



FINANCIAL SERVICES GUIDE TO THE PERFECT POLICY AT THE BEST PRICE

We have pleasure in providing you with our Financial Services Guide (FSG).

Whilst our Guide contains information about us, it is really about you, your assets, liabilities and the way we ensure they are protected in the most professional manner. Our Guide also provides us with an opportunity to "tell our story" because in the past we have endeavoured to shield our clients from the complex issues of insurance that confront us daily.

Although we are all about presenting you with the end product, which is the solution, we believe it is important that you have a clear understanding of the role we play on your behalf, to get the job done. We are proud of our commitment to our clients and the way we go about our business. It's a great story, one which we hope you will appreciate for years to come.

Apart from our FSG, you might also receive some other documents around the time we advise you about your insurance needs. These documents may include:

- Statement of Advice (SOA) - summaries of our advice and the basis on which it was provided;
- Product Disclosure Statements (PDS) - information about the products we recommend to you; and
- Confirmation notices - confirming details of transactions we have arranged on your behalf.

As your General Insurance Broker, we will act on the terms set out in our FSG and assume you are in agreement with them unless you tell us otherwise in writing.

If you require additional information or have any questions, please feel free to contact us.

OUR LICENCE

Instrat Insurance Brokers Pty Ltd holds Australian Financial Services License No. 235103 under the Corporations Act 2001 which enables us to provide you with general insurance broking services. Our License was granted by the Federal Government following a thorough review of our organisation to ensure we continuously achieved the highest standards. The review included but was not limited to:-

- Education and training to ensure you receive the level of expertise you expect and deserve.
- Human resources selection so that you have the best people looking after you.
- Processing so that the flow of your paperwork occurs in an orderly and timely manner.
- Proactive approach to protecting your assets and liabilities.
- Market knowledge so that you receive the Perfect Policy at the Best Price.
- Claims management to ensure you receive fast and fair settlements.
- Financial standing of our organisation so that we continue to have the resources to provide you with the highest level of service.
- Ongoing reporting procedures directly to the Federal Government together with audits that includes all aspects of our relationship with you.

Our License allows us to act for you in respect to all classes of General Insurance which means you have the convenience and security that is achieved by us having full knowledge of your insurance requirements.

We were extremely pleased to have our License application accepted without question which is, we believe, testimony to the way in which we go about our business which is looking after you, our valued client.

OUR SERVICES

First and foremost, we act for you and not the insurers. The services we provide you are dependant on your requirements and/or instructions and may include but not be limited to:-

- A review and thorough understanding of your requirements.
- Recommendations with alternatives so that you can make informed decisions as to which covers you wish to insure and those you elect to carry yourself.
- Representation of you in the market to ensure you continually receive the required covers at the most competitive premiums.
- Placement of your insurances when required so that cover is continuous and with Authorised Australian insurers. Should there be a need to consider an Unauthorised Foreign Insurer, we will discuss this with you prior to the placement of your cover.
- Calculate, invoice and collect premiums.
- Prepare policy wordings and obtain signed policies from insurers.
- Claims advice for you and insurer negotiations on your behalf so that your claims are attended to quickly, with a minimum of fuss and you receive your maximum entitlement.

Our job is to remove the worry of insurance for you by attending to your requirements promptly and in the most professional manner.

To enable us to provide you with the advice and recommendations that are appropriate to your circumstances, you will need to make us aware of the complete information about the risk(s) to be insured, your needs, objectives and you will also need to tell us about any relevant changes as they occur. For your peace of mind, we are extremely experienced in asking the right questions in an unobtrusive manner so that all of the relevant facts are discussed. This is extremely important as any material facts not known to the insurer may cause problems when it comes to claiming. Also, the more we appreciate the risk(s) to be insured, the better we can represent you when negotiating your covers and premiums with insurers.

If you are unable or decide not to provide some information to us, we may be unable to comprehensively review your circumstances and requirements. As this may limit our ability to make appropriate recommendations, you will need to assess the appropriateness of our advice to your needs before acting on it.

Retail Clients - (as defined by the Financial Services Reform Act, are clients being provided with the following insurance covers - Home Building, Home Contents, Motor Vehicle, Personal Accident and Illness, Travel, Consumer Credit and other prescribed classes). If a Statement of Advice has not been provided to you, then the advice given in respect to the transaction is General Advice and has been prepared without taking into account your objectives, financial situation or needs. Because of this, before acting on the advice, please consider its appropriateness, having regard to your objectives, financial situation or needs.

