



INSURANCE ADVISERNET AUSTRALIA PTY LIMITED

AUSTRALIAN FINANCIAL SERVICES LICENCE NUMBER 240549

ABN 81 072 343 643

AN  **austbrokers** MEMBER

www.insuranceadviser.net

FINANCIAL SERVICES GUIDE

1. WHAT IS A FINANCIAL SERVICES GUIDE?

We are obliged to provide you with a Financial Services Guide (FSG) which 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.

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

If you ask us to act as your general insurance broker, or we already are, we will do so on the terms set out in this Guide. By requesting our services, you accept these terms. If there is any change to these terms, we will confirm them to you in writing. This FSG records the basis of our relationship.

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

- **Letter of Engagement** – this details the terms and conditions of our appointment as your general insurance broker;
- **Risk Analysis** – this will be a questionnaire that enables us to assess and understand your needs and objectives in protecting your assets and/or liabilities;
- **Statements of Advice (SOA) or Further Information Regarding our Advice (FIRA)** – these will be written summaries recording our advice and the basis on which it was provided (as well as disclosing details of our remuneration and any affiliations we have that may affect our advice);
- **Product Disclosure Statements (PDS)** – these documents are prepared by the respective issuers of the products and will contain information about the products we recommend to you. They will help you in your decision about whether to acquire the product; and
- **Confirmation notices** – 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.

2. WHO IS YOUR ADVISER?

Your adviser is an Authorised Representative of Insurance Advisernet Australia Pty Limited. (IAA)

Enquires with respect to services that IAA provides should be addressed to your adviser, whose details are:

Corporate Name	Financial Resource Consultants Pty Ltd
ASIC: Authorised Representative No.	235614
Name	George Varnavsky
ASIC: Authorised Representative No.	236046
Name	Frank Farhart
ASIC: Authorised Representative No.	337310
Address	Suite 1, 523 King Georges Road PO Box 335 BEVERLY HILLS NSW 2209
State & Postcode	BEVERLY HILLS NSW 2209
Telephone	02 9585 9022
Facsimile	02 9579 1249
Email	insurance@frconsults.com.au

The Southern Highlands office is located at:

Address	Unit 2, 19 Lyell Street
State & Postcode	MITTAGONG NSW 2575
Telephone	02 4861 7000
Facsimile	02 9579 1249
Email	insurance@frconsults.com.au

Financial Resource Consultants have been providing insurance services since 1990 to individuals and businesses. They have developed a reputation for helping people secure their financial freedom and security.

Financial Resource Consultants is a Corporate Authorised Representative of Insurance Advisernet Australia. George Varnavsky and Frank Farhart of Financial Resource Consultants Pty Ltd are Authorised Representatives of Insurance Advisernet Australia Pty Limited. Both have considerable general insurance experience and are compliant with ASIC RG Tier 1 Insurance Broking.

George Varnavsky FAFSA, AFP, JP

ASIC Authorised Representative No: 236046

Has a background in business administration, marketing, sales and transport logistics, which has spanned over 30 years. In 1990, he entered the insurance industry, with a vision of developing a consultancy practice of high calibre using his professional skills in support of professional, self-employed and corporate entities and their people.

He is a Fellow member of the Association of Financial Adviser (FAFA) and an affiliated member of the Financial Planning Association of Australia Limited (AFP). He has been a member of the international association of Financial and Life Insurance Advisers – Million Dollar Round Table (MDRT) since 1996 and has been recognised in the Top of the Table since 2002.

Frank Farhart

ASIC Authorised Representative No: 337310

Frank has an extensive background in the insurance industry, having commenced his career in 1985 in general insurance. He has worked in domestic underwriting and claims; all classes of liability including large commercial. Frank also specialised in accident & illness insurance. He entered the reinsurance field of our industry in 1994 working within the international treaty division to oversee administration and broking of accounts. He specialised in the placement of U.S. Property catastrophe and Lloyd's casualty programmes. He then moved to manage all treaty and facultative claims specialising in all classes of large industry losses and management of disputes.

Frank's years of experience in the general insurance and reinsurance industry have qualified him as an ANZIIF Senior Associate C.I.P. and he has recently completed his ASIC RG146 compliant status.

3. WHO IS THE LICENSEE?

Insurance Advisernet Australia Pty Limited (IAA) is the Licensee and holds Australian Financial Services Licence No. 240549 under the Corporations Act 2001 to provide general insurance broking services.

IAA is a principal member of the National Insurance Brokers Association (NIBA) and subscribes to the General Insurance Brokers' Code of Practice.

IAA was formed in 1996 to allow insurance advisers the benefits of being able to tap into a national buying group for products and services needed in today's complex business world and today is one of Australia's largest general insurance brokers.

