

FINANCIAL SERVICES GUIDE

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

South Coast Insurance Brokers WA Pty Ltd
Australian Financial Services Licence number: 245460

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This FSG applies from 1 August 2017.

THE PURPOSE OF THIS GUIDE

This Financial Services Guide (FSG) is designed to assist you in deciding whether to use any of our services and contains important information about:

- The services we offer you
- How we and our associates are paid
- Any potential conflicts of interest we may have
- What to do in the event of a complaint.

RESPONSIBILITY FOR SERVICES PROVIDED

We hold an Australian Financial Services Licence and are authorised to advise and deal in the full spectrum of general insurance products. We are responsible for the financial services provided to you, or through you to your family members, including the distribution of this FSG. We are required to meet high standards for staff training, organisational competence, management expertise, financial control and compliance disciplines.

WHO DO WE ACT FOR

We usually act on your behalf and in your interests in all matters. Sometimes, it may be more appropriate for us to access insurance or manage claims where we act as an agent of the insurer. If and when this situation arises we will explain and highlight this to you.

OUR SERVICES

We offer a range of services to assist you to protect your assets and guard against unexpected liabilities including:

- Reviewing and advising on your insurance needs
- Identifying risk factors to avoid claims
- Seeking competitive premium quotations

HOW TO CONTACT US

You are able to contact us by phone, in writing, by fax, email or in person.

OUR PRODUCTS

We can advise and arrange a broad range of insurances on your behalf including:

Home Building and Contents, Private and Commercial Motor, Farm, Business Packages, Construction, Liability, Industrial and Professional covers.

RETAIL CLIENTS

Under the Corporations Act 2001 (The Act) Retail Clients are provided with additional protection from other clients. The Act defines Retail Clients as: Individuals or a manufacturing business employing less than 100 people or any other business employing less than 20 people And that are purchasing the following types of insurance covers: Motor vehicle, home building, contents, personal and domestic, sickness/accident/travel, consumer credit and other classes as prescribed by regulations.

Some of the information in this FSG only applies to Retail Clients and it is important that you understand if you are covered by the additional protection provided.

RETAIL CLIENT ISSUES

Typically we only provide General Advice to our Retail Clients. General Advice does not take into account your particular needs and requirements and you should consider the appropriateness of this advice to your circumstances prior to acting upon it. We will provide you with a General Advice Warning in such cases.

If you are a new Retail Client purchasing Personal Accident or Sickness insurance and obtain Personal Advice, that is, advice that takes into account your particular circumstances, we will give you a **Statement of Advice (SOA)**, that sets out the advice provided and the basis on which the advice is made and our remuneration should you purchase the product.

For existing Retail Clients we may not provide an SOA but rather provide the advice to you orally. In such cases you may request us to provide you with a Record of Advice (via phone or in writing) which we will provide to you within 28 days of such request.

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.

If we recommend the purchase of a particular financial product, we will also give you a **Product Disclosure Statement** at that time, which sets out details specific to that product and the key benefits and risks in purchasing the product.

PERSONAL INFORMATION

The Federal Privacy Act 2000 sets out standards for the collection and management of personal information. With your consent, we will only use your personal information for general insurance services. Our Privacy Policy Statement is available on our website.

COMPLAINTS

Clients not satisfied with our services should contact our Complaints Officer. We are members of the Financial Ombudsman Service Australia (FOSA), a free consumer service. Further information is available from our office, or contact FOS directly on 1800 367 287 or visit www.fos.org.au. We also follow The Insurance Brokers Code of Practice.

COMPENSATION

We hold a Professional Indemnity Policy. This policy is designed to pay claims by Third Parties (including our clients) arising out of our Professional Negligence. The policy extends to covers us for work done for us by representatives/employees after they cease to work for us and satisfies the requirements for compensation arrangements under Section 912B of The Act.

CONTACT AGREEMENT

To ensure that we provide you with appropriate products and services, you agree to us calling you to discuss any new products and services. If you do not wish to receive such calls please advise us and we will place you on our Do Not Call Register.

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.

OUR SOURCES OF INCOME

When placing your insurance we usually receive a commission from the insurer. The amount varies between 0% and 25% of the base premium you pay. Where a policy is cancelled before the period of insurance has ended we will usually retain the commission on any return premium involved.

If you are a Retail Client and we give you Personal Advice, commission amounts will be provided in any SOA or (where an SOA is not required to be provided) included on any relevant invoices. When we give you General Advice, full commission information (including dollar amounts) will be provided on request.

We have a set of standard non refundable Broker Fees that we charge you for services such as:

- Market research on products available.
- Assessing the claims service of insurers.
- Sourcing alternative quotations and coverage.
- Risk analysis and portfolio co-ordination.

All fees payable for our services will be advised to you at the time of providing the advice or service.

