

FINANCIAL SERVICES GUIDE

A guide to our relationship with you and others

The Financial Services covered by this Financial Services Guide (FSG) is provided by:

General Insurance Brokers of Australia Pty Ltd [ABN: 97 135 132 455]
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AND various Authorised Representatives as disclosed from time to time and identified within all correspondence.

As Authorised Representatives of General Insurance Brokers of Australia Pty Ltd

General Insurance Brokers of Australia Pty Ltd (GIBA) holds a current Australian Financial Services Licence No: **342546** and is responsible for any financial services that we provide to you. GIBA is also responsible for the content and distribution of this FSG.

This FSG sets out the services that we can offer you. It is designed to assist you in deciding whether to use any of those services and contains important information about:

- the services we offer you
- how we and our associates are paid
- any potential conflict of interest we may have
- our internal and external dispute resolution procedures and how you can access them

Further information when personal advice is given (retail clients* only)

We will provide you with further information whenever we provide you with advice, which takes into account your objectives, financial situation and needs. This information may include the advice that we have given you, the basis of the advice and other information on our remuneration and any relevant associations or interests. This information may be contained in a statement of advice (**SOA**) or Information About our Advice (**IAOA**). 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.

Product Disclosure Statement (retail clients* only)

If you are a retail client and we offer to arrange the issue of an insurance policy to you, we will also provide you with, or pass on to you, a product disclosure statement (PDS) or short-form PDS, unless you already have an up to date PDS or short-form PDS from the insurer. The PDS or short-form PDS will contain information about the particular policy, which will enable you to make an informed decision about purchasing that policy.

<i>From when does this Financial Services Guide (FSG) apply?</i>	This FSG applies from 1 st March 2010 and remains valid unless a further FSG is issued to replace it. We may give you a supplementary FSG. It will not replace this FSG but will cover services not covered by this FSG.
<i>How can you give us instructions?</i>	You can contact us to give us instructions by post, phone, fax or email on the contact number or details mentioned on page 1 of this FSG.
<i>Who is responsible for the financial services provided?</i>	GIBA is responsible for the financial services that will be provided to you or through you to your family members, including the distribution of this FSG. GIBA holds a current Australian Financial Services Licensee no: 342546 The contact details for GIBA are on the front of this FSG.
<i>What kinds of financial services are we authorised to provide and what kinds of financial product/s do those services relate to?</i>	We are authorised under Australian Financial Services Licence No 342546 to provide financial product advice and deal in general insurance products for wholesale and retail clients. We will do this on your behalf as your broker unless we tell you otherwise.

Will I receive tailored advice?

Maybe not in all cases. However, we may need information about your personal objectives, details of your current financial situation and any relevant information, so that we can arrange insurance policies for you, or to give you advice about your insurance needs. We will ask you for the details that we need to know. In some cases, we will not ask for any of this information. If we do not ask, or if you do not give us all of the information we ask for, any advice you receive may not be appropriate to your needs, objectives and financial situation. You should read the warnings contained in any SOA, IAOA or any other warnings that we give you, carefully before making any decision about an insurance policy.

What information do we maintain about you and how can you access it?

GIBA maintain a record of your personal profile including details of insurance policies that we arrange for you. We may also maintain records of any recommendations or advice given to you. We will retain this FSG and any other FSG given to you as well as any SOA, IAOA, PDS or short-form PDS that we give or pass on to you for the period required by law. GIBA and our Authorised Representatives are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. A copy of our privacy policy is available on request, or at www.GIBA.com.au If you wish to access your file, please ask us. We will arrange for you to do so.

How will I pay for the services provided?

Payment for the services we provide you are payable directly to GIBA. For each insurance product, the insurer will charge a premium that includes any relevant taxes, charges and levies. GIBA will receive a payment based on a percentage of this premium (excluding relevant taxes, charges and levies) called commission, which is paid to us by the insurers. In some cases, we will also charge you a broker fee. These will all be shown on the invoice that is sent to you. GIBA pays the commission and broker fee to authorized representatives after deducting a management fee.

You can choose to pay for our services by any of the payment methods set out in the invoice. You are required to pay GIBA within the time set out on the invoice.

If there is a refund of premium owed to you as a result of a cancellation or alteration to a policy, we will retain any broker fee we have charged you. We will retain any commission that was paid to the insurer for the policy. We may also charge you a cancellation fee.

When you pay us your premium it will be banked into GIBA Insurance Premium Account. GIBA will retain the commission from the premium you pay us and remit the balance to the insurer in accordance with arrangements between GIBA and the insurer. GIBA will earn interest on the premium while it is in their trust account or GIBA may invest the premium in an ASIC approved investment and earn a return. GIBA will retain any interest or return on investment earned on the premium.