You can contact the head office of IAA at:	Insurance Advisernet Australia Pty Ltd
	PO Box 633
	NORTH SYDNEY NSW 2059
	Phone: 1300 366 085

4. WHAT SUPPORT DOES IAA PROVIDE?

The quality of advice that your adviser gives and the range of services they offer require substantial support infrastructure that is provided by IAA.

The infrastructure includes:

- sophisticated planning tools to help develop more effective solutions
- access to current research that can identify and compare a variety of insurers products
- access to a comprehensive range of insurers both with-in Australia and overseas
- essential educational and professional development resources that underpin the quality of advice
- database, system and technology management
- back office accounting and administrative support.

5. WHAT PRODUCTS AND SERVICES IS YOUR ADVISER AUTHORISED TO PROVIDE YOU?

IAA is committed to providing sound advice on your general insurance requirements which is based upon your needs and our comprehensive market knowledge.

We offer a range of insurance and risk management services to assist you to protect your assets and liabilities.

We commit to undertake the following activities:

- conducting an analysis of your risk/needs and advise our recommendations on the correct covers required
- recommend the appropriate financially secure and stable insurers to match the risk
- provide alternatives on your risk retention through various excess options
- provide alternatives to pay premiums in monthly instalments
- prompt and timely servicing of your account to ensure you are adequately informed of issues that may affect you
- assisting with insurance claims to ensure you receive your full entitlements.

IAA is able to provide financial product advice and deal in a wide range of general insurance policies, which include, but are not limited to:

Home Building/Contents	Business / Professional /Trades / Farm Package
Motor Vehicle	Property Damage
Personal Accident & Illness	Public Liability
Travel	Directors & Officers Liability
Burglary/Money	Professional Indemnity

Your adviser is authorised to provide all of the above services.

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 on our Risk Analysis document to ensure we correctly evaluate your situation, needs and objectives. You should also tell us about any relevant changes as they occur.

If you are unable, or choose not to provide some information to us, our review will be incomplete and may not take into account all of your needs. We may still give you advice, but in some cases we may also decide that it is not appropriate to give you advice without further information. You will need to assess the appropriateness of our advice, if given, to your needs before acting on it.

6. DOES YOUR ADVISER OFFER FINANCIAL SERVICES OTHER THAN GENERAL INSURANCE?

Your adviser is not authorised by IAA to offer you advice in relation to any services other than general insurance products and services.

If your adviser offers you financial services in relation to any of those other financial services, your adviser is obliged to give you a separate Financial Services Guide in respect of those financial services and IAA is not responsible for your adviser's conduct in respect of those other financial services.

7. WHO DO WE ACT FOR?

As a general insurance broker, IAA and your adviser normally act for you.

IAA has arrangements with a number of insurers to arrange and issue contracts of insurance and to handle and/or settle claims on their behalf. These are called “binding authorities” or “binders”. When IAA and your adviser arrange insurance or deal with claims under one of these binders, they will be acting on behalf of the insurer, not on your behalf. You will always be told when this is the case.

8. HOW WILL WE LOOK AFTER YOUR INSURANCE NEEDS?

You can provide us with instructions in person, by telephone, email or in writing however; we will always require your signature on our Risk Analysis document to ensure we have correctly assessed your situation and/or circumstances.

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 (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/risk analysis document for completion. You will need to complete and sign this and return it to us 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 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 the insurer’s offer to renew the insurance contract and invoice you for the cost of renewal. If the insurer does not offer to renew the contract, we will contact you. 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 renew the contract on your behalf, you must provide us with written instructions to do so and/or pay the premium and other charges before the date shown on the invoice.

In some circumstances we may be able to arrange for the insurer to cover you temporarily before payment is received, but we cannot guarantee this.

If you 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

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 try to arrange the variation with the insurer and, if accepted by the insurer, 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 will, with your permission, pass on your contact details and co-ordinate meetings. In the case of a major loss, we can attend the initial meeting 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.

We will do our best to help you receive your full entitlements.

Your contact details

As we need to contact you from time to time, it is important that you give us details of any change of address or contact details. We will use the latest contact details we have and will be entitled to assume you have received our communications with you.

9. WHAT FEES AND COMMISSIONS ARE PAYABLE FOR SERVICES?

You are entitled to know how and what we will charge for our services and what other benefits we receive.

IAA's remuneration

We may be paid and retain a 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 of between 5% and 22.5%. In addition to a commission, we may also charge you an arrangement fee.

Alternatively, we may rebate all commissions to you and charge you a fee based upon the nature of the service we provide. This fee will be clearly noted on your invoice.

Our charges include GST and some of our charges may be tax deductible.

If we hold your money in trust pending payment to the insurer, we also receive and retain the interest earned.