We retain the interest on premiums paid by you that are held in our trust account before paying the insurer.

We are shareholders of Insurance Brokers Network Limited (IBNA Ltd). They have exclusive arrangements with some insurers and premium funders where they receive between 0-2% commission on the premium placed by us with those insurers or premium funders. These payments are used to operate IBNA Ltd. Depending on the operating costs of IBNA Ltd and the amount of total business we place with the participating insurers or premium funders in any financial year, we may receive some of that commission at the end of each financial year. Additionally, when we place your insurance with an IBNA preferred insurer or premium funder, we may receive an extra commission above the insurer's or premium funder's standard commission rate (usually up to 5%).

As an IBNA Ltd shareholder, we can access services including operating and compliance tools, advice and assistance from professional bodies, group insurance arrangements, product comparison and placement support, claims support and purchasing arrangements. These services are either funded or subsidised by IBNA Ltd or available exclusively to shareholders for a fee. A copy of the IBNA Ltd FSG is available at www.ibna.com.au.

If you pay by credit card we may charge you a credit card (incl. arrangement & handling) fee, which is disclosed and shown separately on our invoices, they are non refundable. This fee covers the cost of bank charges etc. associated with such facilities.

Premium funding products enable you to pay your premiums by installments. Premium funders do charge interest. We can arrange premium funding 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.

HOW OUR REPRESENTATIVES ARE PAID

Our advisers are usually paid in two ways, salary, and a bonus or incentives which are based on a number of factors including achievement of company goals. Jan Christian is paid by commission only and receives 65% of the commission that we are paid by the underwriter.

We are not licensed to deal in Life, Disability, Income Insurances or Superannuation/Investment Products. If we refer you to a broker who is licenced to deal in these products we may be paid a commission by them.

If a person has referred you to us, we may pay them a part of any fees or commission received. If you are a Retail Client and receive Personal Advice full remuneration details will be disclosed in the SOA or invoices related to the advice.

CONFLICTS OF INTEREST

As a business we have relationships with and receive income from various third parties as detailed in this FSG. For Retail Clients receiving Personal Advice, details of relationships that impact the advice will be included in any SOA or invoice documentation we send you. All material conflicts that impact our advice, that are not mentioned in this FSG, will be advised to you on the invoices related to that advice.

IMPORTANT INFORMATION ABOUT YOUR INSURANCE

DUTY OF DISCLOSURE

Eligible contracts (private motor, strata, home, contents, travel, personal accident/disablement)

If the insurer asks you questions that are relevant to their decision whether to insure you and on what terms, you are required to tell the insurer about anything you know and that a reasonable person in the circumstances would include in answering their questions.

At renewal the insurer may give you a copy of anything you previously told them and ask you to advise them if that information has changed. If they do this, you must tell them about any change or tell them if there is no change. If you don't tell the insurer about a change, the insurer assumes there is no change to this information. This duty applies until the insurer agrees to insure you. You have the same duty before you renew, extend, vary or reinstate an insurance contract.

All other contracts

Before you enter into an insurance contract, you have a duty to tell the insurer anything that you know, or could reasonably be expected to know, that may affect their decision to insure you and on what terms. You have this duty until they agree to insure you. You have the same duty before you renew, extend, vary or reinstate an insurance contract. You do not need to tell the insurer anything that:

- reduces the risk they insure you for; or
- is of common knowledge; or
- they know or should know as the insurer; or
- they waive your duty to tell them about.

If you do not tell the insurer something

If you don't tell the insurer something you are required to tell them, they may cancel your insurance contract or reduce the amount they will pay you if you make a claim, or both. If your failure to tell them is fraudulent, they may refuse to pay a claim and treat the contract as if it never existed.

CANCELLATION WARNING (RETENTION OF BROKERAGE AND FEES)

If a cover is cancelled before expiry of the period of insurance, we reserve the right to refund to you only the net return premium we received from the insurer, and not refund any part of the brokerage or fees we receive for arranging the cover. A broker service fee may be charged to process the cancellation.

PREMIUM FUNDING WARNING

Premium funding allows you to spread out the cash flow associated with paying your insurance premiums over the next twelve months. We receive a commission from the funder for arranging the funding contract, full details are available on request.

Please note that should the insurance policy be cancelled before the expiry date for whatever reason, the Premium Funder will charge you the full interest applicable to the contract, as detailed in the Loan Application Form. Typically there will be no refund of our commission on the refund premium and no refund of any fee we may have charged you for arranging the cover. We also reserve the right to charge you a policy cancellation handling fee. In some cases insurers also apply minimum premiums to policies, which may further reduce the refund that you might otherwise receive.

The impact of the above on you is that any refund you receive for the mid term cancellation of your policy will usually be significantly less than a pro rata calculation would produce and in extreme cases may involve you having to make an additional final payment even though the policy has been cancelled. Therefore prior to cancelling a policy and replacing it with another cover we strongly recommend that you discuss your situation with us so that we can advise the exact extent and impact of the early cancellation provisions mentioned above."

