

Financial Services Guide

This document contains information about our services, your rights as a client and other things you need to know in relation to insurance. The full terms and conditions of your insurances are provided in the policy documents. Should any doubt arise as to the scope of cover provided, please contact Business Insurance Specialists Pty Ltd. Please read this document.

Duty of Disclosure

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 the 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
- If the insurer has waived your obligation 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.

Utmost Good Faith

Every contract of insurance is based on utmost good faith requiring each party (ie you and insurer) to act towards the other party in respect of any matter arising under the contract, with the utmost good faith. If you fail to do so you may prejudice a claim.

Renewals

We will 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

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, 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 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. We will promptly forward to you all claims documentation, insurance company settlement cheques and other information.

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 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

Privacy

We are committed to protecting your privacy. We use the information you provide to advise about and assist us with providing your insurance. We only provide your information to the insurance companies we deal with. We do not trade, rent or sell your information.

Sums Insured – Under-insurance / Average Insurance

If you do not want to bear a proportion of any loss you **must** ensure that the amount for which you insure is adequate to cover the full potential of any loss in accordance with the basis of settlement. If you insure on a replacement (new for old) basis, the sum insured must be sufficient to cover the new replacement cost of the property. Under-insurance clauses mean if you do not insure for the full amount your loss may not be paid in full. Fire/Property and Business Interruption insurance have Under-insurance clauses.

Example of Calculation: Amount of the loss, destruction, or damage x (Sum Insured / 80% [Co-Insurance] of the value of the Property)

Property Valued at \$ 200,000 only insured for \$ 100,000 and a \$ 50,000 loss occurs.

\$ 50,000 x \$ 100,000 / (80% of \$ 200,000) = \$ 31,250 Paid. The Insurer does NOT pay \$ 18,750 ie difference between \$ 50,000 and \$ 31,250.

Remuneration

You are entitled to know that BIS is paid a commission when we arrange your insurance. We also charge a broker fee. Prior to settling your payment with insurers, we may also temporarily hold your money in our trust account in which we receive the interest earned.

Refund Procedures

If you cancel this policy, your premium will be refunded as determined by the policy and/or insurer. It is also agreed that reduction in coverage or cancellation of the policy will not result in refund of any commission or fees since such remuneration was earned in the arrangement of the insurance. For any mid term cancellation, if premiums are paid via installment method, the finance company requires the difference between the finance company's amount outstanding and policy refund to be paid by the client/Insured.

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. Please tell us about everyone who has an interests 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 was responsible for it, eg by signing an agreement which disclaims or a limits the liability of the other party. Please tell us about any contracts of this type which you have or propose to enter into.

Insurance Brokers Dispute Facility

If you are not fully satisfied with our services, please contact our customer relations/complaints officer. BIS subscribe to the Insurance Brokers Dispute Facility a free customer service and the General Insurance Brokers Code of Practice. Further information is available from our office.

Flood Cover NOT Insured

We advise that Flood cover is **NOT** insured under any policy provided to you other than where explicitly mentioned.