

Roderick

insurance brokers PTY LTD

Right Advice Right Decision

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FINANCIAL SERVICES GUIDE

AFS Licence number – 246613

This **Financial Services Guide (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 potential conflict of interest we may have.
- our internal and external dispute resolution procedures and how you can access them.
- arrangements we have in place to compensate clients for losses.

About Us

Roderick Insurance Brokers Pty Ltd holds Australian Financial Services Licence No. 246613 under the Corporations Act 2001 to provide general insurance broking services.

We are a well-known and established general insurance broking firm with a reputation for professionalism and a commitment to understanding our client's insurance needs, concerns and issues.

Roderick Insurance Brokers Pty Ltd are committed to the professionalism of our industry and as such we are a member of the National Insurance Brokers Association (NIBA) and the Steadfast Group Limited. We also subscribe to the General Insurance Brokers' Code of Practice.

If you ask us to provide our services to you 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.

Our Services

At Roderick Insurance Brokers Pty Ltd we pride ourselves on providing our clients quality advice based on your needs and our comprehensive market knowledge.

We can advise on and arrange all types of general insurance products for you.

We offer a range of services to assist you to protect your assets. When we act for you these can include:

- Reviewing and advising on your general insurance needs.
- Arranging, varying or renewing general insurance on your behalf
- Assisting you with your claims
- Arranging premium funding, if required.

When we arrange, review, advise, vary insurance or handle a claim for you we are acting on your behalf. In some cases we may be acting on our own behalf (eg as a referrer to another service provider). We will tell you if this is the case.

We have a large range of insurance products available however we do not deal with all insurers and products available on the market.

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.

How you can instruct us

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

Communicating by e-mail or mobile phone text messages (SMS)

E-mail and SMS are a convenient tool for communication however it does have some limitations. We accept no responsibility if information sent by you to us by email or SMS is incomplete or corrupted. We will also be entitled to act on any instruction from you received by email or SMS which reasonably appears to have been sent by you.

Many contracts of insurance have provisions which require notice in writing in order to ensure compliance. The use of email or SMS in such circumstances may be inappropriate and hard copies of messages may be requested.

The following sets out what services we provide when acting on your behalf (unless agreed otherwise)

Roderick Insurance Brokers Pty Ltd can arrange for the issue, variation and cancellation of general insurance such as your home buildings, contents or motor vehicle insurance.

Essentially this means that you can contact us for advice on or assistance with:

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 property or risk and all other relevant information you are required to disclose to an insurer.

We may send you a proposal form for completion (we will advise you if this is

required). You will need to complete and sign this proposal form and return it to us prior to expiry of the interim cover.

We will send the original contract documents to you as soon as your insurer issues them correctly. As these are legal documents, you should keep them in a safe place.

Renewals

We will give you at least 14 days notice of expiry of any insurance contract we have arranged or last renewed for you.

Unless you tell us otherwise, we will automatically renew your insurance to ensure you continue to be covered. At that time we will send you an offer to renew the insurance policy and invoice you for the cost of renewal. If there is a change to your circumstances or if you want to change the details of the cover, contact us as soon as you receive the renewal offer. This will allow us to assess whether your insurance is still appropriate for your circumstances.

In some circumstances we may be able to arrange for the insurer to cover you temporarily before payment is received, but we cannot guarantee this.

We will also advise you in advance of expiry of any insurance contract should an insurer not wish to offer renewal.

If you arranged or renewed directly with an insurer or through another broker, we will not be responsible for notifying you of expiry or arranging renewal.

Variations/Endorsements

You should carefully monitor and review that your insurance policy is adequate to cover your assets or business activities.

If you want to vary any cover eg: by increasing your 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 written confirmation when the insurer has accepted the variation to cover. Any adjustment to premium will be advised to you in the form of an invoice.



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 will, with your permission, pass on your contact details and co-ordinate meetings. For major losses, we can attend the initial meeting with the loss adjustor if you wish us to.