UTMOST GOOD FAITH

Every contract of insurance is subject to the doctrine of utmost good faith which requires that the parties to the contract should act toward each other with the utmost good faith. Failure to do so on your part may prejudice any claim or the continuation of cover provided by Insurers.

UNDERWRITING AGENTS AND WHOLESALE BROKERS

In some cases we access insurance products via Underwriting Agents and Wholesale brokers rather than directly with the insurer. In such cases should you wish to access the Financial Services Guide of the Underwriting Agency or Wholesale Broker please contact us and we will arrange to have a copy sent out to you.

THIRD PARTY INTERESTS

Insurance policies will only provide cover for your interest in the property insured and does not cover the interest of any third parties unless you have informed us of them in writing and they are noted on the policy.

ALTERATIONS

No alterations to the risk whatsoever will be admitted until you have notified us in writing and will not take effect until acceptance is confirmed by the insurance underwriters.

PAYMENT

You will not be insured if you fail to pay the premium in full within 14 days from commencement of the risk for new policies and prior to the due date for renewals unless alternative credit arrangements have been agreed with us in writing.

NEW POLICIES

Notwithstanding the above, you will not be insured if you do not submit the relevant Proposal within 30 days from commencement of the risk unless an extension of time has been agreed with us in writing.

INTERESTS OF OTHER PARTIES

Many policies exclude cover for an interest in the insured property held by someone other than the named insured, unless that interest is specifically noted on the policy. For example, if property is jointly owned, or subject to finance, the interest of the joint owner or financier may be excluded, if it is not specifically noted on the policy.

CANCELLATION

If you cancel this insurance prior to the expiry date, we will be entitled to retain such proportion of any broker's fee and/or commission that relate to the unexpired period of insurance.

COOLING OFF

All Retail Products are subject to a 14-day "cooling off period". This means that if you are not happy with a Retail Product, you have 14 days to withdraw from the new contract at no cost to you other than our broker's fee, which is not refundable.

DISCLAIMER

This notice is a summary only (errors and omissions excepted) and does not purport to be a copy of the insurance underwriters' policy or other documents. In case of any discrepancy, the underwriters' documents will prevail.

TERMS OF TRADE

Payment of this account constitutes your acknowledgement and acceptance of these conditions and authorises us to act as your insurance brokers for the risks outlined on the face hereof and no others unless specifically agreed by us in writing.

SUBROGATION

You are warned that should you become a party to any agreement that has the effect of excluding or limiting your insurer's ability to recover from a third party, your insurers may have the right to refuse to indemnify you for such loss where it is shown that your insurer's rights of recovery have been prejudiced by your action.

RIGHTS OF RECOVERY AGAINST OTHERS

It is a condition of a Contract of Insurance that you may not forego any right of recovery that may exist against another party without prior approval in writing being given by your insurer.

CLAIMS MADE POLICY

This policy provides cover on a "claims made" basis which means that claims first advised to you (or made against you) during the period of insurance are covered irrespective of when the incident causing the claim occurred. To protect your entitlement to indemnity under this policy you must report to insurers without delay and prior to expiry of the policy period all incidents that may give rise to a claim against you.

AVERAGE OR CO INSURANCE

If the subject matter of insurance (or part thereof) relates to Industrial Special Risks, Fire & Perils or Business Interruption/Consequential Loss, then the policy (or part thereof) will be subject to average. This means that if the sum insured you nominate for buildings, plant, machinery, stock is less than 100% of its value (100% for Business Interruption/Consequential Loss) at the time the insurance was effected (or renewed), then part of the loss will/may not be covered by the policy.

For example a policy with a 100 % co-insurance clause pays as follows: if a building is insured for \$150,000 when its value is \$200,000, then in the event of a claim for damage of \$100,000, insurers will only pay \$75,000 and you will be your own insurer for the balance.

AVERAGE/CO-INSURANCE - BUSINESS INTERRUPTION POLICIES

Some policies contain an Average/Co-Insurance clause which is fully set out in the "Basis of Cover" or "Policy Specification" of the policy. For the types of cover most usually provided, the Average/Co-Insurance calculation is arrived at by applying the Rate of Gross Profit, Revenue or Rentals (as applicable) to the Annual Turnover, Revenue or Rentals (as applicable); these factors first being appropriately adjusted as provided for in the "Trend of Business" or "Other Circumstances" clauses.

If you are in any doubt regarding this clause insofar as it applies to your policy, please contact your Account Manager for assistance.

CLAIMS OCCURRING PRIOR TO COMMENCEMENT

Your attention is drawn to the fact that your policies do not provide indemnity in respect of events that occurred PRIOR to commencement of the contract.