

FINANCIAL SERVICES GUIDE (FSG)

The financial services referred to in this financial services guide (FSG) are offered by:

South Coast Insurance Brokers WA Pty Ltd, ABN: 50 095 310 633, AFSL: 245460
12 Aberdeen Street PO Box 5501 (08) 9841 4155
Albany WA 6330 Albany PO WA 6332 enquiries@scibwa.com.au

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:

- The services we offer you.
- How we and others are paid.
- Any relationships or partners we may have.
- Our internal and external complaints procedures and how you can access them.
- Arrangements we have in place to compensate clients for losses.

Lack of Independence

We are not considered independent, impartial or unbiased in accordance with s923A of the Corporations Act 2001 as we may receive remuneration, commissions, gifts and other benefits when we provide personal advice relating to insurance products and other financial products. Further information about these benefits and relationships is set out elsewhere in this FSG.

When does this FSG apply?

This FSG applies from 5/10/2021 and remains valid unless a further FSG is issued to replace it. We may give you a supplementary FSG. It will not replace this FSG but will cover services not covered by this FSG.

How can I instruct you?

You can give us instructions either in person, by letter or email, or by phoning our office, using the contact options above.

Who is responsible for the financial services provided?

South Coast Insurance Brokers WA Pty Ltd is responsible for the financial services that will be provided to you, or through you to your family member, including the distribution of this FSG. We hold a current Australian Financial Services License No. 245460.

What kinds of financial services are you authorised to provide to me and what kinds of financial product/s do those services relate to?

South Coast Insurance Brokers WA Pty Ltd usually acts on your behalf and in your interests in all matters. We are authorised to advise and deal in general insurance products to wholesale and/or retail clients. We will do this for you as your insurance broker, unless we tell you otherwise.

Retail Clients

Under the Corporations Act 2001 (the **Act**) Retail Clients are provided with additional protection from other clients. The Act defines Retail Clients as:

Individuals or a manufacturing business employing less than 100 people or any other business employing less than 20 people and that are purchasing the following types of insurance covers: Motor vehicle, home building, home contents, personal and domestic sickness/accident/travel, consumer credit and other classes as prescribed by regulations.

Will I receive personal advice?

Only in certain cases. 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. We will provide you with a General Advice Warning in such cases.

However, we may need information about your personal objectives, details of your current financial situation and any relevant information, so that we can arrange insurance policies for you, or to give you advice about your insurance needs. We will ask you for the 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 the information we ask for, any advice you receive may not be appropriate to your needs, objectives and financial situation.

Whenever we do provide you with personal advice, we will provide you with further information which may include the advice 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).

You should read the warnings contained in any SOA, or any other warnings that we give you, carefully 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.

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 policies available from other insurers and insurance providers.

Product Disclosure Statements (PDS)

If we offer to arrange the issue of an insurance policy to you, we will also provide you with, a product disclosure statement, unless you already have a current copy of the relevant PDS. The PDS will contain information about that particular policy which will enable you to make an informed decision about purchasing that product.

Contractual Liability and your insurance cover

Many commercial or business contracts contain clauses dealing with your liability (including indemnities or hold harmless clauses). Such clauses may entitle your insurers to reduce cover, or in some cases, refuse to indemnify you at all. You should seek legal advice before signing and accepting such contracts. You should inform us of any clauses of this nature before you enter into them.

What information do you maintain in my file and can I examine my file?

We maintain a record of your personal profile, including details of insurance policies that we arrange for you. We may also maintain records of any recommendations or advice given to you. We will retain this FSG and any other FSG given to you as well as any SOA or PDS that we give or pass on to you for the period required by law.

We are committed to implementing any promoting a privacy policy, which should ensure the privacy and security of your personal information. A copy of our privacy policy is available on request. A copy is also available on our website, www.scibwa.com.au

If you wish to look at your file, please ask us. We will make arrangements for you to do so.

How will I pay for the services provided?

For each insurance product, the insurer will charge a premium that includes any relevant taxes, charges and levies. We often receive a payment based on a percentage of this premium (excluding relevant taxes, charges and levies) called commission, which is paid to us by the insurer. However, in some cases we will also charge you a fee. Any fee will be shown on the invoice that we send you. You can choose to pay by any of the payment methods set out in the invoice. You are required to pay us within the time set out on the invoice, or in the correspondence accompanying our invoice.