How are any commissions, fees or other benefits calculated for providing the financial services?

The commission the insurer pays to GIBA will be calculated based on the following formula:

$$P \times Y\% = X$$

In this formula:

P = the amount you pay for any insurance policy (less any government fees or charges included in that amount). Y% = the percentage commission paid to GIBA by the insurer. GIBA's commission varies between 0 and 30%. X = GIBA's commission.

We may also charge you a broker fee in addition to commission when you enter into an insurance policy. The amount of the fee will depend on the complexity of the services we are providing. For retail clients* this will range from \$0-\$500. For all clients the amount of any broker fee charged will be shown on your invoice. GIBA deducts a management fee of between 0% and 25% from the total commission and broker fee received and pays the remainder of the broker fee and commission to nominated authorized representative.

We do not often pay any commissions, fees or benefits to others who refer you to us. If we do, we will pay commissions to those people out of the commission and fees passed to us by GIBA (not in addition to those amounts), in the range of 0 to 50% of our commission or fees.

If we give you personal advice, we will inform you of any fees, commission or other payments we, our associates or anyone referring you to us will receive in relation to the policies that are the subject of the advice at the time that the personal advice is given or as soon as practicable after that time. Where the fees, commission or other payments are not calculable at the time the personal advice is given, the manner in which the remuneration or other benefits are to be calculated will be disclosed at the time the personal advice is given or as soon as practicable after that time.

The individual authorised representatives listed on the front of this FSG that will assist you with your insurance needs will be paid a market salary. They may also be paid an

annual bonus based on performance criteria.

See below for information on the Steadfast association and commission.

Do we have any relationships or associations which might reasonably influence us?

GIBA is a shareholder of Steadfast Group Limited (Steadfast). Steadfast has exclusive arrangements with some insurers under which Steadfast will receive between 0.5 - 1% commission for each product arranged by GIBA and its Authorised Representatives 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 GIBA and other Steadfast shareholders) and the amount of total business General Insurance Brokers of Australia and its Authorised Representatives place with the participating insurers in any financial year, GIBA may receive a proportion of that commission at the end of each financial year.

As a shareholder of Steadfast GIBA has 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.

Steadfast is also a minority shareholder in Miramar Underwriting Agency Pty Limited (Miramar). As a shareholder, Steadfast may receive dividends from Miramar. These amounts will indirectly contribute towards the benefits we receive from Steadfast.

You can obtain a copy of Steadfast's FSG at www.steadfast.com.au

If we arrange premium funding for you GIBA may be paid a commission by the premium funder. The commission that GIBA is paid by the premium funder is usually calculated as a percentage of your insurance premium (including government fees or changes). If you instruct us to arrange a product, this is when GIBA become entitled to the commission.

GIBA's commission rates for premium funding are usually in the range of 0 to 5% of funded premium. When we arrange premium funding for you, you can ask us what commission rates GIBA is paid for that funding arrangement compared to the other arrangements that were available to you.

Some premium funders may pay GIBA a volume bonus based on the volume of business GIBA and their Authorised Representatives place with them.

Cooling off Period (retail clients only)*

A cooling off period may apply to an insurance policy issued to you as a retail client*. During the period you may return the policy. Details of your cooling off rights will be included in the relevant Product Disclosure Document.

What should I do if I have a complaint?

If you have any complaints about the service provided to you, you should take the following steps. Contact your Authorised Representative or Account Manager about your complaint. If your complaint is not satisfactorily resolved within 24 hours, please contact the Complaints Officer on telephone number 02 9221 7122 or put your complaint in writing info@giba.com.au or send it to us at Complaints Officer, GIBA General Insurance Brokers, PO Box R1856 Royal Exchange NSW 1225. Please mark the envelope "Notice of Complaint". We will resolve your complaint quickly and fairly. GIBA is a member of the Financial Ombudsman Services (FOS). If your complaint cannot be resolved to your satisfaction by us you have the right to refer the matter to FOS. FOS can be contacted on 1300 780 808, Fax (03) 9613 6399 email info@fos.org.au or website www.fos.org.au

Any Questions?

If you have any further questions about the financial services we provide, please contact us by telephone 02 9221 7122. Please retain this document for your reference and any future dealings with us and GIBA General Insurance Brokers.