We will promptly forward all claims documentation, insurer settlement cheques and other information to the relevant party.

If any claims are outstanding when you terminate our appointment as your insurance broker we will

- Assist you to negotiate settlement on your behalf but we will charge a claim service fee – fee to be negotiated.

OR

- 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 parties who are named as insured's.

If a contract of insurance is cancelled before expiry of the period of insurance we will refund the gross return premium we receive from the insurer. We will not refund any part of the brokerage we receive for arranging the cover and at our discretion we may charge a cancellation fee.

Please note that in the event of a cancellation of a policy before the expiry date some insurers make refunds of premiums based on monthly or quarterly apportionments and there may also be a minimum charge. You may be obliged to pay this firm's commission and other broker's fees.

If premium funding has been arranged, you may also be obliged to pay the interest component for the full year and other charges by the premium funder. Before making any decision to cancel this policy you should consult us concerning the charges involved and commission and fees which may be retained by us.

Remuneration for our Services

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 insurers. We will also charge you a broker fee for arranging your insurance. These will all 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.

If there is a refund or reduction of your premium as a result of a cancellation or alteration to a policy, or 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 will earn interest on the premium while it is in our trust account or we may invest the premium and earn a return. We will retain any interest or return on investment earned on the premium.

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 0% - 30%

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

Any fees that we charge you will be based upon the type of insurance we arrange. This fee is payable in addition to the premium.

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), in the range of 0% to 50% of our commission or fees.

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 the subject of the advice.

Other remuneration arrangements we have with insurers

At the end of the financial year, we may receive a profit share commission from CGU Insurance depending on our ability to meet growth targets. The profit share (if any) is determined by CGU.

We are participants in QBE Insurance and Allianz Insurance Profit Share Arrangements. Where we place a policy with QBE Insurance (Australia) Limited or Allianz Insurance and the volume and profitability of all such business placed with them by us in a year meets certain criteria set by them, they will pay us in the following year, an additional commission over the standard commission.

Other material relationships/associations.

Roderick Insurance Brokers Pty Ltd is a Steadfast Group Limited (**Steadfast**) Network Broker. Steadfast has exclusive arrangements with some insurers and premium funders (Partners) under which Steadfast will receive between 0.5 – 1.5% commission for each product arranged by us with those Partners. Steadfast is also a shareholder of some Partners.

We may receive a proportion of that commission from Steadfast at the end of each financial year (or other agreed period).

As a Steadfast Network Broker we have access to member services including model operating and compliance tools, procedures, manuals and training, legal, technical, banking and recruitment advice and assistance, group insurance arrangements, product comparison and placement support, claims support and group purchasing arrangements. These member services are either funded by Steadfast, subsidised by

Steadfast or available exclusively to Steadfast Network Brokers for a fee.

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 are in the range of 0% to 2% of 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 were available to you. The amount of our commission and any fee that we charge will be set out in the premium funding contract.

Where we refer you to Steadfast Life and you purchase a policy through them, they will pay us a percentage of their commission. The commission varies between 0% – 33%. This does not increase the amount you are required to pay for your insurance with them.

Roderick Insurance Brokers Pty Ltd has entered into an agreement with Roderick Insurance Services Pty Ltd to provide new products and services to clients of Roderick Insurance Brokers Pty Ltd which will be underwritten by Holland Insurance Company Pty Ltd ABN 78 090 584 473 AFSL 241436 (Holland). When business is placed with Roderick Insurance Services Pty Ltd it is acting as a Corporate Authorised Representative no 1245420 of Holland. Roderick Insurance Brokers Pty Ltd continues however to act for you as a broker.

The directors/shareholders of Roderick Insurance Services Pty Ltd are either Directors and/or employees of Roderick Insurance Brokers Pty Ltd. As shareholders they may from time to time expect to receive a share in the company's profit based on a profit share formula after deduction of claims and expenses. The % of profit payable may vary and is not guaranteed.

