



Financial Services Guide

This Financial Services Guide (FSG) 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 we 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. Any terms which are specific to our relationship with you, may be contained in a Letter of Engagement.

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.

About Us

Indagard Insurance Services is an Authorised Representative of McCormick Harris Insurance Brokers. We are authorised by McCormick Harris to provide services in accordance with the terms and conditions set out in this guide.

McCormick Harris Insurance Brokers are registered trading names of McCormick Harris & Associates Pty Ltd. McCormick Harris & Associates Pty Ltd are holders of an Australian Financial Services Licence under the Corporations Act 2001 to provide financial product advice on, and deal in general insurance products. AFSL: 238979 ABN: 29 912 860 252

McCormick Harris Insurance Brokers was established in 1996 following the merger of two existing insurance businesses. We aim to develop close working relationships with our clients to provide them with the most professional and reliable advice on their commercial Insurance requirements and their related personal insurance covers.

We are a member of the National Insurance Brokers Association and a member of IBNA Limited.

Our Services

We offer a range of services to assist you to protect your assets and your legal liabilities.

These include:

- Reviewing and advising on your insurance needs;
- Identifying Risk factors to avoid claims
- Management of insurance claims.

We are able to advise about and arrange general insurance products including corporate, commercial and retail insurance programs tailored to your needs.

What we expect from you

To enable us to provide the right advice we will need you to provide us with complete information about the risk(s) to be insured.

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

You should also tell us about any relevant changes as they occur so that we can review your insurance requirements.

We also expect you to pay our invoices on time and to complete all forms in an honest and accurate manner and to return them in a timely manner.

Retail Clients

Under the Corporations Act 2001 (The Act), retail clients are provided with additional levels of protection from other insurance purchasers. A Retail client is defined as:

Individuals or a small manufacturing business employing less than 100 people or any other business employing less than 20 people.

AND the financial product is:

- i. Motor Vehicle Insurance
- ii. Home Building Insurance
- iii. Home Contents Insurance
- iv. Sickness and Accident Insurance
- v. Consumer Credit Insurance
- vi. Travel Insurance

And all other classes as prescribed by regulations.

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.

If you are a Retail Client 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.

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 recommendations about the purchase of a particular financial product are made in the SOA, 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.

Cooling Off

All retail products are subject to a 14 day "Cooling off period". This means that if you are not happy with the product, you have 14 days to withdraw from the contract at no cost to you.

Important relationships

We are a privately owned business.

As your Insurance Broker we act on your behalf.

We are also a Shareholder of IBNA Limited ("IBNA"). IBNA is a national marketing group that provides us with access to a range of resources and develops products and services for our clients. This assists us when we provide services to you by giving:

- Access to insurance products underwritten by a wide range of insurers.
- Access to insurance products that provide wide insurance cover.
- Access to consultants with specialised skills in certain risk products and services.

How we will look after your insurance needs

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

We will respond to your insurance requirements in a professional and timely manner. At all times as your broker we will act for you in any dealings we have with insurers unless we inform you otherwise.

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 or where applicable direct you on how to pass on this information.

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 or appoint someone to act for you to attend 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:

- Negotiate settlement on your behalf subject to a claim service fee (to be agreed) or,
- 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

When we place insurance for you, we normally receive a payment from the insurer. This payment is referred to as a commission; the amount we are paid from the insurers varies between 0% and 30% of the base premium you pay.

Commission generally covers our costs associated with arranging, delivering and servicing the product.

Where a policy is cancelled before the period of insurance has ended we will usually retain the commission on any return premium involved.

We also have a standard set of non-refundable Broker Fees that we charge for the services we provide that the commission does not cover. All Broker Fees payable for our services will be advised to you at the time of providing the advice or service.

Fees and commission are our main source of income and cover the cost of providing services to you including:

- Market Research on available products
- Assessment of claims paying ability of insurers
- Sourcing of alternative quotations
- Staff development and training to assist in delivering service to you.

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.

McCormick Harris Insurance Brokers is a shareholder of IBNA Limited (IBNA), a national marketing group. IBNA receives between 0% and 5% commission and override on premiums paid from certain insurers or premium funders. This income is used to operate IBNA and any surplus funds may be paid to us and other shareholders as a dividend or as a rebate.

We may receive additional remuneration from insurers with whom we have profit share or volume bonus arrangements. This remuneration is payable if we meet certain agreed sales and/or profitability targets set by the insurer. If we have profit share arrangements with an insurer that apply to a product we recommend to you, we will advise you of this at the time of making any such recommendation if the amount involved is material.

How our staff are paid

Our Staff including Account Executives 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 with whom we have an agreement, we may pay them between 0 to 50% of our remuneration. This will not increase the amount you pay us.

Remuneration or other benefits received by authorised representatives of McCormick Harris.

Payments to our Authorised Representatives are based on a percentage of commission and fees derived from business serviced by them. The percentage varies between 0% and 90.00% according to the range of services they perform for us. There are no additional costs to you in accessing the McCormick Harris services through them.

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 upon receipt of the invoice or, in the case of a renewal, within 14 days of the expiry date of the contract of insurance.

If you do not pay the premium on time the insurer has the right to 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.

Credit Card Fees

If you pay by credit card we may charge you a credit card (incl. arrangement & handling) fee, which is always disclosed and shown separately on our invoices to you, they are non-refundable. This fee reimburses us for the bank interest, extra charges/costs and internal time generated for credit card use.

Premium funding

Premium funding products enable you to pay your premiums by instalments. 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 if you ask us.

Privacy

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.

