

Our Financial Services Guide and Commitment to You

Date of Preparation: 31 August 2019





This is an important document, please read it carefully and keep it in a safe place. This Financial Services Guide (FSG) is designed to assist you in deciding whether to use any of our services. It contains information about the remuneration we receive, our professional indemnity insurance, and how any complaints you may have will be handled. It replaces any previous FSG issued to you by us.

If you ask us to arrange insurance, we may also provide you with a Product Disclosure Statement containing information about the policy.

ABOUT US

Elkington Bishop Molineaux Insurance Brokers Pty Ltd (EBM) ABN 31 009 179 640 holds Australian Financial Services Licence No 246986 to provide general and life insurance services.

We are a privately owned and operated business. Since 1975, we have helped Australian companies and individuals with their risk solutions and obtaining insurance cover. Our comprehensive service includes tailored products designed to meet the specific requirements of major corporations, small businesses and private households.

We are a member of the National Insurance Brokers Association of Australia (NIBA) and we subscribe to the Insurance Brokers' Code of Practice.

OUR SERVICES

We offer a range of general and life insurance broking and risk solution services to assist you in protecting your assets and against liabilities.

These include:

- Arranging and renewing insurance contracts on your behalf;
- Assisting with claims;
- Arranging premium funding; and
- Risk management advice.

We assist our business and corporate clients by advising on insurance appropriate to your needs. We offer our specialist broking services in a range of areas including:

Areas of Excellence

- Business
- Construction
- Corporate Risk Management
- Injury Management
- Marine
- Mining/Services to Mining
- Personal
- Professional Risks
- Rural and Regional
- Trades
- Workers' Compensation

For our retail clients, if you require retail insurance products we will offer you general advice only, we will not offer advice specific to your needs. As an insurance broker we usually provide our services as your agent however, we will advise you when we provide our services as an agent of the insurer.

OUR TECHNICAL EXPERTISE

Our people are the foundation of our success. Our senior brokers are NIBA Qualified Practising Insurance Brokers who hold professional accreditations and have extensive experience in the Australian and international markets.

IMPORTANT RELATIONSHIPS

We are related to the following companies:

RentCover Underwriting Agency Pty Ltd ABN 76 130 218 91. We have authorised RentCover to act as our authorised representative (Authorised Representative No. 325630). RentCover provides general advice and arranges residential landlord and tenant insurance and we may refer you to RentCover when you require these services. We may receive commission if you use their services. We have a binding authority from QBE Insurance (Australia) Limited (QBE), who hold Australian Financial Services Licence No 239545. We have delegated the binding agreement to RentCover for RentCover to issue the policies and to deal with or settle claims on the insurer's behalf.

CoverLink Pty Ltd ABN 49 148 219 461. We have authorised CoverLink to act as our authorised representative (Authorised Representative Number 437921). We have a binding authority from various Lloyd's of London insurers and local Australian insurers and we have delegated the binding agreement to CoverLink to underwrite, price, accept and administer insurance policies and claims. CoverLink is also a wholesale insurance broker for certain products. We may ask CoverLink to research policies, or place insurance with an insurer, for you when you require CoverLink to underwrite, price and administer insurance policies and claims.

EBM Financial Planning Pty Ltd, ABN 46 090 738 613, Authorised Representative Number 235649. EBM Financial Planning is an authorised representative of Financial Wisdom Limited. We may refer you to EBM Financial Planning when you require financial planning advice. When providing advice, they act as your agent.

EBM Finance Pty Ltd, ABN 71 616 503 229, Credit Representative Number 495485. EBM Finance is a credit representative of IFBA Pty Ltd. We may refer you to EBM Finance, when you require finance or advice regarding finance for plant, equipment and assets.

When RentCover or CoverLink arrange insurance or deal with claims under the binder authority, they act as the agent of the insurer and not on your behalf.

OUR NETWORKS

EBM is a founding member of the Asia Australasia Alliance (AAA), an affiliation of leading insurance brokers that provides our clients with access to professional insurance solutions across Southeast Asia, China and the Pacific Islands.

EBM became the Australian partner of the prestigious GBN Worldwide (GBN) in 2015. GBN is a leading global insurance broking network enabling access to more than 5,000 insurance professionals in over 100 countries.