OUR ADVANTAGES

Service - You have the advantage of our 30 plus years experience and an Account Manager with a support team appointed to you so that your requirements are attended to quickly and professionally.

Instrat Structure - We have strategically developed into a medium sized Broker as we believe to provide you with the highest level of service and expertise, we must have a balance of resources and care.

Resources come in many forms, some of which may not be easily recognised by you as much of our research and work is carried out behind the scenes. It includes team members who specialise in specific areas such as Domestic Insurance, Commercial Insurance including the extremely technical classes of Industrial Special Risks, Professional Indemnity and Marine to name a few and most importantly Claims so that you receive fast and fair settlements.

Caring for you isn't limited to simply trying to keep you happy. It is about taking the time to understand your individual requirements and being committed to providing you with the confidence of knowing you will always be protected by the Perfect Policy at the Best Price.

Whilst smaller brokers are desperate for our resources and larger brokers search for our caring amidst an environment designed for the needs of corporations paying \$millions in premiums, we go about our business which is looking after you, our valued client.

24 Hour Emergency Assistance Hotline - You have 24 hours a day, 365 days a year access to emergency specialists all over Australia who understand that if disaster strikes, you need immediate assistance. This extremely valuable service is there for you in respect to all property damage except motor vehicle.

Monthly Premium Payments - You have the option of paying for your premium on a monthly basis. A fantastic tool to assist with your cash flow.

Instrat Financial Services - Your greatest asset is your ability to earn an income, and if that ability is lost through death or disablement, then the financial ramifications can be extremely serious for both family and business, and that's where our Financial Services Department can help protect you against such financial risks.

OUR IMPORTANT RELATIONSHIPS

Instrat Insurance Brokers Pty Ltd is an insurance advisory firm dedicated to our most important relationship, you, our valued client. However, without other relationships we would not be able to effectively work on your behalf. These relationships include but are not limited to:-

- **Insurers.** Obviously extremely important to the achievement of your goals. Whilst every relationship must create a win win situation, your insurers are keen to work with us as they fully appreciate that we have the majority of the insurance market to select from.

They also are aware that because of the substantial amount of business we have placed with them, we are in a position of strength when it comes to claims negotiations. Therefore, many borderline claims are looked at more favourably as should your insurer upset you or us, they stand to lose a large book of clients. The same does not apply when a client is dealing directly with an insurer, as the insurer only stands to lose that particular client's business.

- **Insurance Brokers Network Australia (IBNA) Membership.** IBNA consists of 74 independently owned broking companies who together manage \$650 million in annual premiums which provides us with a market force afforded to very few others. The result of this market force is significant advantages for you in respect to covers, premiums and Insurer service standards. Membership / shareholding is only granted to us because we satisfy stringent professional and ethical requirements, are members of the National Insurance Brokers Association and are Qualified Practising Insurance Brokers.
- **National Insurance Brokers Association (NIBA).** NIBA works on behalf of us and is our industry voice. They play a pivotal role in our promotion, our ongoing education and training and also ensure that we continue to meet the highest professional and ethical standards. Membership of NIBA has to be earned and with the calibre of their people and understanding of our needs, we believe it adds to our standing as a Company and contributes to the way in which we go about looking after you.
- **Premium Funders.** We have important relationships with several premium funding companies who provide you with the option to pay your premiums in monthly instalments. As with insurers, premium funding companies are keen to look after your needs and appreciate that should they not respond as required, we can easily direct you and a substantial number of our other clients to a competing funder.

HOW WE WILL LOOK AFTER YOUR INSURANCE NEEDS

The following is an outline of the various tasks we will perform on your behalf whilst managing your insurance portfolio. Obviously, the actual processes involved are considerably more technical, so please treat this as a guide only.

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 30 days or less). To arrange this, we will need details of the property or risk and all other information which you need to disclose to insurers.

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 contract expires.

We will also send you the original insurance contract documents as soon as they are issued correctly by your insurer. 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 which we either arranged or last renewed for you, or you appointed us to handle for you.

At that time we will provide you with an invitation to renew your insurance contract and an invoice for the cost of renewal. If you want to change the details of the cover, contact us as soon as you receive the renewal invitation. If you wish us to renew the contract on your behalf, you must provide us with written instructions to do so and/or we must receive the premium and other charges before the due date shown on the invoice, either of which will activate renewal of your policy, unless we advise you otherwise.

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.

If you arranged or renewed insurance directly with an insurer or through another broker, we will not be responsible for notifying you of expiry or arranging renewal unless you ask us to do so.

