

FINANCIAL SERVICES GUIDE (FSG)

This FSG applies from the 8th of May 2017

This Financial Services Guide (FSG) contains information about our services, charges and your rights. We also highlight other important matters in relation to your insurance, including how complaints will be dealt with.

BAC always puts our clients' interests first and foremost, and not those of the Insurers.

We trust this will assist you in deciding whether to use the services provided by BAC Insurance Brokers Pty Ltd (BAC).

BAC is licensed by ASIC to provide financial products, advice and dealings for general insurance products related to retail and wholesale clients. If you ask us to act as your 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 may also provide you with a letter of engagement which, together with this guide, will record the basis of our relationship.

You may also be provided with some additional documents, including, but not limited to:

- Statement of Advice – This will summarise our advice, the basis in which our advice is given and information about our remuneration, including fees and/or commission.
- Product Disclosure Statement – This document is issued by the insurer and will contain information about the particular financial product we recommend. This will help you make an informed decision about the financial product and determine whether the policy is suitable for your needs and requirements.
- Confirmation Notice (BAC Tax Invoice) – This will summarise the details of the product we have arranged on your behalf, in line with your instructions.

The Financial Services covered by this FSG are provided by:

Company:	BAC Insurance Brokers Pty Ltd
AFS License No:	240348
ABN:	92 003 043 294
Address:	The Connaught Offices, Level 3, 185 Liverpool Street, Sydney NSW 2000
Postal Address:	PO Box 84, Darlinghurst NSW 1300
Telephone:	(02) 9360 2244
Fax:	(02) 9360 9850
Email:	reception@bacbrokers.com.au

Our Services Include:

- Reviewing and advising on your general insurance needs;
- Arranging and renewing general insurance on your behalf;
- Assisting you with general insurance claims.

How can you instruct us?

You may instruct us in person, by phone, post or email. It is important that you provide us with complete and accurate information about the risk to be insured, otherwise the advice we give you may not be appropriate for your needs.

Further information when personal advice is given

We will provide you with further information whenever we provide you with advice which 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 BAC Insurance Report.

When you ask us to recommend an insurance policy, we will 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.

Will I receive tailored advice?

Not in all cases. To do so, we will need information about your personal objectives, details of your current financial situation and any relevant information. Only once we have been provided with these details, will we be able to arrange insurance policies for you, or give you advice about your insurance needs. We will ask you or your authorised representative (Strata Manager) for details that we need to know.

In some cases, we will not ask for any of this information. If we do not ask, or if you do not give us all of the information we ask for, any advice you receive will be general in nature and may not be appropriate for your needs, objectives and financial situation. You should read the advice warnings contained in any BAC SOA, report or correspondence that we give you, before making any decision about an insurance policy.

Where we provide you with advice about your insurance arrangements, that advice is current at the time that we give it. We will review your insurance arrangements when you inform us about changes in your circumstances or upon renewal of your insurances.

How You can help

Tell us about your current situation
Tell us your needs and objectives
Tell us about changes as they occur

Your Duty of Disclosure

To make an informed assessment of the risk and calculate the appropriate premium, your Insurer needs information about the risk you are seeking 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 Insurers 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.

If you have any questions about whether information needs to be disclosed to your Insurer, please don't hesitate to contact our office.

Claims

When you need to make a claim, we can advise if it is covered under your policy and assist you to prepare and submit the claim to the Insurer. If there is uncertainty about whether a claim is covered under your policy, we will advise you.

If the Insurer appoints a loss adjustor we shall, with your permission, pass on your contact details and coordinate meetings. For major losses, we can attend the initial meeting with the loss adjustor, if you wish for us to do so.

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

If you terminate our services and there are outstanding claims, we will provide details of the claim/s to your new insurance broker so that they may continue to negotiate settlement on your behalf.

Cancellation

We cannot cancel a contract of insurance without written instructions from a person authorised to represent each of the named insured parties.

If you cancel your insurance mid-term, we will refund the net premium we receive from your Insurer. We will not refund our fees or commission for arranging the insurance.

Unless specifically agreed to the contrary, we shall be considered to have earned all remuneration in full at the time the policy is placed.

If there is a premium funding contract in place and you cancel your policy mid-term, we will pay the premium funder any outstanding balance before refunding you the difference (if applicable).

How we protect your privacy

BAC are committed to protecting your privacy. We use the information you provide to negotiate the best possible insurance program which satisfies your insurance needs. We only provide your information to the insurance companies with whom you deal or may choose to deal, (or 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, please contact our office.

How will I pay for the services provided?

When you pay us your premium, it will be banked into our trust account. We retain the commission from the premium you pay us and remit the balance to the Insurer in accordance with our arrangements with the Insurer. We will earn interest on the premium while it is in our trust account or (we may invest the premium and earn interest). We will retain any interest earned.

