



# Financial Services Guide (FSG)

Version 2.2

This FSG sets out the services that we can offer you. It is designed to assist you in deciding whether to use any of those services and contains important information about:

- o the services we offer you
- o any potential conflict of interest we may have
- o how we and others are paid
- o our internal and external dispute resolution procedures and how you can access them.

Garaty Murnane Insurance Brokers holds Australian Financial Services License No 227321 under the Corporations Act 2001 to provide General Insurance Broking advice and services. We are also a member of the Steadfast Insurance Broker Group.

## OUR SERVICES

Garaty Murnane Insurance Brokers is committed to providing sound advice based upon your needs and our comprehensive market knowledge.

We offer a range of services to assist you in protecting your assets. These include;

- o reviewing and advising you on your insurance needs
- o arranging and renewing insurance contracts on your behalf
- o arranging premium funding if required
- o assisting with insurance claims

We can advise about and arrange **any General Insurance Product** on your behalf.

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 must also tell us about any relevant changes as they occur.

If you are unable to, 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.

We will provide you with further information whenever we provide you with advice which in relation to retail products that takes into account your objectives, financial situation and needs. This information may include the advice that we have given you, the basis of the advice and other information on our remuneration and any relevant associations or interests. This information may be contained in a "Statement of Advice" (SoA) or a "Further Information about our Advice" document.

## HOW WE WILL LOOK AFTER YOUR INSURANCE NEEDS

You can provide us with instructions in person, by telephone, 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 form for completion. You will need to complete and sign this form and return it to us as soon as possible and before the interim cover expires.

We will also provide you with, or pass onto you, a product disclosure statement (PDS) or short form PDS from the insurer. The PDS or short form PDS will contain information about the particular policy which will enable you to make an informed decision about purchasing that policy.

We will send you the original insurance contract(s) as soon as it is issued correctly. As insurance contracts are legal documents you should check them thoroughly and 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.

Unless you tell us otherwise we will automatically renew your insurance to ensure you continue to be covered. At that time we will send you a renewal invoice. If you wish to change the details of the cover or if there is a change to your circumstance, contact us as soon as you receive the renewal invoice. We can then assess the appropriateness of your insurance and whether you require further advice from us.

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 your 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 your insurance contract to ensure it 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 adjuster is appointed we shall pass on your contact details and, if required, co ordinate meetings. In the case of a major loss, we can attend the initial meeting with the loss adjuster if you wish us to.

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

In the event you terminate our appointment as your insurance broker and there are claims outstanding we will provide details of the claim(s) to your new insurance broker so that they may continue to negotiate settlement on your behalf

## **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;

- o reduces the risk to be undertaken by the insurer;
- o is common knowledge;

- o your insurer knows, or in the ordinary course of its business, ought to know; or
- o 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 insurance 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**

Please note retail insurance policies are deemed as follows:

- o The client is an individual or has purchased the insurance product for use in connection with a small business;
- o The client has purchased a general insurance contract which has been designated as a retail product. The following contracts have been designated as retail:

Motor Vehicle (including Taxi)  
Home Building  
Home Contents  
Sickness and Accident  
Consumer Credit  
Travel  
Personal and Domestic Property  
Medical Indemnity - and  
Any other kind of insurance prescribed in the regulations

If you decide that you do not need a contract of retail insurance which has been arranged on your behalf, you have 14 days from the earlier of the date you received confirmation of the contract or 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 us to advise about and assist with your insurance needs. We only provide your information to the insurance companies (and their representatives) with whom we choose to deal on your behalf. 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.

### **No Contact/No Call Register**

We have a no contact/no call register and if you would like to be placed on this list could you please advise the following:

- o That we not mail, contact or call you in relation to marketing matters.
- o Agree for us to call you regarding marketing purposes but specify the time and frequency of such calls.
- o Agree for us to send promotional material and/or information about insurance and related matters.

### **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.

### **Interest 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, e.g. by signing an agreement which disclaims or 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 Regulation to the Insurance Contracts Act sets 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 Product Disclosure Statement or a copy of the insurance contract.

### **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 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**

Premium funding products enable you to pay your premiums by installments. 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.

#### **Cancellation**

We cannot cancel a contract of insurance without written instructions from a person 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 you insurer. We will not refund our fees or commission for arranging the insurance.

### **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 are paid commission by the relevant insurers when we arrange insurance on your behalf. As a general rule, the insurer will pay us an amount based on a percentage of the insurer's base premium (i.e. premium excluding stamp duty, fire services levy if applicable, GST and any other Government charges, taxes, fees or levies). We may also charge you an arrangement fee. This will be shown separately on your tax invoice
- Steadfast has exclusive arrangements with some insurers under which Steadfast will receive between 0.5-1% commission 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 that commission 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.
- We may also receive a profit share commission or commission based on the volume of business transacted with insurers in the future, which can vary depending on whether the particular portfolio of business reaches a certain level of profitability or volume. These commissions are payable in accordance with our agreement with the relevant insurers.
- Premium Funding Companies may pay us a commission based on the total amount funded by Garaty Murnane Insurance Brokers. If we organise premium funding with a Steadfast Partner Funder we may receive, in addition to the standard commission paid by the Funding Company an additional over rider commission.
- We also participate in a program provided by Zurich Australian Insurance (Zurich) under which we may obtain additional benefits by way of profit

share and business support services. The amount of profit share (if any) is determined by Zurich in April of each year by reference to the combined results of the total motor and property portfolios placed by us with Zurich in the preceding calendar year. If actual accident year claims are less than target level claims for motor and property when combined, then we may become entitled to a percentage of that difference, to be determined by Zurich. However, this is subject to the satisfaction by us of specific planned objectives in respect of our business, which we agree with Zurich prior to the commencement of each year. In each year we are also entitled to the provision to us by Zurich, at its cost, of business support services to a value of \$7000.

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.

### **How are our advisers paid?**

- Our advisers are paid a salary and may receive a percentage of premium funding commissions generated by them.
- Authorised representatives are paid a percentage of any insurance commissions, fees or premium funding commissions that are generated by them.

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

### **COMPLAINTS AND DISPUTES**

If you are not fully satisfied with our services, please telephone our Responsible Officer, Liz Murnane, who handles complaints and disputes. We will acknowledge your complaint in writing and endeavour to resolve your problem within 15 working days.

If you are still not satisfied, we subscribe to the Insurance Ombudsman Service (FOS) which handles complaints against brokers involving amounts up to \$50,000 and relating to a variety small business and domestic processes. You can refer your complaint to the FOS Consumer Relations Manager 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 you).

Further information about the FOS is available from our office.

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