Roderick Insurance Services Pty Ltd may charge a fee for placing the business, this will be shown on your invoice as an UW Levy.

Other benefits

Some of the Insurers that we do business with give us other benefits such as training and social business functions. These benefits change from year to year

Our advisers may from time to time receive small gifts and gratuities. It is our company policy that advisers may not accept gifts or gratuities where the value is greater than \$100 over a six month period from a single supplier. These benefits do not increase the amount you are required to pay for your insurance.

How our advisers are remunerated

Our employees or advisers are paid as follows:

- annual salary
- performance bonus
- 40% share of commission for Steadfast Life referrals

The amounts of these payments are determined at the discretion of our



managing director where the adviser's performance has been exceptional in enhancing our business by providing excellent service to you.

Referrers

If a person (including our employees or advisers) or entity has referred you to us, we may pay them a percentage of our commission for the first insurance policy placed on your behalf. This will not increase the amount you are required to pay for your insurance.

Premium funding

We can also assist you to obtain finance to enable you to pay your premium(s) by instalments with the premium funders that we have a relationship with. We can arrange the premium funding on your behalf or refer you to the premium funder. Please be aware that premium funders do charge you interest for the service. We do not advise or represent that any of the premium funder's products we can provide are the best option for you. We take no responsibility for the products and services that the premium funders provide to you. You will need to make your own decision based on the information they provide you.

Personal Advice and General Advice.

If we provide you with personal advice – our remuneration will be calculated and disclosed to you at the time that we advise you on your insurance requirements. If we are unable to provide this information to you at this time, we will disclose the way in which our remuneration is calculated.

If we provide you with general advice – You can ask us for further details of the remuneration that we receive. If you are interested in this information, you must ask us for it within a reasonable timeframe after receiving this FSG. You must ask us before we provide any financial services to you, such as providing you with advice or placing insurance.

Terms of Payment

Invoices

We will invoice you for the premium, statutory charges (eg stamp duty, fire services levy, GST etc) and any fees we charge for arranging your insurances. You must pay us within 14 days of the date of the invoice or, in the case of a renewal, before the expiry date of the contract of insurance.

If you do not pay the premium on time, the insurer may 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.

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 you require it. We may receive a commission based on a percentage of the premium from the premium funder for doing so.

Credit Card Payments

We accept VISA and Mastercard credit cards.

We do not accept Diners Card or American Express.

By Phone – Call (03) 5226 5999 or (03) 9974 9000

On the Internet – Using Secure Online Payments or BPAY via your bank.

In Person – visit one of our locations

Via our Website – visit

www.roderick.com.au to pay via SecurePay

Credit Card Processing Fee

A payment processing fee applies for credit card payments at a rate of 1% of the payment amount, plus applicable GST

Instalment Billing

Some insurers allow you to pay your premium by monthly instalments. We can arrange instalment billing on your behalf if you require it and your insurer offers the service. We may charge a broker fee on your policy which will be noted on your invoice.

What to do if you 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 is not resolved in 20 days please contact our Complaints Officer on 03 5226 5999 or put your complaint in writing and send to the address noted at the beginning of this FSG. We will try to resolve your complaint quickly and fairly.
3. We are a member of the Financial Ombudsman Service (FOS). If your complaint cannot be resolved to your satisfaction by us you have right to refer the matter to FOS.

FOS contact details are:

- Level 12, 717 Bourke Street, Docklands VIC 3000
- GPO Box 3, Melbourne 3000
- ph 1800 367 287
- fax 03 9613 6399
- email info@fos.org.au or
- website www.fos.org.au

Information for our retail clients

This section is of specific relevance to our retail clients as defined by the Corporations Act 2001 as:-

* Individuals, or small businesses that employ less than 20 people, or if manufacturing businesses, less than 100 people. **And:**

* Where our service or advice relates to one or more of these insurances.