How are any commissions, fees or other benefits calculated for providing the financial services?

Our commission will be calculated based on the following formula:

$$X = Y\% \times P$$

In this formula:

X = our commission

Y% = the percentage commission paid to us by the Insurer. Our commission varies between 1% and 22.5%.

P = the amount you pay for any insurance policy (less any government fees or charges included in that amount).

We may also charge you a broker fee. This fee will always be disclosed on our Tax Invoice.

BAC may pay a portion of our commissions, fees or benefits, to others who refer you to us (i.e. Strata Managers). If we do, the amount paid to those parties is out of our commission or fees (not in addition to those amounts).

Our employees that will assist you with your insurance needs will be paid a market salary and may also receive bonuses based on company performance criteria established by us (including volume of sales).

If we give you personal advice, we will inform you of any fees, commission or other payments we, or anyone referring you to us will receive in relation to the policies that are the subject to the advice. If we provide you with general advice only, you may request further details regarding our remuneration before we provide further services to you.

Our relationships, conflicts, benefits or associations with others

BAC Insurance Brokers may have exclusive arrangements with some Insurers whereby we benefit.

To manage these conflicts of interest, we have a policy and procedure in place, including training and monitoring of staff, to ensure we managing any conflicts appropriately. Our company and staff must comply with this policy and procedure.

Where a conflict is unavoidable, we will consult with you and manage the conflict in such a way as to avoid prejudice to any party.

Some Insurers pay between 0.5% and 5% bonus commission, regardless if the policy is placed net, based on productivity, profit and/or retention.

The amount payable to BAC from participating Insurers in any financial year is only known and received at the end of each financial period. To this end, any premiums quoted to you will not alter as a result of any such bonus commission payable to BAC.

Strata Managers (Authorised Representatives or distributors) remuneration

Your Strata Management firm may receive a commission for dealing and arranging your insurance, based on the rates set out below. The rate is applied to the basic premium for strata related products.

The commissions are not charged directly to you, but as part of the licensee's income.

- a) Up to 15% of the base premium, excluding Workers Compensation
- b) Up to 50% of the Brokerage Fee charged by the licensee
- c) A percentage of the total income derived from your policy

All commissions paid to your Strata Manager by BAC, will be confirmed in writing in our Insurance Report (shown as a dollar figure).

Our Strata Managers who act as Authorised Representatives or Distributors of BAC, are authorised to deal in a financial product and give general advice (Authorised Representatives) or factual information (distributors) only. At no time are our Authorised Representatives or Distributors allowed to give the insured personal advice.

For further clarity, when referring to your Strata Manager, we include the individual who is authorised by the licensee and the Strata Management Company that employs your Strata Manager.

Material Issues

You must also notify your Insurer of any significant changes which occur whilst the policy is in force or under negotiation. If you do not, your insurance policy may be prejudiced.

We can assist you in telling the Insurer about changes to your risk and to ensure that your contract of insurance is altered to reflect those changes accordingly.

Premium Funding

Premium funding products enable you to pay your premiums by instalments. Premium funders do charge interest and they take a power of attorney over your insurance policy.

We can arrange premium funding on your behalf, if required. In most cases, funding will be offered by Premium Funding Australia Pty Ltd which is owned by a Director of BAC Insurance Brokers. We receive no commission for our referral or from the contract.

If funding is placed with an alternative funder, we receive up to 1.5 % of the amounts funded.

Cooling Off Period – Retail Insurance only

A cooling off period may apply to an insurance policy issued to you as a retail client. During the specified period you may return the policy. Details of your cooling off rights will be included in the relevant insurer's Product Disclosure Statement.

You must tell the Insurer in writing that you wish to return the insurance policy and have the premium repaid. The insurance policy will be terminated from the time you notify the Insurer. 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 during the policy period.

Our Professional Indemnity Insurance

BAC Insurance Brokers holds a Professional Indemnity Insurance policy which provides cover for errors, omissions or mistakes relating to our professional broking services.

This insurance meets the requirements of the Corporations Act and covers the services provided by us and our representatives (including BAC Authorised Representatives).

The BAC Professional Indemnity policy will also cover claims for errors & omissions relating to the conduct of employees and representatives who no longer work for us.

What to do if you have a complaint

If you wish to complain about our services, you can either discuss the matter with your adviser or contact our Complaints Officer on (02) 9360 2244. We will acknowledge receipt of your complaint within 2 days, and attempt to resolve it within 14 days.

We are a member of the Financial Ombudsman Service, an external dispute resolution scheme. If you are not satisfied with the manner in which we handle your complaint, you are entitled to take your complaint to them. You can contact them on 1300 78 08 08 or info@fos.org.au. Any decision they make is binding on us but not on you.

If you have any questions about this Financial Services Guide, please contact us on (02) 9360 2244.

Please keep this document for your reference and any future dealings with BAC.

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