IAA also provides the following "back office" functions for some insurers:

- costs of data communication, data input and data management
- utilisation and development of our system software for premium rating and/or risk acceptance
- issuance and distribution of policy documents
- administration of premium collection and payments
- administration of claims and payments
- portfolio management.

For these services that are not normally part of the services provided to clients, IAA receives an over-riding commission of between 1% and 10% of the base premium.

As we have different arrangements with different insurers, we will provide you with specific information (usually in our SOA) about the basis and amount you will be charged before or at the time we arrange your insurance.

Your adviser's remuneration

IAA pays your adviser between 75% and 95% of the commission, fee and volume bonus and/or profit share received by IAA.

Your adviser may also be paid a salary and a bonus or incentives which are based on a number of factors including achievement of IAA's or his/her employer's corporate goals.

Example:	Base Premium	\$ 100.00
	Fire Services Levy	\$ 30.00
	GST	\$ 13.00
	Stamp Duty	\$ 7.00
	<u>Total Premium</u>	<u>\$ 150.00</u>

Total Commission received by IAA	\$ 15.00 (assuming insurer paid a commission rate of 15%)
Commission paid to Adviser	\$ 12.00 (assuming adviser commission rate of 80%)
Over-rider Commission to IAA	\$ 10.00 (assuming insurer has an over-rider arrangement with IAA and that rate is 10% of the base premium)

Other

Some insurers may also pay IAA a commission based on the volume of/profitability of the business we place with them. These bonuses are normally paid if the total premiums paid by our clients exceed certain targets or their claims achieve a target loss ratio. These commissions may be a set dollar amount or payment for conference travel and accommodation etc.

IAA and your adviser may also receive indirect benefits such as business lunches, tickets to sporting and/or cultural events, corporate promotional merchandise and other unquantifiable minor benefits.

If a person has referred you to us, we may pay them a part of any fees or commission received. These payments are not additional amounts that you are required to pay for your insurance.

Premium Funding

If we refer you to a premium funder and you enter premium funding arrangements with them, we may receive a fee for that referral or a commission which is a percentage of the amount funded excluding GST. The amount of

commission varies depending on our arrangement, as a general rule, the premium funder will pay [us] an amount based on a percentage of the amount you borrow between 0% and 4%. In some cases we have profit share or overriding commissions arrangements with the premium funder whereby we receive a percentage of between 0% and 3% on the funds loaned to persons we refer to them. We may also receive soft dollar benefits from them too.

Conflict of interest

Where we arrange a policy an insurer can pay us commissions. It is the major form of insurance broker remuneration and can create a potential conflict of interest because it may be in our interest to recommend the product issuer or service provider that pays us to most because it increases our remuneration. This may not be in your interest in certain circumstances.

Another key conflict is where we may be seen to favour the interest of one client or group of clients over another because it is in our interest to do so. Due to the extensive number of our clients and their varied requirements, we have a variety of procedures in place to manage these potential conflicts of interest.

IAA is a member of the Austbrokers group of insurance brokers. In some cases we may refer you to or advise you to use the services of one of our related body corporate. As a member of the same corporate group we may indirectly benefit from any such referral or advice if it improves the group's performance.

10. WHAT ARE OUR TERMS OF PAYMENT?

Invoices

We will invoice you for the premium, statutory charges (e.g. stamp duty, fire services levy, etc) and any fees we charge for arranging your insurances.

You must pay us within the date specified on 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. The insurer may also charge a short term penalty premium for the time on risk.

Premium funding products enable you to pay your premiums by instalments. We may refer you to a company that provides premium funding. The premium funder may pay [us] a commission or fee for that referral. As a general rule, the premium funder will pay [us] an amount based on a percentage of the amount you borrow between 0% and 4%.

Cancellation

We 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 insured's in the contract of insurance. We cannot cancel any contract of insurance which is subject to the Marine Insurance Act 1909.

If a contract of insurance is cancelled before expiry of the period of insurance, we will pass on to you the net refund of premium (if any) we receive from your insurer. We will not refund our fees or commission for arranging the insurance.

Minimum and deposit premiums and cancellation:

Some insurance contracts include a minimum deposit premium, a percentage cancellation fee or penalty, or a non cancellation clause which may impact on the amount of return premium that you receive. This information is contained in the Policy Document or Product Disclosure Statement Please ensure that you read these documents before you make any decisions regarding the purchase of any insurance product and ask your adviser for more information to assist you in making your decision.

Premium Funding and cancellation

Whilst this is an associated service, the agreement/contract for Premium Funding is between you and the Premium Funding Company (for the purpose of funding insurance premiums). In the event that you fund insurance policies that have a minimum deposit premium, a percentage cancellation fee or penalty, or a non cancellation clause there may be a shortfall in the amount refunded to you by the insurers and the residual amount payable to the premium funder in respect of the contract.