If there is either a refund or reduction of your premium, as a result of a cancellation or alteration to a policy, based on a term of your policy (such as a premium adjustment provision), we will retain any fee we have charged you. We will also retain commission depending on our arrangements with the insurer, or charge you a cancellation fee equal to the reduction in our commission. 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 may earn interest on the premium while it is in our trust account, or **if** we invest the premium and earn a return. We will retain any interest or returns on investment earned on the premium.

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

When placing your insurance, we usually receive a commission from the insurer. The amount varies between 0 and 30% of the base premium you pay e.g. for a base premium of \$1,000 at 10% commission rate, we will receive \$100 commission.

Any fees that we charge you will be advised to you at the time of providing the advice or service.

We do not often pay any commissions, fees or benefits to others who refer you to us or refer us to an insurer. If we do, we will pay commissions to those people 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. Occasionally, our employees may be paid a bonus based on company performance.

If we give you personal advice, we will inform you of any fees, commission or other payments we, our associates or anyone referring you to us (or us to any insurer) will receive in relation to the policies that are subject of the advice.

See below for information on the Steadfast association and commission.

Do you have any relationships or associations with the insurers who issue the insurance policies or any other material relationships?

South Coast Insurance Brokers WA Pty Ltd is a Steadfast Group Limited (Steadfast) Network Broker. As a Steadfast Network Broker we have access to services including model operating and compliance tools, procedures, manuals and training, legal, technical, HR, contractual liability advice and assistance, group insurance arrangements, product comparison and placement support, claims support, group purchasing arrangements and broker support services. These services are either funded by Steadfast, subsidised by Steadfast, or available exclusively to Steadfast Network Brokers for a fee.

Steadfast has arrangements with some insurers and premium funders (Partners) under which the Partners pay Steadfast a fee to access strategic and technological support and the Steadfast Broker Network. Steadfast is also a shareholder of some Partners.

You can obtain a copy of Steadfast's FSG at www.steadfast.com.au

If we arrange premium funding for you, we may be paid a commission by the premium funder. We may also charge you a fee (or both). The commission that we are paid by the premium funder is usually calculated as a percentage of your insurance premium (including government fees or charges). If you instruct us to arrange or issue a product, this is when we become entitled to the commission.

Our commission rates for premium funding generally do not exceed 1% of the funded premium. When we arrange premium funding for you, you can ask us what commission rates we are paid for that funding arrangement compared to the other arrangements that are available to you.

If we refer you to a life insurance broker, we may receive a referral fee. The life insurance broker will disclose to you the amount of the fee.

What arrangements do you have in place to compensate clients for losses?

South Coast Insurance Brokers WA Pty Ltd has a professional indemnity policy (PI policy) in place.

The PI policy covers us and our employees for claims made against us and our employees by clients, as a result of the conduct of us or our employees in the provision of financial services.

Our PI policy will also cover us for claims relating to the conduct of employees who no longer work for us.

This policy satisfies the requirements for compensation arrangements under section 912B of the Corporations Act.

What should I do if I have a complaint?

1. Contact us and tell us about your complaint. We will do our best to resolve it quickly.
2. If your complaint has not been acknowledged within 1 business day, please contact our Complaints Officer, Nathan Hadlow on (08) 9841 4155 or put your complaint in writing and send it to him at the address noted at the beginning on this FSG. We will try and resolve your complaint quickly and fairly, and within 30 calendar days.
3. South Coast Insurance Brokers WA Pty Ltd is a member of the Australian Financial Complaints Authority (AFCA). If your complaint cannot be resolved to your satisfaction by us, you have the right to refer the matter to AFCA. AFCA provides fair and independent financial services complaint resolution, that is free to customers. AFCA can be contacted at:
Mailing address – Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC 3001
Phone – 1800 931 678 Email – info@afca.org.au Website – www.afca.org.au

Insurance Brokers Code of Practice

South Coast Insurance Brokers WA Pty Ltd is a subscriber to the Insurance Brokers Code of Practice (the Code). The Code has been developed by the National Insurance Brokers Association (NIBA) as part of a national self-regulatory scheme and is intended to promote good relations between insurance brokers, policyholders and others in the insurance industry, as well as efficiency in transactions by laying out standards of good practice and levels of service that are expected of brokers. A copy of this Code is available upon request or from our website www.scibwa.com.au.