Locally, EBM is also a founding member of the National Insurance Brokers Association (NIBA) upholding the highest standards of ethics and professional practice in Australia. A number of our senior executives are Fellows of the Association.



FEES FOR OUR SERVICES

Our Remuneration

Fees and Commissions	
Type	Amount
Commission paid by insurer and premium funder	<p>We usually earn a commission from the insurer when we place your insurance or the premium funder.</p> <p>The amount is calculated as a percentage of the premium (excluding taxes and statutory charges) and is included in the premium quoted to you.</p> <p>Depending on the insurance product, our base commission ranges from 0% to 30%.</p> <p>We earn 2% of the funded amount from your premium funder if you use premium funding to pay your premium.</p>
Broker Fee paid by you	<p>We may charge a broker fee when we place your insurance. The amount of any fee we charge depends on the complexity of your insurance needs, the size of your account with us and whether we receive commission from the insurer.</p> <p>This fee is payable in addition to the premium.</p> <p>We will provide details of the broker fee at the time you purchase the insurance.</p>
Profit share commission paid by insurers	<p>Annually, we may receive a profit share commission from your insurer. Profit share is calculated on agreed profitability targets in relation to the portfolio we place with the insurer (e.g. the loss ratio/value of claims by our clients as a group). These benefits can change from year to year depending on claims experience and other variables.</p>
Support payments	<p>In some cases, we may earn a payment from the insurer or funder because they are our preferred supplier of a service or when we supply back office administration support services to them in relation to a service (including premium funding and workers' compensation risk management).</p>
Volume based commissions, management and performance fees paid by insurers and premium funders	<p>Annually, we may earn volume based commissions and management/performance fees from your insurer or premium funder when we meet certain targets across the entire portfolio we place with that insurer or funder.</p> <p>These targets are agreed with each insurer or funder and may be based on the total premiums paid by all of our clients (as a group), the growth in total premiums paid by our clients (as a group) or the retention of business by the insurer or funder in relation to our clients (as a group). These benefits can change from year to year depending on performance against those targets.</p>

Our remuneration will be disclosed to you at the time that we invoice you in relation to general insurance (except in relation to profit share and volume based commissions). You can also ask us for details of our remuneration within a reasonable time after you are given this FSG and before any financial service is provided to you.

None of the payments we receive from insurers increases the amount you are required to pay for your insurance.

How Are Our Insurance Brokers Paid?

Our insurance brokers are paid an annual salary and may receive a bonus based on meeting business goals across a wide range of factors, including leadership, income, compliance and adherence to the EBM Values.

Who Do We Pay?

We have appointed certain real estate businesses as authorised representatives to offer to arrange landlord's and renter's insurance for their clients through RentCover. Any commission or other benefits they earn is disclosed in their FSG. We may also pay our authorised representatives and contractors a retainer and an hourly rate when they help us with certain services, like placing specialist insurance.

If you have been referred to us, we may pay the referrer up to 25% of the commission and fees we earn the first time we place your insurance, and up to 10% of the commission and fees we earn when your insurance is renewed or adjusted. This will not increase the amount you pay us. You can ask us for details of their remuneration within a reasonable time after we give you this FSG and before we provide you with financial services.

HOW WE WILL LOOK AFTER YOUR INSURANCE NEEDS

For general insurance, a retail insurance client is an individual or a small business which purchases one of the following general insurance products:

- Motor vehicle;
- Home building;
- Home contents;
- Sickness and accident;
- Consumer credit;
- Travel;
- Personal and domestic property; and
- Medical indemnity
- Any other kind of insurance prescribed in the regulations (none at the date of this FSG).

A small business is a business employing less than 20 people, or if a manufacturer, less than 100 people.

For general insurance all other clients are wholesale clients.

For life insurance you will be a retail client unless:

- The life insurance is taken out by a large business in connection with your business; or
- The insured has provided an accountant's certificate.

Retail clients will be provided with a Product Disclosure Statement (PDS) prior to purchasing their insurance. This will contain the policy wording. For wholesale clients, the policy wording will be supplied by us from the insurer.



It is important that you retain a copy of the PDS and policy wording for each of your insurances. Other important information about your insurances appears in the final section of this document.

You can provide us with instructions in person, by telephone, email, facsimile or in writing. Where possible we prefer to provide you with correspondence and disclosure notices electronically via email or links to websites etc. (including FSG and PDS). If you have provided your email address to us we will typically use that email address for all correspondence and disclosure notices. Should you not wish to be sent disclosure documents electronically please advise us and we will update our records accordingly.

