

## Financial Services Guide

FSG Version 4

Logan Insurance Brokers Pty Ltd

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Australian Financial Services

Licence: 233789

ABN: 29001033 790

## General Information

This Guide contains important information about:

- The services we offer you
- How we are paid
- Any potential conflict of interest we may have
- Our internal and external dispute resolution service and how you can access them.

**It is an important document. Please read it carefully and keep it in a safe place.**

**The date of this guide is 11 February 2014**

Logan Insurance Brokers provides insurance products and services that serve to protect you and your business. It is important to us that you understand how we provide these services and products, and this guide contains information about what we do as an insurance broker.

If you are what we call a retail client and we agree to give you personal advice we will provide you with a Statement of Advice. This will contain our advice, the basis of our advice, and information on any remuneration, associations or other interests that might reasonably have influenced us in giving our advice.

If we arrange an insurance policy for you, or if we recommend you buy a particular insurance policy, we will give you a Product Disclosure Statement when required. It is prepared by the insurer and is designed to give you important information on the policy.

### **Our financial services and the products those services relate to:**

We are able to provide financial product advice (personal and general) and deal in general insurance and life insurance risk products.

We can provide a wide range of insurance policies.

These include, but are not limited to, the following insurance policies for retail clients:

- Motor vehicle insurance
- Home building insurance
- Home contents insurance
- Sickness and accident insurance
- Consumer credit insurance
- Travel insurance
- Life insurance such as term life, trauma, continuous disability and total and permanent disability insurance, income protection, business expense insurance

We are authorised to provide you with personal advice as to the suitability of these general and life risk insurance policies to meet your particular needs.

We will agree with you when this service is to be provided and what the scope of our personal advice will be. Before we provide any personal advice we will need to undertake a needs analysis so we can provide you with appropriate advice. We will also provide you with a Statement of Advice confirming our advice along with other relevant information on it.

### **Providing us with instructions**

You need to give us instructions in writing by email, letter, fax or by another method agreed by us. We will tell you what is possible when you contact us.

### Other services we can provide are:

- General advice services – this is where we provide advice on an insurance product which is not based on our consideration of your personal needs. We will tell you when this is the case; and
- Dealing services – this is the service of arranging insurance policies, whether on your behalf or the insurer's. In doing so we can provide factual information about insurance policies such as:
  - The nature of insurance policies
  - The coverage of an insurance policy
  - Options available under an insurance policy, and
  - The premium payable

### Who we act for

As an insurance broker we normally act for you. We may enter into an agreement with an insurer to arrange insurance policies on their behalf and not on your behalf. If we are given a binding authority from the insurer, this means we can enter into insurance policies and/or handle or settle claims on their behalf. We will inform you when we act for the insurer and not for you.

### Our relationship with insurers and product issuers

Other than the agency relationships noted above, we do not have any association or relationship with a product issuer, which might reasonably influence us in providing our services.

### Your personal information

We maintain a record of your personal profile. That record contains information about insurance policies that we have arranged for you. The record may also contain details of your objectives, financial situation and needs collected for the purpose of giving you advice. We also maintain records of any recommendations made to you.

We are committed to and promote a privacy policy, which will ensure the privacy and security of your personal information. A copy of our privacy policy is available on request.

If you wish to access your files please ask us.

### IBNA Membership

We are a shareholder of IBNA (Insurance Brokers Network Australia). They have exclusive arrangements with some insurers where they receive between 0.5 – 1.5% commission on the premium placed by us with those insurers. These payments are used to operate IBNA.

Depending on the operating costs of IBNA (including the costs of shareholders) and the amount of total business we place with the participating insurers in any financial year, we may receive some of that commission at the end of each financial year.

As an IBNA shareholder, we can access services including operating and compliance tools, advice and assistance from professional bodies, group insurance arrangements, product comparison and placement support, claims support and purchasing arrangements. These shareholder services are either funded or subsidised by IBNA or available exclusively to shareholders for a fee.

For any enquiries regarding this Guide or any of our services, please call us on 1300 787 789

## Fees

### How will you pay for the services provided?

We may be paid in a number of ways, which vary according to the service you require and our arrangements with the relevant insurer.