Retail Clients*

Retail clients are individuals or those who purchase an insurance product for use in connection with a small business. However they are only designated as retail clients when they purchase a general insurance contract which has been designated as a retail product, i.e.:

- Motor vehicle;
- Home building;
- Home contents;
- Sickness and accident;
- Consumer credit;
- Travel;
- Personal and domestic property;
- Pleasure craft (see below); and
- Any other kind of insurance prescribed in the Corporations Regulations 2001.

IMPORTANT INFORMATION

Duty of Disclosure:

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 possibly 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. You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

- Your duty however does not require disclosure of a 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.

Professional Indemnity Insurance Arrangements

We and our authorising Licensee have professional indemnity insurance in place which covers us for any errors or mistakes relating to our insurance services. This insurance meets the requirements of the Corporations Act Section 912B and meets claims relating to an employee/representative's conduct while employed by, or representing, GIBA, even after they cease to be an employee/representative, provided that the insurer is notified of the claim when it arises and this is done within the relevant policy period.

New Business

We will endeavour to arrange interim cover for property or risk not currently insured when you supply full details of the property or risk and all information requiring disclosure to the insurer. A proposal/application will need to be completed by you and submitted to the insurer prior to expiry of the interim cover. It is the insured's responsibility to ensure accuracy of all information supplied on the proposal/application prior to signing the document.

The policy document issued by the insurer forms the agreement between you and the insurer. Upon receipt of this document we recommend you check the details thoroughly to ensure the cover meets your requirements. If the Policy is deficient or you require clarification on any aspect please contact us forthwith.

Renewals

We will give at least fourteen days notice of expiry of any cover administered by GIBA General Insurance Brokers. We do not accept responsibility for policies not administered by GIBA. We may automatically renew those policies being administered as per policy expiry details.

Policy Alteration/Endorsement

Please contact us should you require alteration to details of the insured property or risk. Your Duty of Disclosure requires details of relevant matters be disclosed to the insurer, which have not been previously disclosed. An invoice will be issued to confirm the alteration we have effected with the insurer.

Terms of Payment

When we arrange, renew or vary cover on your behalf, we will invoice you for the premium, statutory charges (e.g. stamp duty, fire services levies, GST, etc.) and our brokerage &/or fees. Invoices must be paid by the expiry date or within fourteen (14) days of receipt, unless otherwise stated. The full amount is payable by you to us, including the premium and statutory charges and/or brokerage and/or fees.

If a cover is cancelled before the expiry of the period of insurance, we will refund to you only the net return premium we received from the insurer. We will not refund any part of the brokerage we receive for arranging the cover. Fees may also be charged for the cancellation.

General Insurance Brokers of Australia Pty Ltd cannot be held responsible for any deficiencies in cover due to non-payment of premium.

Instructions

We can only act upon your instructions to arrange policies of insurance and subsequent policy renewals. Ideally, your instructions should be in writing and we, in turn, will confirm your instructions in writing. In acting on your behalf, we rely on the information you provide from time to time. It is important you keep us fully informed of any material matter that may affect your insurance programme particularly if the information is of a nature that may void your insurance cover.

Communications

We will communicate with you by standard mail, email or facsimile. In the main, we will rely on emails. If you do not wish to receive communications by email (and attachments), advise us accordingly and your preferred method of communicating. Policy wordings and other documents are available on our web site in PDF format.

Additional information that may affect your insurance contract and the settlement of a claim under the contract

Policy Wordings/Documents/Schedules

Always read fully the insurer's policy wording and any documents attached. The policy is a legally binding contract and reflects your instructions as to the extent of insurance cover decided by you. If there is any discrepancy(ies) or doubt as to the insurance cover provided please contact your insurance broker immediately. There is a duty imposed upon us, as your insurance broker, to provide you with sufficient information in order for you to make an informed decision.

The Average Clause – Under Insurance

Fire and Business Interruption Policies, Industrial Special Risk covers, Home Building and Contents Policies, Machinery/Electronic Breakdown, Special Contingency and Contractors Risk usually contain an Average Clause or Co-Insurance Clause. This means that you must insure for the full value and this, of course, varies with the type of cover you take – Market Value, Indemnity or Replacement. **If you are under insured your claim may be reduced in proportion to the amount of under insurance.**

The Interest of Other Parties

Policy conditions exclude the interest of other persons or organisations not named (e.g. Mortgagees, Lessors, Principals etc.) unless their interest is noted on the Policy.

Business Description

The description of the business and/or occupation within the insurer's policy schedule must reflect the business and business activities fully. This is particularly important where the policy is a Professional Indemnity or an Errors and Omissions contract. Failure to describe the business activities fully or advise a change in occupation or business activities may render a claim inadmissible.