It is important that you provide us with full and accurate information about the risk to be insured otherwise any advice we give you may not be appropriate. If your circumstances change, any recommendations may no longer be appropriate. Please tell us about any changes in your circumstances.

We may use an underwriting agency or wholesale insurance broker to assist in the placement of the insurance for you (including RentCover and CoverLink). If this is the case you will be provided with the details of the underwriting agency or wholesale broker as well as details of the insurer(s). If you have any questions please let us know.

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 risk to be insured 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 to you as soon as they are issued correctly by your insurer. As these are legal documents, you should keep them in a safe place.

Renewals

Your insurers will give us 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 renewable contracts of insurance to ensure you continue to be covered. We will invoice you for the renewal premium. If you want to change the details of the cover, contact us as soon as you receive the renewal invoice. If you do not wish to renew the contract, you must provide us with written instructions.

If you arranged or renewed insurance directly with an insurer or through another broker or you have appointed another broker, we will not be responsible for notifying you of expiry or arranging renewal of those policies unless we have since been appointed or re-appointed as your broker in respect to them.

Variations

You should regularly monitor and review that your insurance contracts are adequate to cover your assets and potential liabilities.

If you want to vary any cover, e.g. by increasing the sum insured or adding other property, or if you would like us to conduct a review for uninsured risks or a risk assessment to identify whether variations are required, please let us know. If you ask us to arrange a variation, we will arrange it 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 pass on your contact details and co-ordinate meetings. In the case of a major loss, we can attend meetings 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.

Should you decide to terminate our appointment as your insurance broker, we will provide details of the claims to your new insurance broker so that they may continue to negotiate settlement on your behalf.

TERMS OF PAYMENT

Invoices

We will invoice you for the premium, statutory charges (e.g. stamp duty, fire/emergency services levy, GST) and any fees we charge for arranging your insurances. You must either arrange premium funding or pay us within 30 days of the date of the invoice. If you do not pay the premium on time, we are obliged to inform the insurer that you have not done so. The insurer then has the right to cancel the contract of insurance, this means that you will not be insured from the date the cancellation takes effect. 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 non refundable credit card fee. This fee reimburses us for the bank charges and any extra charges/ costs.

Premium Funding

Premium funding products enable you to pay your premiums by instalments. Whilst funders charge commercial interest rates, they do not usually require any security other than taking a power of attorney over the policy which gives them the right to request cancellation of the policies they are funding.

We can assist in arranging premium funding if you require it. Please note that our policy for refunds following cancellation of a policy applies to any policies cancelled as a result of a premium funding default.

We will refer you to our preferred premium funder. You are not obliged to use that premium funder, and you can use one of your preference, or ask us to look at alternatives for you.

Cancellations and Return Premiums

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.

Insurers cancelling policies governed by the Insurance Contracts Act 1984 are required to give notice which is effective at 4pm on the third business day, after the day, on which the notice is given.



If a contract of insurance is cancelled before expiry of the period of insurance and/or a return premium is due to you, we will refund the net premium we receive from your insurer – the insurer will usually refund an amount pro-rated according to the time on risk. Unless you are a Retail client, we will not refund our fees or commission applicable to the refunded premium.

We may set off monies owed to you as return premiums against monies owed by you.

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 them to insure.

For commercial insurances, 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
- Where the insurer has waived your obligation to disclose.

A different duty applies to certain retail client insurances and this involves answering specific questions from the insurer to allow the insurer to decide whether to insure and on what terms.

Non-Disclosure

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 not insured at all.

The disclosure required is especially important in matters relating to the physical risk, past claims, cancellations of insurance policies, the imposition of increased premiums etc., and any matters that might affect the acceptance of the risk, such as insolvency or criminal convictions.

Disclosure is not limited to matters applying to you as the insured named in the policy but includes other associates or past businesses or private insurances. 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 matters including all losses and claims.

If you have any questions about whether information needs to be disclosed, please contact us.

Change of Risk or Circumstances

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

In order to ensure proper protection, please consult with us if you are in any doubt as to whether an insurer should or should not be told of certain changes. We would rather give you the extra service by answering these queries than allow you to take the risk of losing proper indemnity under your insurance policies.