Variations - You should carefully monitor and review that your insurance contract is adequate to cover your assets, liabilities and/or business activities. If you want to vary any cover, e.g. increasing the sum insured or add another property, please provide us with details of the changes you require and any other information you need to disclose to your insurer. We will arrange the variation with the insurer and provide you with written confirmation.

Claims - We will receive your claims notifications, assist and advise you regarding the scope of cover, documentation required and pass the information to your insurer.

If a loss adjuster, lawyer or other consultant is appointed we will, with your permission, pass on your contact details and co-ordinate meetings. In the case of a major loss, we can attend the meeting(s) with the appointee if you wish us to.

We will promptly forward to you all claims documentation, insurance company settlement cheques and other information and also assist you with recoveries from third parties where applicable.

Most importantly, should a claim settlement be unnecessarily delayed or denied by your insurer, we will vigorously negotiate rectification of the situation as our aim is to ensure you receive fast and fair claims settlements.

OUR FEES FOR SERVICES

We would like to let you know what we charge / receive for our services and what other benefits (if any) we receive in respect to Retail Products (as defined by Government Legislation)

Insurers - Our insurers, like us, believe that clients should consist of those who appreciate that all insurers and policies are not the same and to achieve value for money and the required covers, you must have an expert on your side.

We perform a number of tasks on behalf of insurers and this may include the issuing of their Product Disclosure Statements, collection of premiums, account reconciliation as required, remittance of premiums and in many instances the lengthy and complex processing of the insurances directly onto their computer system in conformity with their individual requirements.

These tasks, together with very little advertising or direct servicing of clients, provides them with cost savings that allows them to pay us a commission which in turn, together with any arrangement fee we may charge you, is directed towards you receiving the level of attention you deserve in the securement of the Perfect Policy at the Best Price.

Alternatively, we may credit you with all commissions and charge you a fee based upon the nature of the service we provide.

Whilst all our insurers pay similar rates of commission, they do vary depending on the class of insurance from anywhere between 0% to 13.5 % except for short term travel insurance which may increase the amount to 22.5% because of the nature of the policy, particularly in respect to the management of long distance claims.

We believe we are the perfect sized Broker. Small enough to provide friendly, individually tailored services and advice, but large enough to command vital insurer support which means competitive premiums and increased service levels for our clients.

As testimony to this, some insurers have invited us to participate in programs reserved for select brokers. Vital elements of the selection criteria are that the brokers must be large enough to provide a high level of insurer support, and the brokers clients must be well run / operated businesses that ensures a good claims history. This creates a win, win, win situation which includes, competitive premiums and increased levels of service for our clients, profitable results for insurers and dependent on the achievement of various targets, a payment &/or business development services of between 1% and 2% provided to us.

IBNA - Because of the large amount of "IBNA" business placed with insurers, they contribute towards the ongoing administration of IBNA (less than 2%). The contribution provides IBNA with the necessary funds to research and negotiate with insurers, specially designed covers, premiums and service standards. This occurs on an ongoing basis so you continue to receive value for money insurance protection. We pay an annual fee as Members and shareholders of IBNA and any surplus of funds may be paid back to us as a dividend. IBNA may also subsidise us in respect to the cost of attending conferences and insurers may sponsor IBNA for parts of conferences &/or seminars and the like.

When a policy includes commission it does not increase the amount you are required to pay.

Premium Funders - As with our insurers, there are also tasks we perform for premium funders and this is a factor in the commission they pay us. All our premium funders pay similar amounts of between 0% to 2% and this assists with the processes involved in arranging the monthly payment facility and its ongoing servicing.

We will provide you with specific information about the basis and amount we charge / receive before or at the time we arrange your insurance / premium funding. The charges shown will be nett of GST. Some of our charges may be tax deductible.

If we hold your money in trust pending payment to the insurer, we will retain the interest.

Our Advisers - For your peace of mind, we choose to provide our advisers with the bulk of their salary in wages, with a minor amount being derived through incentives revolving around the achievement of Company goals.

Although we have the utmost confidence in our advisers, you will appreciate that the advice provided to you is given with only your requirements taken into account.

Insurance company advisers who can only promote their own policy details, most of which is about the benefits and not the shortfalls and broker advisers remunerated through bonuses and the like, cannot enjoy the position from which our advisers perform their job of looking after your interests.

Referees - We receive considerable enjoyment from working with clients and colleagues who appreciate and understand what we do and one of the greatest compliments we are paid is to have clients refer others to us.

We like to thank our referrers in various ways and we are happy to do so as we greatly appreciate the opportunity of working with new clients. This in no way increases the amount you pay to us.

We also have a close relationship with Sporting Clubs, who refer clients to us, and wherever possible we assist by providing them with Sponsorship funds.