11. PLEASE READ THIS ADDITIONAL IMPORTANT INFORMATION

Professional Indemnity Insurance

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

The insurance (subject to its terms and conditions) will cover errors & omissions arising from advice provided by our representatives and will continue to cover claims in relation to our representatives and employees who no longer work for us (but who did at the time of the relevant conduct).

If you require further information regarding our Professional Indemnity insurance please contact our Compliance Officer.

Duty of Disclosure

In order to make an informed assessment of the risk and calculate the appropriate premium, your insurer needs information about the risk you are asking it to insure.

For this reason, 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.

Referrals

In some circumstances we may refer you to another service provider, in making any referral to a third party we do not advise or represent that their products and services are right for you and take no responsibility for the products and services they may provide to you. You need to make your own decision based on the information they provide.

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 for the purpose of ensuring that your contract of insurance is altered to reflect those changes.

Cooling Off Period – Retail insurance only

If a contract of insurance has been arranged on your behalf as a retail client and you decide that you do not need the contract, you have a minimum of 14 days, from the earlier of the date you receive confirmation of the contract and the date it was arranged, to change your mind. You must tell the insurer in writing that you wish to return the insurance contract and have the premium repaid.

If you do so, the insurance contract will be terminated from the time you notified the insurer and the premium will be returned. The insurer may retain its reasonable administration and transaction costs and a short term premium.

You cannot return the contract of insurance if it has already expired or if you have made a claim under it.

Privacy

We 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 with whom you choose to deal (and their representatives). We do not trade, rent or sell your information.

If we transfer our business, or if your adviser moves to another Australian financial services licensee, we will try to contact you and seek your consent, before any of your records or other personal information is transferred. If you do not respond, we will give your details to the transferee as new licensee so that they can service your needs.

You can check the information we hold about you at any time. For more information about our Privacy Policy, ask us for a copy or visit our website on www.insuranceadviser.net

Sums Insured – Average and Co-Insurance

Some insurance contracts require you to bear a proportion of each loss or claim if the sum insured is inadequate to cover the amount of the loss. These provisions are called 'average' or 'co-insurance' clauses.

If you do not want to bear a proportion of any loss, when you arrange or renew your contract of insurance, you must ensure that the amount for which you insure is adequate to cover the full potential of any loss. If you insure on a new for old basis, the sum insured must be sufficient to cover the new replacement cost of the property.

Interests of other Parties

Some insurance contracts do not cover the interest in the insured property or risk of anyone other than the person named in the contract. Common examples are where property is jointly owned or subject to finance but the contract only names one owner or does not name the financier.

Please tell us about everyone who has an interest 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. For example, some agreements (such as leases) disclaim or limit the liability of the other party (such as the lessor).

Please tell us about any contracts of this type which you have or propose to enter into.

Standard Covers

The Regulations to the Insurance Contracts Act set out standard terms for the cover which is provided by motor vehicle, home buildings, home contents, sickness and accident, consumer credit and travel insurance (including a minimum amount of insurance). If an insurer wants to alter these terms or offer less than the minimum amount of insurance they must clearly inform you in writing that they have done so. They can do this by providing you with a Product Disclosure Statement or a copy of the insurance contract.

Unusual Terms

If an insurer wants to rely on a term in a contract of insurance which is not usually included in contracts that provide similar cover, they must clearly inform you in writing of that term. Again, they may do so by providing you with a copy of the insurance contract.

Legal Liability

In respect of this class of insurance, your cover does not extend to any liability you have agreed to accept unless you would have been so liable in the absence of such agreement.

Limit of Liability

The Insurer's limits of liability shall not exceed the sum insured stated against each item in the Policy.

Utmost Good Faith

Every insurance policy is based on the utmost good faith. This means that both you and the Insurer must act towards each other with the utmost good faith. If you do not, your right to claim under the policy may be effected.

12. WHO DO I CONTACT WITH ANY COMPLAINTS AND/OR DISPUTES?

If you are not fully satisfied with our services and/or your complaint is not satisfactorily resolved, please contact by telephone or in writing:

The Managing Director,
Insurance Advisernet Australia Pty Ltd
PO Box 633,
NORTH SYDNEY NSW 2059
Phone: 1300 366 085

We will endeavour to resolve your problem openly and fairly and within 14 days.

If you are still not satisfied, we subscribe to the Financial Ombudsman Service (FOS) complaints resolution scheme, 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 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).

In some circumstances a complaint or dispute may arise between you and the insurance provider. In such circumstances IAA will assist you with details of the insurers Internal Dispute Resolution process and, if the dispute remains unresolved access to the Financial Ombudsman Service. The Financial Ombudsman Service can make determinations on participating insurance providers, up to \$280,000.

Further Information about FOS is available from IAA and/or from www.fos.org.au or you may call them directly on 1300 780 808