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Financial Services Guide (FSG)

Purpose of this Financial Services Guide (FSG)

This FSG sets out the services that we 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
- How we and our associates are paid
- Any potential conflict of interest we may have
- Professional indemnity insurance arrangements
- Our internal and external complaints resolution procedures
- Our Privacy Policy

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.

Our Financial Services authority

Our Australian Financial Services licence authorises us to advise and deal in general insurance products to wholesale *and/or* retail clients.

Date and currency of this FSG

This FSG applies from 14/10/2013 and remains valid unless another FSG is issued to replace it. If we give you a supplementary FSG or other documents relating to our services or any products, they will not replace this FSG however you should read them carefully.

Our Services

Austgroup Insurance Brokers is a Western Australian owned Company and 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 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)



Receiving instructions

We are able to receive your instructions personally, by telephone, email or writing.

New Business - If you need immediate cover, we can usually obtain an interim contract of insurance (which is generally valid for a month or less). 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. This must be returned to us 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 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 invoice which will automatically renew the insurance contract. 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 continue the contract on your behalf, you must pay the premium and other charges before the commencement date shown on the invoice or within 14 days of the commencement date.

If you have arranged or renewed insurance directly with an insurer or through another broker we will not be responsible for notifying you of expiry or arranging renewal unless you ask us to do so.

Variations to your Insurance Cover - 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 - 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 adjustor 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 meetings with the loss adjustor 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 do either of the following, whichever is preferable to you:

- *Negotiate settlement on your behalf subject to a claim service fee (to be agreed) OR*
- *Provide details of the claim(s) to your new insurance broker so that they may continue to negotiate settlement on your behalf*

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.

Important Relationships

We are also a member of IBNA Limited. 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

Retail Client

The Corporations Act 2001 (The Act) provides Retail Clients with additional protection than other clients. Under The Act, a Retail Client is defined as:

Individuals or a manufacturing business employing less than 100 people; and
A business employing less than 20 people; and who are purchasing the following types of insurance cover:

Motor vehicle	Home building
Home Contents	Sickness and Accident
Travel	Pleasure Craft
Caravan	Personal Property
Consumer Credit	

It is important that you understand if this definition applies to you or your business, as some of the information and additional protection in this FSG only applies to Retail Clients.

Wholesale Products

Business Packs	Trade Packs
Construction	Workers Compensation
Professional Indemnity	Taxi Insurance
Liability Broadform	Marine
Industrial Special Risks	

Who we act for

We act for you as your insurance broker unless we advise you otherwise. Sometimes we may arrange with an insurer to act under a binding arrangement or as their agent.

When we do this we will be representing the insurer, and not you. We will tell you at the time when we are acting for the insurer and not for you.

The advice we give

If you are a Retail Client, then typically you will be provided with General Advice. General Advice does not take into account your personal needs and financial circumstances at the time therefore you will need to consider whether this advice suits your requirements prior to acting upon it. On these occasions we will give you a General Advice Warning.

If you are a retail client and we agree to give you Personal advice, we will give you a Statement of Advice (SOA). The SOA will contain advice we have given, the basis on which it was given, and details of relationships, associations, remuneration and other interests that may have influenced the advice we have given.

If we arrange an insurance policy for you, or if we recommend you buy a particular insurance policy, we will also give you, or give you access to a Product Disclosure Statement (PDS). The PDS is produced by the insurer, and is designed to give you important information about the policy you are considering purchasing.

When we recommend an Insurance policy for you, we usually only consider the policies offered by the Insurers or Insurance providers that we deal with regularly. In giving advice about the costs and terms we recommend policies, we have not compared those policies to other policies available other than those Insurers we deal with regularly.

Our Remuneration

At the time of issuing this FSG we are unable to provide you with the exact dollar amount of remuneration and/or benefits we may receive in relation to your policies, however we will, either when the advice is given, or as soon as practicable after, provide **retail clients** with information disclosing the exact dollar amount of any remunerations and/or benefits we will receive. This information will be included on your Tax Invoice. You have a right to request for further information in relation to the remuneration, the range of amounts or rates of remuneration, and soft dollar benefits received by us.

For placing your insurance we usually receive a commission paid by the insurer as a percentage of the premium you pay. This is the standard way insurance brokers are remunerated. Our commission will be calculated based on the following formula: $X=Y\%-P$

X=our commission, Y%=percentage commission paid to us by the insurer. Our commissions vary between 0-25percent. P=the amount you pay for any insurance policy (less any government fees or charges included in that amount).

For IBNA sourced insurance products we are paid up to 0.60% of the base premium as additional commission from the insurer.