OUR TERMS OF PAYMENT

Invoices - We will invoice you for the premium, statutory charges (eg GST, stamp duty, fire services levy, etc) and any fees we charge for arranging your insurances. You must pay us within 10 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 from the date the payment was required, or from inception, and you will not be covered. The insurer may also charge a short term penalty premium for any time that they were on risk.

Cancellation - 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 also cannot cancel any contract of insurance which is subject to the Marine Insurance Act 1909. If a contract of insurance is cancelled before expiry of the period of insurance, we will refund the net premium we receive from your insurer but not our fees or commission for arranging the insurance.

COMPLAINTS AND DISPUTES

If you are not fully satisfied with our services, please telephone our Complaints Officer. We will acknowledge your complaint in writing and do everything we can to resolve your problem within 20 days. If you are still not satisfied, we subscribe to the Insurance Brokers Dispute (IBD) facility which handles complaints against brokers involving amounts up to \$50,000 and relating to a variety of small business and domestic processes. You can refer your complaint to the IBD Ltd Consumer Relations Manager who will conciliate with a view to seeking a solution that is acceptable to both parties. Tel: 1300 780 808

If the dispute remains unresolved after a further 20 days, it will be referred to the IBD Ltd Referee whose decision is binding on us (but not on you). Further information about IBD Ltd is available from our office.

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 this reason, 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
- If the insurer has waived your obligation to disclose.

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 never insured.

One important matter to be disclosed is the history of losses suffered by the person seeking insurance or any closely associated person or entity. 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 losses and claims. If you have any questions about whether information needs to be disclosed, please contact us.

Material Changes - You must also notify your insurer of any significant changes which occur during the period of insurance. If you do not, your insurances may be inadequate to fully cover you. We will assist you to do this and to ensure that your contract of insurance is altered to reflect those changes.

Cooling Off Period - Retail insurance only (As defined on page 2) - If you decide that you do not need a contract of retail insurance which has been arranged on your behalf, you have a minimum of 14 days from the earlier of the date you receive confirmation of the contract and the date it was arranged, to change your mind. You must tell the insurer in writing that you wish to return the insurance contract and have the premium refunded. If your policy is defined as Retail and as such subject to this clause, it will be indicated on your invoice.

If you do so, the insurance contract will be terminated from the time you notified the insurer 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.

Professional Indemnity Insurance – Instrat Insurance Brokers Pty Ltd has professional indemnity insurance in place which covers its employees and authorised representatives for any errors or mistakes relating to our insurance services. This insurance meets the requirements of the Corporations Act and meets claims even after they cease to be an employee or authorised representative of Instrat Insurance Brokers Pty Ltd, 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 only provide your information to the insurers with whom we choose to deal (and their representatives). We under no circumstances trade, rent or sell your information.

You can check the information we hold about you at any time. For more information about our Privacy Policy, please ask us for a copy.

Sums Insured - Average or 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 amount of the loss. These provisions are called 'average' or 'co-insurance' clauses.

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.

Interests of other Parties - Some insurance contracts do not cover the interest in the insured property or risk of any one other than the person 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. Please tell us about everyone who has an interest in the property insured so we can ensure that they are noted on your contract of insurance.

Waiver of Rights - Some insurance contracts seek to limit or exclude claims where the insured person has limited their rights to recover a loss from the person who was responsible for it, eg by signing an agreement which disclaims or limits the liability of the other party. Please tell us about any contracts of this type which you have or propose to enter into.

Standard Covers - The regulations in the Insurance Contracts Act set out standard terms for the cover (including a minimum amount of insurance), 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.

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 Product Disclosure Statement or a copy of the insurance contract.

LEAVE YOUR INSURANCES TO US

It is unlikely that you have either the time or interest to learn about the insurance business and certainly not in the depth necessary to do justice to such a complex field. After all, you have your own business &/or personal interests to attend to, so why not concentrate on them and leave your insurances to us.

We spend our lives specialising in insurance, are uniquely qualified by education, examination, experience and ongoing training. This provides you with the convenience of dealing with your Account Manager and their team, who understand and appreciate your individual requirements, whilst still benefiting from a wide choice of insurers, policy options, premium rates and proven professional expertise.

To make the right choice, you need expert advice, just as you would seek for a legal, taxation or financial matter. Like these disciplines, insurance can also be a mine field and our job is to make sure you receive . . .

The Perfect Policy at the Best Price

Thank you for taking the time to read our Financial Services Guide and should you have any queries, please give us a call. We will do all we can to assist.

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