Cooling Off Period

If you decide that you do not need a contract of retail insurance which has been arranged on your behalf, you have 14 days (or longer if the insurer allows it) from the earlier of the date you receive confirmation of the contract and 5 days after the date it was arranged, to change your mind. The insurer must be notified in writing that you wish to return the insurance policy and have the premium repaid. The insurance policy will be terminated from the time the insurer is notified 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.

This cooling off period only applies to retail clients.

Complaints and Disputes

If you are not fully satisfied with our services, please contact our Complaints Manager. We will advise you on how we propose to resolve your complaint within 21 days or such later time agreed with you. For more information about our Complaints Policy visit, www.ebm.com.au.

If your complaint is not resolved to your satisfaction, you can contact the Australian Financial Complaints Authority (AFCA) which handles complaints against brokers relating to a variety of small business and domestic insurance matters. This is a free service and any decision they make is binding on us but not on you. AFCA is contactable on 1800 931 678 or info@afca.org.au or visit www.afca.org.au.

Professional Indemnity Insurance

EBM has professional indemnity insurance in place which covers us for any errors or mistakes relating to our professional insurance broking and underwriting agency services. This insurance is in accordance with the requirements of the Corporations Act 2001 and responds to claims relating to services provided by us, our advisers, referrers, authorised representatives and distributors, even after they cease working with us, provided that the insurer is notified of the claim when it arises and this is done within the relevant policy period.



Privacy

We are committed to protecting your privacy. We use the information you provide to advise about and assist with your insurance needs. We provide your information to insurance companies, companies within the EBM group, underwriting agencies and wholesale insurance brokers and their representatives that provide insurance terms to you, or the companies that deal with your insurance claim (such as loss assessors and claims administrators) and to contractors who supply services to us e.g. data storage providers.

We may also provide your information to premium funding companies to provide funding quotes and terms to you.

If we are seeking insurance terms from an overseas insurer or to a reinsurer who is located overseas, your information may be given to the overseas insurer (like Lloyd's of London who are based in the United Kingdom), reinsurer, or the overseas broker. These entities are global and could also be members of the Asia Australasia Alliance or GBN Worldwide insurance network including in Canada, Singapore, Hong Kong, Indonesia, Vietnam or India.

For further information about our overseas insurers or brokers please contact us. We will try to tell you where those companies are located at the time of advising you and if necessary, seek your consent before disclosing your information to them. We do not trade, rent or sell your information.

From time to time, we will use your contact details to send you direct marketing communications including offers, updates and newsletters that are relevant to the services we provide or that are provided by our related companies. We always give you the option of electing not to receive these communications in the future. You can unsubscribe by notifying us and we will no longer send this information to you.

If you don't provide us with full information, we can't properly advise you, seek insurance terms for you or assist with claims and you can breach your duty of disclosure.

For more information about how to access the personal information we hold about you, how to have the information corrected and how to complain if you think we have breached privacy legislation, ask us for a copy of EBM's Privacy Policy or visit www.ebm.com.au.

Interest of Other Parties

Some insurance contracts do not cover the interests in the insured property or risk of anyone other than the person or legal entity 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.

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

Please tell us about everyone who has an interest in the property or risk insured so that we can ensure that they are noted on the contract of insurance.

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.

Hold Harmless – Subrogation – Waiver Clauses

You may 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, maintenance and supply contracts.

Refer all such agreements to us prior to signing to ensure your insurance cover isn't affected. We may recommend you obtain legal advice in some cases.

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 full value of your insured property or exposure. These provisions are called 'average' or 'co-insurance' clauses. The types of policies that usually contain these conditions are those covering property or consequential loss/business interruption.

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.

A simple example of the application of Average/Co-insurance is:

Full Value	\$200,000
Sum Insured	\$100,000

Therefore you are your own insurer for 50%

Fire/Storm damage	\$50,000
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Claim limited to 50% of \$50,000 = \$25,000

Insurer pays	\$25,000
You pay	\$25,000

Standard Covers

The Regulations in the Insurance Contracts Act 1984 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.

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.

Utmost Good Faith

Every contract of insurance is based on 'utmost good faith' requiring each party (i.e. you and the insurer) to act towards the other party in respect of any matter arising under the contract, with the utmost good faith. If you fail to do so you may prejudice any claim.



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