On occasions we may also charge a broker service fee, which varies according to the level of services rendered and the commission we receive. This fee will always appear on your invoice.

We may also receive a profit share commission from insurers and or premium funders in the future if a particular portfolio of business reaches a certain level of profitability.

Any interest earned on monies held in trust is for the sole benefit of Austgroup Insurance Brokers.

Our advisers receive an annual salary and may receive a bonus and/or incentive which are based on a number of factors including achievement of company goals. Directors may also get profit share.

If you have been referred to us, we may pay the person who referred you a referral fee. Referral fees will range from between 25% - 30% of the commission earned and will not increase the amount you pay us. Full details of any referral fees payable will be disclosed in the schedule of your Tax Invoice

Where we have used electronic data interface (Sunrise) to process your policy, we may, as a result, receive an additional commission amount of up to 2.5% for utilising this system. This amount will be included in the commission declared on the front of your Tax Invoice.

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

Our commission rates for premium funding are in the range of 1% - 4% of funded premium. When we arrange premium funding for you, you can ask us what commission rate we are paid for that funding arrangement compared to other arrangements that were available to you.

Our employees are paid a market salary that may include bonuses based on performance. We and our staff may also receive non-monetary benefits such as sponsorships of conferences and functions, and meals and entertainment. We closely monitor these activities to ensure they do not create a conflict with your interests.

Where a third party such as a trade association or other business has referred you to us or endorsed our services to you, we may share a part of our remuneration with them or pay an agreed referral rate. We will pay the third party out of our total commission and/or fees and never in addition to these amounts.

Austgroup Insurance Brokers and its representatives may from time to time receive non-cash benefits with a cash value less than \$300. Details of benefits between \$100 and \$300 will be maintained on a register. These benefits will normally be one off and will not be received from a product provider on a regular basis.

Cancellation and refunds

Your Adviser cannot request your insurer to 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 insured's in the contract of insurance.

If a contract of insurance is cancelled before expiry of the period of insurance, you will be paid the return premium received from the Insurer (this refund is subject to any cancellation or administrative fee imposed by the insurer), but we do not refund fees or commissions we have received on placing your insurance cover. A fee may also be retained for processing your cancellation request.

Protection against giving you negligent wrong advice

As an AFS licensee we must maintain adequate Professional Indemnity insurance to compensate you or your beneficiaries for loss or damage suffered as a result of our giving you negligent advice.

We and our representatives are covered under professional indemnity insurance that complies with the requirements of section 912B of the Corporations Act, 2001.

The insurance (subject to its terms and conditions) will continue to cover claims in relation to our representatives/employees who no longer work for us but who did at the time of the relevant conduct.

Code of Conduct

Brokernet Australia Pty Ltd t/a Austgroup Insurance Brokers are a member of IBNA and subscribe to the Insurance Brokers Code of Practice in which the Financial Ombudsman Service is the code administrator. This code sets standards of good practice for subscribing insurance brokers, who must follow these standards when dealing with persons who are, or who may become, an individual or small business client of an insurance broker. A full copy of this code is available on our website at www.austgroup.com.au or by contacting us at the address given above. As the financial services licensee, we authorise the distribution of this Financial Services Guide.

Privacy Policy

We collect personal information to ensure we can offer or provide you with products and services most appropriate to your needs, as outlined in this FSG. We value your privacy and have adopted the principles set out in the Australian Privacy Principles (APPs) as part of our commitment to maintain client confidentiality in the collection, use, disclosure or handling of personal information. For further information about our privacy policy or should you wish to look at your file, please contact our office 08 9227 9473.

Complaints and disputes

If you should have any concern or complaint or dispute (complaint) about the service we have provided you, then contact us and tell us about it. If your complaint is not satisfactorily resolved within 24 hours, ask to be put in touch with our Complaints Manager/Officer Frank Starvaggi on 9227 9473 or put your complaint in writing to us PO Box 522 Northbridge 6865 or frank.starvaggi@austgroup.com.au who will attempt to resolve the matter satisfactorily within 21 days.

If you are still not satisfied with our determination, you have the right to take your complaint to the Financial Ombudsman Service Australia (FOS). FOS can be contacted on 1300 780 808. You can write to them GPO Box 3 Melbourne VIC 3001 or fax (03) 9613 6399. Website address is www.fos.org.au. The Australian Securities & Investments Commission (ASIC) also has a freecall Infoline on 1800 367 287 which you may use to make a complaint or obtain information about your rights.

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.

Please retain this document for your reference and any future dealings with us.