

# Financial Services Guide

## A guide to our relationship with you and others

**The financial services referred to in this Financial Services Guide (FSG) are provided by:**

Austcover Pty Ltd  
ABN: 46 073 425 662  
Australian Financial Services Licence No: 241799

**This guide contains important information about:**

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

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

### **Why we are not independent, impartial, or unbiased in relation to the provision of personal advice and the impact of this on you**

We, Austcover Pty Ltd, are not independent, impartial, or unbiased pursuant to section 923A of the *Corporations Act* because:

- We may receive remuneration, commission, gifts or other benefits when we provide personal advice to you in relation to insurance products and other financial products;
- We may be subject to direct or indirect restrictions relating to the financial products in respect of which personal advice is provided; and/or
- We may have associations or relationships with issuers of insurance products and other financial products.

Further information about these benefits and relationships is set out in this Financial Services Guide.

If you have any questions about this information, please ask us.

#### **Financial Services Guide (FSG)**

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Version 06 (Prepared 01/07/21), Page 1

If you are a retail client and we give you personal advice we will also provide you with information on any remuneration, associations or other interests that may reasonably have influenced us in giving our advice.

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.

If you are a retail client and we arrange an insurance policy for you, or recommend you buy a particular insurance policy, we will provide you with a Product Disclosure Statement (PDS) unless you already have an up to date version. It is prepared by the insurer and is designed to help you make an informed decision about the financial product.

If you have any further questions about the financial services we provide, please contact us. Please retain this document for your reference and any future dealings with us.

## A guide to our relationship with you and others

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*What services can we provide?*

We are able to provide financial product advice and deal in general insurance products. There are a wide range of insurance products we can provide for.

### **Providing advice to you**

There are two types of advice services we provide and it is important to understand the difference:

- Personal advice – we are authorised to provide you with personal advice as to the suitability of general 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. For example, in some cases we may only provide personal advice on a selected list of products.

Before we provide any personal advice we will need to undertake a needs analysis so we can provide you with appropriate advice. You have the right not to divulge this information to us, if you do not wish to. However, if you do not, the advice you receive may not be appropriate to your needs, objectives and financial situation.

- General advice – we may provide a general recommendation or opinion to you on a general insurance product which is not based on consideration of your personal needs. We will tell you when this is the case, because if general advice is given you need to consider if the advice and relevant product is right for your circumstances as we have not done this.

In some cases where we arrange more than one policy for you, we may provide personal advice for one policy and general advice for another.

### **Claims assistance**

We can also assist you when you need to make a claim. If a claim occurs contact us and we can help you decide what to do. We do not do anything without your consent. We provide this assistance as part of our overall service for no separate charge, unless we tell you otherwise. We do not provide this service if we no longer act for you.

Any claims documentation, insurer settlement cheques and other information received by us on your behalf will be provided to you as soon as reasonably practicable.

### **Premium funding**

Premium funding is one way of not having to pay your premium in a lump sum. It allows you to spread your payment over instalments.

In certain cases we can arrange premium funding for you where we have a relationship with the premium funder, however you will have to pay interest to the premium funder.

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## A guide to our relationship with you and others

<p><i>What services can we provide?</i> (Continued)</p>	<p><b>Other service providers</b></p> <p>In some cases we may refer you to another service provider for assistance. These service providers may include organisations such as valuers, risk management, loss adjusting, legal or accounting services.</p> <p>In referring you to these service providers we do not advise that their products or services are right for you. You need to make your own decision based on the information they provide you.</p>
<p><i>Contractual liability and your insurance cover</i></p>	<p>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.</p>
<p><i>Who do we act for?</i></p>	<p>We can act in a number of roles in providing our services. As an insurance broker we normally act on your behalf, however this may vary in some circumstances.</p> <p><b>Acting for insurers</b></p> <p>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 settle claims on their behalf. In this instance, we act in the interest of the insurer in providing the service, not yours. We will inform you when we act for the insurer and not for you.</p> <p><b>Premium funding</b></p> <p>We have arrangements with a number of premium funding providers. We may offer you premium funding and in this instance we act on behalf of the premium funder, not you.</p>
<p><i>What information do we maintain in your file and how can you access it?</i></p>	<p>We maintain a record of your profile. This record includes information about insurance policies that we have arranged for you and 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.</p> <p>We are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. A copy of our privacy policy is located on our website <a href="http://www.austcover.com.au">www.austcover.com.au</a></p> <p>If you wish to examine your file or have a copy of our privacy policy mailed to you, please ask us.</p>
<p><i>Does a cooling-off period apply?</i></p>	<p>A cooling-off period may apply to an insurance policy issued to you as a retail client. Check the relevant Product Disclosure Statement for details.</p>
<p><i>How can you give us instructions?</i></p>	<p>You need to give us instructions in writing (i.e. letter, email or fax) or by another agreed method. We will tell you what is possible when you contact us.</p>

## A guide to our relationship with you and others

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*How are we remunerated 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.

We may be remunerated by:

- Commission from the insurer plus a broker fee that we charge you. In limited cases we may also receive remuneration from an insurer based on the profitability or volume of business we place with them.
- Fee only (no commission)
- Combination of the above

Details in relation to associations with financial product issuers and other material relationships are described later in this document.