Complaints and Disputes

Clients not satisfied with our services should contact our Complaints Officer. We are members of the Financial Ombudsman Service (FOS), a free consumer service. Further information is available from our office, or contact FOS directly on 1300 780 808 or visit www.fos.org.au. We also follow The Insurance Brokers Code of Practice.

Conflicts of interest

As a business we have a relationship with and receive income from various third parties as detailed in this FSG. Details of relationships that impact the advice that we provide will be included in any SOA we send you. We will give you further information regarding relationships and remuneration that may impact any General Advice provided by us or representatives upon request.

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.

IMPORTANT NOTICE

Your duty of disclosure

Before you enter into a contract of general insurance, with an insurer you have a duty, under the Insurance Contracts Act 1984 to disclose to the insurer every matter you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of insurance and, if so on what terms. You have the same duty to disclose these matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matter:

- that diminishes the risk to be undertaken by the insurer;
- that is of common knowledge;
- that your insurer knows or, in the ordinary course of his business ought to know;
- as to which compliance with your duty is waived by the insurer.

Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce his liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from the beginning.

Average

Where a contract includes the averaging provision we are required to draw attention to the nature and effect of the provision. Average means that if you are under insure you may not receive full compensation in the event of a loss occurring. It puts you in a position where you proportionally share a loss.

Hold harmless agreements, contracting out, removal of subrogation rights

You will prejudice your rights of a claim, if, without prior agreement from your insurer, you make any agreement that will prevent the insurer from recovering the loss from a third party. These "hold harmless" clauses are often found in leases, in maintenance or supply contracts from a burglar alarm or fire protection installers and in building repair contracts – if you are in doubt please consult with us. This notification requirement applies to all property cover and also to Liability insurances. It also has a special connotation in Products Liability where you must not (without the insurers prior agreement) hold a supplier "harmless".

Insuring the interest of other parties

If you require the interest of a party other than the named insured to be covered, you MUST request this. Most policy conditions will exclude indemnity to other parties (eg mortgagees, lessors, principals etc) unless their interest is properly noted on the policy.

Utmost good faith

Insurance contractors are subject to the doctrine of utmost good faith and this is part of the Law. Utmost good faith must be strictly adhered to by both parties and if you fail to do so you may prejudice any claim.

Change of risk or circumstances

It is imperative that you advise us of location changes, of new business activities, new products or any radical departure from your normal form of business. For example, an insurer may well accept an engineering risk but no longer give cover if a woodworking activity is entered into. In Liability Insurance, Underwriters must be aware if the nature of your business changes and specifically in Products Liability if your product range changes, you are involved in products not previously referred to underwriters. In Personal Accident Insurance a change in occupation or sporting activities could prejudice your cover.

Claims made policies

Professional Indemnity, Directors and Officers Liability, Trustees Liability, Product Tamper, Legal Expenses and some General and Products Liability policies are issued on a "claim made" basis. This means that the policy only covers you for claims which are made against you and notified to the insurer during the period of cover.

The policy will not respond to:

- events or circumstances that occurred prior to the retroactive date stated in the policy;
- claims or circumstances known or notified prior to
- inception of the policy; or
- claims or circumstances notified after expiry of the policy irrespective of the date of the occurrence involved.

Where you become aware of the facts or circumstances that might give rise to a claim against you, it is imperative that you give notice in writing as soon as possible and before expiry of the period of cover.

Return Premiums

In the event of one or more insurance policies being cancelled by you or by insurers, we will refund you the return premium agreed to with the insurer less the full amount of brokerage we became entitled to at the time of placing the Insurance or Insurances on your behalf.

Insurers

Unless otherwise stated your insurances are or will be arranged or effected with Insurers that are fully licensed and approved to conduct insurance business in Australia. Such insurers are governed by the financial services reform act which establishes a set of obligations which must be adhered to. The Australian Prudential Regulatory Authority is responsible for the supervision of these insurers and we hereby disclaim any liability for losses that you may not be able to recover from your insurer or insurers should they be unable to meet their financial obligations. From time to time we may place cover on your behalf as an agent of the company, we will advise you if this occurs.

Complaints and Disputes

If you are not fully satisfied with our services, please write to our Complaints Officer. We will acknowledge your complaint in writing and endeavour to resolve the matter with 20 days.

If you are still not satisfied, we subscribe to the Financial Ombudsmen Service.

You can refer your complaint to the Financial Ombudsman Service 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 Financial Ombudsmen Service whose decision is binding on us (but not on you).

Further information about the Financial Ombudsmen Service is available from our office.

Commission and fees to others

Where a third party has introduced the business to us they may receive commission from us on the business introduced.

Our Income

Indagard Insurance Services earns income from fees we may charge you, from commissions paid to us from insurers, Premium Funders and from investment income on premiums whole the premiums are in our Insurance Broking Account.

These Statutory duties remain throughout the life of your insurance cover and will apply to any alteration or amendment or subsequent renewal.

Privacy

We abide by the privacy legislature commencing 21 December 2001. For a copy of our privacy policy please contact us.

Financial Services Guide.

For full details of our services please refer to our Financial Services Guide at the start of this document or visit www.indagard.com.au.

Trading Names

Indagard Insurance Services is a Corporate Authorised Representative, No. 1262355, of McCormick Harris & Associates Pty Ltd, ABN 29 912 860 252, AFSL No. 238979. Trading as McCormick Harris Insurance.

Alliances

McCormick Harris & Associates Pty Ltd are members of the National Insurance Brokers Association (NIBA) and the Insurance Brokers Network of Australia (IBNA).