- Residential home buildings
- Residential home contents
- Motor Vehicles
(includes motor cycles, however excludes CTP and motor vehicle with a carrying capacity in excess of 2 tonnes)
- Pleasure Craft
- Personal Accident and Sickness
- Travel
- Personal and domestic property

The financial product advice we provide to you may either be general, which is non-specific, or personal in that it will consider your personal needs and circumstances.

We try to always provide personal financial product advice to our retail clients, but if we can't we'll draw this to your attention.

Personal and General Advice

Depending on your needs and requirements, we can provide different levels of service, for example from general advice on a particular product to personal advice that considers your personal circumstances and objectives.

In order to be able to provide you with recommendations that are appropriate to your personal needs and circumstances, we'll need you to provide us current information about your situation, your

objectives and other relevant matters. We'll also need you to fully disclose information about the risks to be insured. In the event that you are unable or unwilling to do this, or if we don't obtain the required information, we may not be able to help you because we will not be able to make appropriate recommendations. Even if we do advise you, it is important that you review the appropriateness of our advice before acting on our recommendation. We will clearly warn you if we consider that we do not possess the information we require to provide you with advice.

Where we provide a "general advice" service we provide general recommendations or opinions to you which are not based on a consideration by us of your personal objectives, financial situation or needs. You should consider whether our general advice is appropriate having regard to those matters and obtain a Product Disclosure Statement for the product before making a decision on whether to acquire it.

Documents we may give you

Statements of Advice, - comprehensively details the basis for our advice and information on any remuneration, associations or other interests which might reasonably have influenced us in giving our advice

Product Disclosure Statement:- prepared by the insurer and designed to give you important information on the features of the policy to assist you in making an informed decision about the product

Confirmation notices:- these will be in the form of invoices and will provide details of transactions we have arranged on your behalf.

Before you commit to accepting any recommendations made to you, you should have been provided with a Statement of Advice and/or a Product Disclosure Statement. There are some circumstances in which these documents do not need to be provided.

In cases where we don't give you a record of any personal advice you can ask for a record for up to seven years after the advice is provided by contacting us.

Cooling Off Period

You may change your mind about a contract of retail insurance, within 14 days (or longer if the insurer allows it) from the date you receive confirmation of the insurance and 5 days after the insurance policy was arranged (whichever occurs earlier).

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 under it.

Important Information

Duty of Disclosure

For Private Motor, Strata, Home, Contents, Travel, Personal Accident/Disablement Policies:

When the insurer asks you questions that are relevant to their decision whether to insure you and the terms on which they will insure you, you are required to tell the insurer about anything you know and that a reasonable person in the circumstances would include in answering their questions.



You have this duty until the insurer agrees to insure you. So please ensure the information provided is accurate and complete.

If you don't tell the insurer something you are required to tell them, they may cancel your insurance contract or reduce the amount they will pay you if you make a claim, or both. If your failure to tell them is fraudulent, they may refuse to pay a claim and treat the contract as if it never existed.

All other policies:

Before you enter into an insurance contract, you are required to tell the insurer about anything you know or could be reasonably expected to know that could be relevant to their decision to insure you and on what terms.

You have this duty until they agree to insure you, and before you extend, renew, vary or reinstate an insurance contract. So please ensure the information provided is accurate and complete.

You do not need to tell the insurer anything that:

- Reduces the risk they insure you for; or
- Is common knowledge; or
- The insurer knows or should know as an insurer; or
- The insurer waives your duty to tell them about.

If you do not tell the insurer anything you are required to tell them, they may cancel your contract or reduce the amount they will pay you if you make a claim, or both. If your failure to tell them is fraudulent, they may refuse to pay a claim and treat the contract as if it never existed.

Material Changes

You must also notify your insurer of any significant changes which occur while the policy is on risk or under negotiation. If you do not, your insurances may be inadequate to fully cover you.

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.

Generally, the safest course is always to have all interests in all property insured noted on each policy. If anyone other than you has an interest in the property you are insuring, please let us know.