#### Payment by the Insurer

Unless we tell you otherwise, we are remunerated by commission from the relevant insurer whenever you enter into an insurance policy arranged by us (including renewal and some variations). The commission rate does not represent our profit margin as it also reimburses us for administrative and other expenses we incur in providing our services. It also covers the cost of performing the distribution functions of the insurer such as data entry, marketing, annual renewal marketing and underwriting and collection of government charges.

For General Insurance products our commission is a percentage of the insurer's base premium (i.e. premium excluding stamp duty, fire services levy, GST or any other government charges, taxes, fees or levies). The rate ranges between 0 and 25% (depending on the policy).

For Life Risk Insurance products commission payments vary between 0% to 120.5% of initial premium and 0% to 33% annually upon renewal, this is dependent on the product and insurer selected. For example a \$200 life risk product could attract commission from \$0 up to \$245 in the first year and \$17 average renewal commission each year thereafter.

We do not receive a volume bonus or profit share from any insurer.

### Fees Paid by You

We will charge you:

- An administration fee in addition to commission when you enter into an insurance policy. This fee will vary according to the amount of commission we received; or
- A flat fee for arranging an insurance policy or a fee based upon the time we spend advising you; or
- An annual management fee.

You will be informed of the nature and amount of any fee involved prior to us performing the service for you.

#### Other remuneration information

Our staff receive annual salaries that may include bonuses based on performance criteria. Where a third party has referred you to us, we may share part of our commission or fees with them or pay them an agreed referral fee.

Where we provide personal advice to you as a retail client, we will tell you the remuneration that we and our associates are to be paid for providing the advice in the Statement of Advice.

If there is a refund of premium as a result of the cancellation or adjustment of the policy, we reserve the right to retain our remuneration earned prior to the cancellation or adjustment.

If you need further explanation please ask us.

## Payment Details

### Terms of Payment

You will be invoiced for the premium, statutory charges (e.g. stamp duty, fire services levy, etc.) and any fees we charge for arranging your insurances and/or providing you with advice. Any GST chargeable will be shown on your tax invoice. Payment is to be received within 14 days of the policy start for cover to continue.

**It is very important that you pay the premium on time, as non-payment may lead to the insurance company cancelling the contract of insurance, meaning you will not be insured.**

### Cancellation

If there is a refund of premium as a result of the cancellation or adjustment of the policy, we reserve the right to retain our remuneration earned prior to the cancellation or adjustment.

We require written instructions from the person(s) who are named as insured's in the contract of insurance.

Should you decide not to implement our advice in relation to renewals, we reserve the right to charge a fee based upon the time spent advising you.

### Premium Funding

Premium Funding enables you to pay your premium by monthly instalments, with the funding company charging interest on the amount payable and debiting your nominated bank account monthly. We can arrange premium funding on your behalf if required. Please contact us for more information on this option.

### Payment Options

Payment may be made by direct debit or credit card (Visa, Mastercard, Amex or Diners). Go to [www.deft.com.au](http://www.deft.com.au) and enter your Deft Reference Number (found on your invoice). Alternatively call 1300 78 11 45.

Cheques are made payable to Logan Insurance Brokers and can be sent to:

Deft Payment Systems  
GPO Box 5063  
Sydney NSW 2001

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

## Important Notices

### Your Duty of Disclosure

Before you enter into a contract of general insurance with an insurance company, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurance company every matter that you know, or could reasonably be expected to know, is relevant to the insurance company's decision whether to accept the risk of the insurance and if so, on what terms.

You have the same duty to disclose those matters to the insurance company before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matters:

- That reduce the risk to be undertaken by the insurance company;
- That is common knowledge;
- The insurance company knows or, in the ordinary course of its business, ought to know; or
- To which compliance with your duty is waived by the insurance company.

It is suggested that you impress upon all senior employees the importance of your duty of disclosure by:

- Supplying them with information on your duty of disclosure
- Emphasising that the duty of disclosure also applies to policy alterations and renewals.

### Waiver of Insurer's Rights

You must not enter into any agreement, without the written authority of the insurance company, whereby any of their rights as your insurer after settling or agreeing to settle a claim are prejudiced or limited; otherwise all benefit under the policy will be forfeited.

### Under Insurance (Fire, Business Interruption, Electronic Equipment and Strata Insurance)

It is very important to select sums insured that represent full replacement value as insurance cover provided under these and other classes of insurance are subject to 'Under Insurance' provisions. Failure to insure for full value may mean that the amount paid in relation to a claim will be reduced in proportion to the extent of under insurance.

