

# FINANCIAL SERVICES GUIDE

Effective from 01/04/2014



## Financial Services Guide

This Financial Services Guide 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, 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. If there is any change to these terms, we will also provide you with a Letter of Engagement which, together with this Guide, will record 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:

- Statements of Advice – these will be summaries of our advice and the basis on which it was provided;
- Product Disclosure Statements – these will contain information about the products we recommend to you; 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.

*This FSG was prepared on 01/04/2014.*

## About Us

Q Sure Insurance Brokers holds Australian Financial Services Licence No 246526 under the Corporations Act 2001 to provide general insurance broking services.

## Our Services

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

We can advise about and arrange the following insurances on your behalf: Business, Motor Vehicles, Home/Contents, Investment Properties, Travel, Professional Indemnity & Directors / Officers Liability, and many more.

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, your situation and your 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, we will be unable to comprehensively review your circumstances. As this may limit our ability to make appropriate recommendations, you will need to assess the appropriateness of our advice to your needs before acting on it.

## Important Relationships

Q Sure Insurance Brokers is an independently owned insurance advisory firm.

### **STEADFAST**

Q Sure Insurance Brokers is a shareholder of Steadfast Group Limited (Steadfast). Steadfast has exclusive arrangements with some insurers under which Steadfast will receive between 0.5-2% marketing and administration fee for each product arranged by us 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 us and other Steadfast shareholders) and the amount of total business we place with the participating insurers in any financial year, we may receive a proportion of those fees at the end of each financial year. As a shareholder of Steadfast we have 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 has a shareholding in Macquarie Premium Funding. If we arrange premium funding with Macquarie Premium Funding for you, under this agreement, Steadfast will receive 0.5% of your insurance premium (including Government fees or charges). As an equity shareholder of Macquarie Premium Funding, Steadfast may also receive dividends from profits of Macquarie Premium Funding. The amount of the Steadfast dividend is based on the share of the profit attributable to funding arranged by Steadfast shareholders. The payments (commission and dividends) that Steadfast receives from Macquarie Premium Funding are used to operate Steadfast. Depending on the operating costs of Steadfast and the amount of total business we place with Macquarie Premium Funding in any financial year, we may receive a portion of those amounts at the end of each financial year.

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 the Steadfast FSG at [www.steadfast.com.au](http://www.steadfast.com.au).

### **CQIB**

Q Sure Insurance Brokers is also a member of the Council of Queensland Insurance Brokers Inc (CQIB) and may receive indirect benefits from arranging cover for CQIB branded products. CQIB negotiates with certain insurers to issue enhanced products with broader cover for the clients of CQIB members. CQIB may receive royalties and/or sponsorship from the insurers depending on the continued support from members. CQIB also receives sponsorship from Insurers and other service providers for its annual convention and monthly member meetings. These royalties and sponsorships also provide members Education programs which offer opportunities for members to enhance their skills and knowledge.

### **QUS**

Principals of Q Sure Insurance Brokers Pty Ltd also have a shareholding of 3.03% in Queensland Broker Holdings Pty Ltd which holds a 47.5% share in QUS Pty Ltd who operate an underwriting agency trading under the name of QUS Pty Ltd. Where appropriate for our clients needs, Q Sure Insurance Brokers may recommend products from QUS Pty Ltd. As a shareholder we may receive dividends from QUS Pty Ltd through the shareholding in Qld Broker Holdings Pty Ltd.

## How we will look after your insurance needs?

You can provide us with instructions in person, by telephone or email or in writing.

### **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 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 an offer to renew the insurance contract and invoice you for the cost of renewal. 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.

We will notify you when renewal has been effected.

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, 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 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 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.

If any claims are outstanding when you terminate our appointment as your insurance broker, we will provide details of the claim(s) to your new insurance broker so that they may continue to negotiate settlement on your behalf.

## Fees for Our Services

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

### **Our remuneration**

We may be paid 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 premium (varies between 7.5% to 22.5%). If we accept a commission, we may also charge you an arrangement fee which offsets some business running costs.

We will provide you with specific information about the basis and amount you will be charged before or at the time we arrange your insurance.

Our charges include GST. Some of our charges may be tax deductible. If we hold your money in trust pending payment to the insurer, we also receive the interest earned.

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.

If a person has referred you to us, we may pay them a part of any fees or commission received. This will not increase the amount you pay us.

## Terms of Payment

### **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 30 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. 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. Although they do not usually require any security, premium funders do charge interest.

We can arrange premium funding on your behalf 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 before or at the time the premium funding is arranged.

### **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 insureds 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 refund the net premium we receive from your insurer. We will not refund our fees or commission for arranging the insurance.

## Important Information

### **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.

### **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.

### **Cooling Off Period – Retail insurance only**

If you decide that you do not need a contract of retail insurance which has been arranged on your behalf, 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.

You can check the information we hold about you at any time. For more information about our Privacy Policy, ask us for a copy.

### **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 any one 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, 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.

### **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.

## **Complaints and Disputes**

If you are not fully satisfied with our services, please telephone our office. We will acknowledge your complaint in writing and endeavour to resolve your problem within 20 days.

Q Sure Insurance Brokers is a member of the Financial Ombudsman Service (FOS). If your complaint cannot be resolved to your satisfaction within 20 days by us you have the right to refer the matter to FOS. They can be contacted at Level 5, 31 Queen St, Melbourne VIC 3000 on 1300 780 808, fax 03 9613 6399, email [info@fos.org.au](mailto:info@fos.org.au) or website [www.fos.org.au](http://www.fos.org.au).

Further information about the FOS is available from our office.

### **Q Sure Insurance Brokers**

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