Sums Insured – Average and Co-insurance

Some policies contain an Average/Co-insurance clause which means that you must insure for the full insurable value of the property insured. If you under-insure, your claim may be reduced in proportion to the amount of the under-insurance.

A simple example, illustrating the basic principle, application and effect of the Average/Co-insurance clause is as follows:

Full (Replacement) Value of property	\$1,000,000
Sum Insured	\$ 500,000
Therefore you would be self insured for 50% of the full value.	
Amount of Claim	\$ 100,000

Amount payable by Insurers \$ 50,000
as a result of the application of Average/Co-Insurance (being 50% of the \$100,000)

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 contracts. You should inform us of any clauses of this nature before you enter into them.

Standard Covers

Insurance laws prescribe minimum standard cover provided by motor vehicle, home buildings, home contents, sickness and accident, consumer credit and travel insurance (including a minimum amount of insurance)

If an insurer wants to offer different cover or less than the minimum amount of insurance, they must clearly inform you in writing that they have done so. They can only do this by providing you with a Product Disclosure Statement or a copy of the insurance policy.

Unusual Terms

If an insurer wants to rely on a term in an insurance policy which is not usually included in policies 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 policy.

Privacy

Roderick Insurance Brokers Pty Ltd is 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 and agents that provide insurance quotes and offer insurance terms to you or the companies that deal with your insurance claim (such as loss assessors and claims administrators). Your information may be given to an overseas insurer (like Lloyd's of London) if we are seeking insurance terms from an overseas insurer, or to reinsurers who are located overseas. We will try to tell you where those companies are located at the time of advising you. We do not trade, rent or sell your information.

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 could breach your duty of disclosure.

For more information about how to access the personal information we hold about you and how to have the information corrected and how to complain if you think we have breached the privacy laws, ask us for a copy of our Privacy Policy or visit our website www.roderick.com.au.

Conflicts of Interest

We take any potential conflicts of interest seriously and have a Conflict of Interest Policy, which our representatives must comply with and you can access by contacting us. Compliance is audited on a regular basis.

Conflicts of interest are circumstances where some or all of your interests as our client, are or may be inconsistent with, or diverge from, some or all of our interests.

Our procedures and training are all designed to properly manage any conflict of interest and it is important to note that we have legal duties we owe you when we act as your professional adviser. We treat these very seriously.

A key conflict faced when we act on your behalf is where we receive benefits from someone other than you – this can potentially influence us to act in their or our interests rather than yours. Where we arrange a policy an insurer can pay us commission. It is the major form of insurance broker remuneration and can create a potential conflict of interest because it may be in our interest to recommend the product issuer or service provider that pays us most because it increases our remuneration. This may not be in your interest in certain circumstances.

We have a number of procedures in place to manage this potential conflict of interest. For example, we tell you about this remuneration arrangement in this Guide and you can ask for more detailed information if you need it before you proceed. Where we provide personal advice we have a legal duty as a professional to put your interests ahead of our own and can only provide you with advice that is appropriate for you. If we can't provide such advice we will tell you. The Statement of Advice we give you containing personal advice also confirms the remuneration received. Our representatives are trained in this important duty and compliance with it is monitored regularly.

Misstatement of Premium

We try to tell you the correct amounts of premium and statutory and other charges that apply to your insurance. In the event that we misstate that amount (either because we have made an unintentional error or because a third party has misstated the amount), we reserve the right to correct the amount. Where permitted by law you shall not hold us responsible for any loss that you may suffer as a result of any such misstatement.

Professional Indemnity Insurance

Roderick Insurance Brokers Pty Ltd has Professional Indemnity Insurance Policies (PI Policies) in place which comply with the requirements of Section 912B of the Corporations Act 2001. The PI Policies cover us, our employees, our representatives and distributors for claims made against us and our employees in the provision of financial services.

Our PI Policy covers us for claims relating to the conduct of employees who no longer work for us.

Important Notice

Please retain this document for your reference. It will apply to other retail products you may elect to purchase in the future. If this document is at any time superseded, we will supply you with a replacement document.