#### Example:

|                    |                            |
|--------------------|----------------------------|
| Full Value:        | \$100,000                  |
| Sum Insured:       | \$50,000                   |
| Fire Damage claim: | \$40,000                   |
| Claim Paid:        | \$20,000 (50% of \$40,000) |

In any event the insurance company's maximum liability is limited to the sum insured.

### Interest of Other Parties

Only the interests of those companies/persons noted as the insured are protected by the relevant insurance cover.

## Utmost Good Faith

Every contract of insurance is based on the duty of utmost good faith requiring each party (i.e. you and the insurance company) to act towards the other party with the utmost good faith. If you fail to do so you may prejudice any claim.

## Rights of Subrogation – Hold Harmless - Waiver

Some policies contain a provision that has the effect of limiting or excluding the insurance company's liability in respect of a loss if you have entered into an agreement that limits or excludes your right to recover damages from a third party. Therefore, you should not sign any agreement which contains a "holds harmless" or waiver clause without referring to Logan Insurance Brokers.

Such clauses are often found in leases, rental agreements, maintenance contracts (e.g. burglary alarm or fire protection), repair contracts, or contracts with your suppliers, customers and contractors.

## Claims Made Policies

Certain classes of insurance such as professional indemnity, directors and officers liability, management liability and fidelity guarantee insurance generally have a clause that requires you to notify the insurance company, as soon as is reasonably possible during the term of the policy, of any of the following:

- A claim or notice of a possible claim; or
- A circumstance or act which comes to your attention and which may give rise to a claim or which you should reasonable expect may give rise to a claim.

The time of happening of the acts or circumstances which give rise to a claim or possible claim is not of relevance provided they occur after the retroactive date stated on the Certificate of Insurance and the relevant sum insured is adequate.

Upon expiry of the policy no further claims can be made thereunder and the need to maintain insurance or to arrange run off coverage is essential.

## Terrorism

Under the Terrorism Insurance Act 2003 insurance companies can obtain reinsurance cover for acts of terrorism from a government body called the Australian Reinsurance Pool Corporation (ARPC).

All **eligible** policies now cover events declared by the Treasurer to be a 'declared terrorist incident,' which renders terrorism exclusion clauses to be of no effect. All other existing policy terms, conditions and insured limits still apply. The Act states that an insurance company must provide terrorism cover for eligible policies and does not allow customers to opt out of this cover and terrorism cover is subject to a premium charge. The terrorism premium rates vary according to the location with areas like CBD's attracting a higher rate. Public Liability policies are not currently subject to a premium for terrorism cover.

### Eligible insurance contracts:

Commercial policies that cover commercial property, business interruption, public liability, contract works, theft, glass and money

### Policies that are excluded:

Personal property, home and contents, travel, professional indemnity, directors and officers liability, worker's compensation, compulsory third party, machinery breakdown insurance and contracts of insurance that do not have terrorism exclusions

## Complaints Process

### What should I do if I have a complaint?

If you have any complaints about the service provided to you, you should take the following steps:

1. Contact us on and tell us about your complaint.
2. If your complaint is not satisfactorily resolved within 24 hours, please contact the Compliance Officer on telephone number 02 8297 3600 or put your complaint in writing and send it to us at:

Complaints Officer  
Logan Insurance Brokers Pty Ltd  
Level 3, 131 Clarence St  
SYDNEY NSW 2000

Or lodge it electronically via our website or email to [broker@loganinsurance.com.au](mailto:broker@loganinsurance.com.au)

If mailing, please mark the envelope "Notice of Complaint". We will try and resolve your complaint quickly and fairly.

3. If the complaint can't be resolved to your satisfaction within 21 days, you have the right to refer the matter to the Financial Ombudsman Service Limited They can be contacted on 1300 78 08 08 or you can write them at:

Financial Ombudsman Service  
Limited (FOS)

GPO Box 3  
MELBOURNE VIC 3001

FOS Website [www.fos.org.au](http://www.fos.org.au)

If you have any further questions about the financial services please contact the Manager on:

(02) 8297 3600

Retain this document for your reference and any future dealings with Logan Insurance Brokers Pty Ltd.

For any enquiries regarding this Guide or any of our services, please call us on 1300 787 789