Any Further Questions?

If you have any further questions about the financial services South Coast Insurance Brokers WA Pty Ltd provides, please contact us.

Please retain this document for your reference and any future dealings with South Coast Insurance Brokers WA Pty Ltd.

IMPORTANT INFORMATION ABOUT YOUR INSURANCE

DUTY OF DISCLOSURE

For consumer contracts of insurance (including private motor, residential strata, home building & contents, travel, sickness and accident, and consumer credit insurance)

You have a duty under the *Insurance Contracts Act 1984 (ICA)* to take reasonable care not to make a misrepresentation to the insurer (**your duty**). Your duty applies only in respect of a policy that is a consumer insurance contract, which is a term defined in the ICA as a contract of insurance that is obtained wholly or predominantly for your personal, domestic or household purposes.

Your duty applies before you enter into the policy, and also before you renew, extend, vary, or reinstate the policy. Before you do any of these things, you may be required to answer questions and the insurer will use the answers you provide in deciding whether to insure you, and anyone else to be insured under the policy, and on what terms. To ensure you meet your duty, your answers to the questions must be truthful, accurate and complete.

For all other contracts (non-consumer contracts)

Before you enter into an insurance contract, you have a duty to tell the insurer anything that you know, or could reasonably be expected to know, that may affect their decision to insure you and on what terms. You have this duty until they agree to insure you. You have the same duty before you renew, extend, vary or reinstate an insurance contract. You do not need to tell the insurer anything that:

- reduces the risk they insure you for; or
- they know or should know as the insurer; or
- is of common knowledge; or
- they waive your duty to tell them about.

For ALL contracts

If you fail to meet your duty, the insurer may be able to cancel your contract, or reduce the amount it will pay if you make a claim, or both. If your failure is fraudulent, the insurer may be able to refuse to pay a claim and treat the contract as if it never existed.

CANCELLATION WARNING (RETENTION OF COMMISSION AND FEES)

If a cover is cancelled before expiry of the period of insurance, we reserve the right to refund to you only the net return premium we received from the insurer, and not refund any part of the commission or broker fees we received for arranging the cover. A broker service fee may be charged to process the cancellation.

PREMIUM FUNDING WARNING

Premium funding enables you to spread the repayment of your insurance premiums over the policy period – usually between 10 to 12 months. We receive a commission from the funder for arranging the funding contract, full details are available on request. Please note that should the insurance policy be cancelled before the expiry date for whatever reason, the Premium Funder will charge you the full interest applicable to the contract, as detailed in the Loan Application Form. Typically, there will be no refund of our commission on the refund premium and no refund of any fee we may have charged you for arranging the cover. We also reserve the right to charge you a policy cancellation handling fee. In some cases, insurers also apply minimum premiums to policies, which may further reduce the refund that you might otherwise receive.

The impact of the above on you is that any refund you receive for the mid-term cancellation of your policy will usually be significantly less than a pro rata calculation would produce and in extreme cases may involve you having to make an additional final payment even though the policy has been cancelled. Therefore, we strongly recommend that you discuss your situation with us prior to cancelling a policy for the purpose of insuring elsewhere, so that we can advise the exact extent and impact of the early cancellation provisions mentioned above.

UTMOST GOOD FAITH

Every contract of insurance is subject to the doctrine of utmost good faith which requires that all parties to the contract should act toward each other with the utmost good faith. Failure to do so on your part may prejudice any claim or the continuation of cover provided by Insurers.

UNDERWRITING AGENCIES AND WHOLESALE BROKERS

In some cases, we access insurance products via Underwriting Agencies and Wholesale brokers rather than directly with the insurer. In such cases, should you wish to access the Financial Services Guide of the Underwriting Agency or Wholesale Broker, please contact us and we will arrange to have a copy sent out to you.

THIRD PARTY INTERESTS

Insurance policies will only provide cover for your interest in the property insured and does not cover the interest of any third parties, unless you have informed us of them, and they are noted on the policy.

ALTERATIONS

No alterations to the risk whatsoever will be admitted until you have notified us and will not take effect until acceptance is confirmed by the insurance underwriters.

