in the provision of services to us as outlined above. These services assist us in the services we can provide to you. This income is used to operate IBNA and any surplus funds may be paid as a dividend or as a rebate.

We are also a Shareholder and a Spotter/Referrer of Merlyn Financial Services Pty Ltd (MFS). They receive commission/fees or referral / spotters fees from Financial Services Licencee(s). The amount paid to MSF is used for the operation of an office in the provision of services to us as outlined above. These services assist us in the services we can provide to you. This income is used to operate MFS, pay any referrers / spotters (this includes us), licencees representatives and any surplus funds may be paid as a dividend or as a rebate to shareholders.

In addition, some insurers or service providers with whom we arrange a large amount of business may pay us a commission, based on the volume of / profitability of the business we place with them. These payments do not increase the amount you are required to pay for your insurance.

HOW ARE OUR ADVISERS PAID

Fraser And Associates Insurance Brokers Pty Ltd advisors/representatives are usually paid in two ways – salary, and a bonus or incentives which are based on a number of factors including performance criteria and achievement of company goals. They do not receive any benefit directly from the sale of a product to you, our focus is on ensuring that staff concentrate on your needs first in all dealings with you.

If a person has referred you to us, we may pay them a part of our commission. This will not increase the amount you pay us and will be advised to you if requested.

OTHER REMUNERATION / KIND PAID

From time to time, we receive gifts and gratuities from insurers and providers. These gifts and gratuities can include - provision of financial support for our professional development activities, coffee mugs, product discounts, subsidised holidays or conference attendance fees and other items such as gift certificates, wine and meal vouchers. We may share these gifts and gratuities with our employees, authorized representatives and the people who refer clients to us.

TERMS OF PAYMENT

Invoices

We will invoice you for the premium, statutory charges (eg stamp duty, fire services levy, etc) and any fees we charge for arranging your insurances. You must pay us upon receipt of the invoice (notwithstanding that the invoice may be addressed to some other party at your request) 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, we are obliged to inform the insurer. The insurer has the right to cancel the contract of insurance from inception and you will not be insured. The insurer may also charge a short term penalty premium for any time on risk.

Credit Card Fees

If you pay by credit card we may charge you a credit card (incl. arrangement & handling) fee, which is always disclosed and shown separately on our invoices to you, they are non refundable. This fee reimburses us for the bank interest, extra charges/costs and internal time generated for credit card use.

Premium funding

Premium funding products enable you to pay your commercial insurance premiums by installments. Premium funders do charge interest and fees, which are non refundable.

We can arrange premium funding on your behalf 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.

CANCELLATIONS

Fraser And Associates Insurance Brokers Pty Ltd 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.

Please note that in the event of cancellation of a policy before the expiry date some insurers make refunds of premium based on monthly or quarterly apportionments and there may also be a minimum charge.

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.

If a contract of insurance is cancelled before expiry of the period of insurance we retain our brokerage and may also charge a cancellation fee. It might be a fixed dollar amount or a percentage of the premium or return premium.

If premium funding has been arranged you may be obliged to pay the interest and fee component for a full year and other charges by the premium funder.

Before making any decisions to cancel this policy you should consult us concerning the charges involved and commission and fees which may be retained.

If you do not pay the premium on time, we must notify the underwriter/insurer and the insurer may cancel the contract of insurance and you will not be insured. The insurer may either cancel from inception or may also charge a short term penalty premium for the time on risk.

NOTICES

In accordance with your instructions, we will direct all notices and correspondence in relation to covers we arrange or renew on your behalf to your address for notices.

If you wish to change this address, please advise us in writing of the new address. Unless you do so, our records will not be altered, and notices and correspondence will continue to go to the existing address for notices.

We do not accept responsibility for chasing responses from you to correspondence or notices sent to your address for notices.

Various provisions of the Insurance Contracts Act 1984 require an insurer dealing direct with an insured or an intending insured to give specific notice of matters such as:-

- The ways in which the terms and conditions of the insurer's policy are more limited and restricted than the terms and conditions prescribed under the Insurance Contracts Regulations 1985;
- Unusual terms in the insurer's policy;
- That retrospective cover is not provided (if it is not) under a "claims made" type of cover;
- That the insurer's policy excludes or limits any claim by reason that the insured is a party to an agreement which limits the insured's rights of recovery.

Insurers are not required to give these notices when covers are arranged through a registered insurance broker. Thus you will not receive them for covers arranged by our company on your behalf. It is therefore imperative that you check all your insurance certificates and policy wordings to ensure that they provide the cover you require and that you fully understand their limitations. We again stress that you should feel free to contact us if you have any query.

Our invoices contain many required notices and should be read carefully. We are required by the Insurance Contracts Act 1984 to provide you with important notices. Please read the notices carefully before entering into a contract of insurance. If you have any queries please contact us.

COMPLAINTS AND DISPUTES

If you are not fully satisfied with our services, please telephone our Complaints Officer. We will acknowledge your complaint in writing and endeavour to resolve the matter within 20 days.

If you are still not satisfied, **Fraser And Associates Insurance Brokers Pty Ltd** subscribe to an insurance brokers dispute facility which handles complaints against brokers involving amounts up to \$100,000 and relating to a variety of small business and domestic processes. You can refer your complaint to the Financial Ombudsman Service Limited (FOS) 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 Financial Ombudsman Service Limited (FOS) is available from our office.

Fraser And Associates Insurance Brokers Pty Ltd has in place Professional Indemnity insurance relating to "errors and omissions / professional negligence" arising from advice provided by our representatives/employees, past or present. If you require further information regarding our Professional Indemnity insurance, please contact the Compliance Officer.

PRIVACY

Fraser And Associates Insurance Brokers Pty Ltd 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 (and their representatives), assessors and our advisors. 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.

If you have any further questions about the financial services we provide, please don't hesitate to contact us. Please retain this document for your reference and any future dealings with us.