Liability Insurance

Most liability Policies do not provide indemnity in respect of events that occurred prior to the commencement of the contract.

“Claims Made” Policies

Certain policies of insurance, including but not limited to Professional Indemnity, Directors' and Officers', Management Liability etc are underwritten on a “Claims Made” basis. This means, in the event of a claim, it is the policy in force at the time of receipt of the first notification of a potential claim that will respond and **not** the policy in force at the time the incident giving rise to the claim notification occurred; all subject to the retroactive date of liability attachment as specified within the insurer's policy schedule.

Liability – Unregistered Vehicles

If you own and operate a forklift truck or any another vehicle, and the vehicle is used anywhere where the public have access (driveways, forecourts, private parking spaces, common property etc are deemed to be public streets) it is a State Statute requirement the vehicle(s) has/have a Conditional Registration issued by the relevant Roads and Traffic Authority and that the registration includes Compulsory Third Party Bodily Injury insurance in accordance with the relevant legislation. All public liability policy excludes claims for bodily injury and/or damage to property arising out of the use of a vehicle where such vehicle is required to be registered in accordance with legislation.

Contractors and Labour Hire

Some insurance contracts (policy) conditions, particularly public liability and similar, **exclude liability to pay compensation** to another party if the incident giving rise to the claim for indemnity arises from the engagement of a contractor, sub-contractor, or the engagement of labour through a Labour Hire entity. If you employ Contractors or engage labour through a labour hire entity it is imperative this information is advised to your insurer; discuss your particular case with your nominated broker or account manager. Refer Subrogation Agreements below.

Contracts (including lease of premises)

Before entering into a legally binding contract, it is important to consider the potential ramifications imposed by the contract conditions in relation to the acceptance of a liability or liabilities. Your insurer requires to be informed of any insurance requirements and/or waivers expressed within the contract in order for the insurer to decide whether or not your liability policy of insurance will respond. Your insurer may refuse to accept some or all of the contract imposed liabilities and, if the increased insurance exposure/risk is insurable, may impose an additional premium in order to provide indemnity. If in any doubt consult with your nominated insurance broker. You are always urged to seek independent legal advice before entering into a binding contract. Refer Subrogation Agreements below.

Subrogation Agreements / Hold Harmless Agreements

Where another person is liable to compensate you for any loss or damage otherwise covered by the policy, but you have agreed with that person either before or after the loss or damage occurred that you would not seek to recover any monies from that person, you will not be covered. These “hold harmless” clauses are often found in leases, in maintenance or supply contracts from burglar alarm or fire protection installers and in repair contracts. This notification requirement applies to all property covers and also to Public Liability insurance. It also has a special connotation in Products Liability where you must not (without the insurer's agreement) hold a supplier harmless.

Property Renovations

Policies insuring against damage to property, especially Home/Residence policies, exclude or restrict the extent of cover provided where the total cost of renovations exceed a specified amount. Some policies specify an amount as low as \$25,000. If you are undertaking renovations or additions to your property, refer to your insurer's policy wording as well as seek advice from your nominated insurance broker.

Unoccupied Property

Where an insured property is unoccupied for a period in excess of a number of days, as specified within the insurer's policy wording (normally sixty days), the policy is suspended either in full or parts thereof. If in doubt, contact your insurance broker for advice and arrangements to extend the policy (subject to acceptance by your insurer) to note and allow the un-occupancy.

Financial Ombudsman Services

Clients who are not satisfied with our services may contact our Customer Relations/Complaints Officer. Our Company also subscribes to the Financial Ombudsman Services (FOS), a free customer service, and the General Insurance Brokers Code of Practice. Further information is available from our office or contact FOS directly on 1300 780 808 or visit www.fos.org.au.

Utmost Good Faith

Insurance contracts are subject to the doctrine of utmost good faith and this is part of the Law. Both parties must strictly adhere to utmost good faith and if you fail to do so you may prejudice any claim.

It is our duty as brokers to give you sound professional advice, but that advice can only be sound and valid if we are kept properly informed of changes to your business or circumstances. Please contact us if you would like more information on the above matters.

Privacy Statement

The Privacy Amendment Act 2000 (the private Sector) requires certain standards to be met when involved with the collection, use and disclosure of an individual's personal information. GIBA is subject to these amendments and must comply with the National Privacy Principles in respect of the collection, use and disclosure of client's personal information. GIBA has taken the appropriate action to ensure we comply with the National Privacy Principles and have established a Privacy Policy. A copy of the GIBA Privacy Policy is available by contacting our Privacy officer on (02) 9221 7122 or email info@giba.com.au.