PAYMENT

You will not be insured if you fail to pay the premium in full within 14 days from commencement of the risk for new policies and prior to the due date for renewals, unless alternative credit arrangements have been agreed with us in writing.

NEW POLICIES

Notwithstanding the above, you will not be insured if you do not submit the relevant Proposal within 30 days from commencement of the risk, unless an extension of time has been agreed with us in writing.

INTERESTS OF OTHER PARTIES

Many policies exclude cover for an interest in the insured property held by someone other than the named insured, unless that interest is specifically noted on the policy. For example, if property is jointly owned, or subject to finance, the interest of the joint owner or financier may be excluded, if it is not specifically noted on the policy. Therefore, please ensure that you notify us of all interested parties as soon as you become aware of their omission from the insurance contract, or immediately when a new interested party is assigned.

PARTIES ACTING ON YOUR BEHALF

Unless otherwise instructed by you (or in circumstances where we suspect otherwise), we will assume that you have granted permission for other parties already known by us, or to whom you have granted authority in the past, to act with your authority to update client data, make alterations to existing policies or arrange new cover in your name.

RESIGNATION AS YOUR INSURANCE BROKER

In the unlikely event we resign as your insurance broker, we will advise you in writing and provide you with 14 days' notice. We reserve the right to retain the commission and broker fees we received for arranging the cover.

COOLING OFF

All Retail Products are subject to a 14-day "cooling off period". This means that if you are not happy with a Retail Product, you have 14 days to withdraw from the new contract at no cost to you other than our broker's fee, which is not refundable.

DISCLAIMER

This notice is a summary only (errors and omissions excepted) and does not purport to be a copy of the insurance underwriters' policy or other documents. In case of any discrepancy, the underwriters' documents will prevail.

TERMS OF TRADE

Payment of this account constitutes your acknowledgement and acceptance of these conditions and authorises us to act as your insurance brokers for the risks outlined on the face hereof and no others unless specifically agreed by us in writing.

SUBROGATION

You are warned that should you become a party to any agreement that has the effect of excluding or limiting your insurer's ability to recover from a third party, your insurers may have the right to refuse to indemnify you for such loss where it is shown that your insurer's rights of recovery have been prejudiced by your action.

RIGHTS OF RECOVERY AGAINST OTHERS

It is a condition of a Contract of Insurance that you may not forego any right of recovery that may exist against another party without prior approval in writing being given by your insurer.

CLAIMS MADE POLICY

Some kinds of liability policies (such as Professional Indemnity and Management Liability) are usually issued on a "claims made" basis. This means that (subject to the other terms of the policy) the policy will only respond to claims which are both made against the Insured and reported to the Insurer during the policy period. Therefore, it is imperative that you notify us prior to the expiry of the current policy period of any instances that may give rise to a future claim.

AVERAGE OR CO-INSURANCE CLAUSES

If the subject matter of insurance (or part thereof) relates to property risks such as Industrial Special Risks, Fire & Perils or Business Interruption/Consequential Loss, then the policy (or part thereof) may be subject to an average clause. This means that if the sum insured you nominate for buildings, plant, machinery, stock is less than (usually) 80% of its value at the time the insurance was effected (or renewed), then part of the loss may not be covered by the policy.

For example:

A commercial building is only insured for \$150,000 – 75% of its true replacement value of \$200,000.

In the event of a claim for damage of \$100,000, the insurer will only pay \$75,000 and you will be your own insurer for the balance. Had the building been insured for at least \$160,000, the claim would have been paid in full.

AVERAGE/CO-INSURANCE - BUSINESS INTERRUPTION POLICIES

Some policies contain an Average/Co-Insurance clause which is fully set out in the “Basis of Cover” or “Policy Specification” of the policy.

For the types of cover most usually provided, the Average/Co-Insurance calculation is arrived at by applying the Rate of Gross Profit, Revenue or Rentals (as applicable) to the Annual Turnover, Revenue or Rentals (as applicable); these factors first being appropriately adjusted as provided for in the “Trend of Business” or “Other Circumstances” clauses.

If you are in any doubt regarding this clause insofar as it applies to your policy, please contact your Account Manager for assistance.

CLAIMS OCCURRING PRIOR TO COMMENCEMENT

Your attention is drawn to the fact that your policies do not provide indemnity in respect of events that occurred PRIOR to commencement of the contract.