### **Commission paid to us 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 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 27.5% excluding GST. Different insurers can agree to pay us different commission rates for the same types of products. The rates also vary for each product type. In some cases the rate may be higher because of the role we play in performing certain distribution functions the insurer would otherwise have to perform. 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.

The commission is included in the premium amount detailed on your invoice and we receive it when you pay the premium or at a later time as agreed with the insurer. By way of example, if you buy a policy and the base premium is \$400 and our commission is 10% excluding GST, we receive \$40 plus GST on this amount from the insurer.

If you are a retail client and we give you personal advice, we will tell you the remuneration that we and our associates are to be paid for providing the advice.

***If there is a refund of premium as a result of a cancellation or adjustment to a policy, we reserve the right to retain the remuneration earned prior to the variation. If we don't do this we will not be properly paid for the services provided to you.***

### **Fees paid by you**

We may charge you a broker fee plus GST when you enter into, renew or vary an insurance policy. This fee is charged in addition to the premium for the insurance.

In some cases we may specifically agree in writing before providing certain services, to charge on a fee only (no commission) basis. The fee will either be an agreed set amount for specific services or an amount based on an agreed rate for the time we spend providing the service.

All fees are noted in the invoice we send you. They are non-refundable.

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## A guide to our relationship with you and others

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*How are we remunerated for the services provided?  
(Continued)*

### **Other remuneration arrangements**

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.

### **Referral arrangements**

In some cases another party may introduce you to us. We may in return share a proportion of our remuneration, or pay them a referral fee. Where applicable, we will provide you with details of any remuneration or referral fee which is paid.

If we refer to you to another service provider we may be remunerated by them for doing this. We will inform you when this is the case.

### **Premium funding**

If we arrange premium funding for you we may be paid a commission by the premium funder. The commission that we are paid 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 range between 0% and 4% 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 other arrangements that are available to you.

Austcover have agreements with Atvest Finance Pty Ltd, Hunter Premium Funding Ltd and IQumulate Premium Funding Pty Ltd whereby we will receive an override commission of up to 1%. In some situations we may also receive sponsorship of company conferences.

### **"Soft dollar" benefits**

From time to time we and our representatives may also receive what are commonly referred to as "soft dollar benefits" from product issuers and other service providers we deal with. These can include entertainment (i.e. meals, sporting events and movies), conferences (i.e. attendance at a product issuer conference or sponsorship of conferences by product issuers and other service providers), accommodation and travel, business tools (i.e. software), gifts (i.e. product issuer or service provider branded promotional material and other occasional small gifts such as bottles of wine or hampers).

These benefits are provided by a wide range of product issuers and service providers. In most cases they are incidental to or relate to our development of an understanding of the product issuer or service provider and their product range and practices. Ultimately, this can assist us in better servicing and representing you.

## A guide to our relationship with you and others

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*How are we remunerated for the services provided?*

*(Continued)*

### **Staff remuneration**

Our staff receive an annual salary that may include bonuses based on performance criteria and achievement of company goals. Where applicable, remuneration arrangements for your adviser are described in this document.

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*Do we have any associations with financial product issuers or any other material relationships?*

We have included details in relation to associations and other material relationships in this section. These relationships have no bearing or influence on us in providing our services.

### **Austcover Financial Services Pty Ltd (AFS)**

In some cases we may refer you to or recommend you use the services of AFS, our life division. As a member of the same corporate group we will benefit from this recommendation as it improves the profit of the group.

### **Steadfast Group Ltd**

Austcover 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.

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 broker 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 the Steadfast FSG at [www.steadfast.com.au](http://www.steadfast.com.au)

### **Council of Queensland Insurance Brokers Inc. (CQIB)**

Austcover are a member of the CQIB and may receive indirect benefits from this membership. CQIB negotiates with certain financial product issuers the supply of enhanced products for clients of CQIB members. These enhanced products generally offer broader cover when compared to the standard offerings of the product providers. CQIB may receive royalties and/or sponsorship from financial product issuers and service providers, depending on the continued support of the products by members. Sponsorship allows these product issuers and service providers the opportunity to promote their product range to CQIB members.

Funds received from royalties and sponsorship help meet the cost of the annual convention and member meetings, for running the CQIB secretariat and to provide education programs. These education programs offer opportunities to enhance the skills and knowledge of members so that they can provide informed advice to clients.

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## A guide to our relationship with you and others

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<p><i>Do we have any associations with financial product issuers or any other material relationships?</i></p> <p><i>(Continued)</i></p>	<p><b>Profit share and volume bonus agreements</b></p> <p>We may receive an additional remuneration from insurers with whom we have a profit share or volume bonus arrangement. This remuneration is payable if we meet certain agreed sales and/or profitability targets set by the insurer, within an agreed period. Despite the existence of the agreement, any decision to place business with such an insurer will be based on the fact that this provides the best solution for you and not based on consideration of any entitlement to us.</p>
<p><i>How do we manage conflicts of interest?</i></p>	<p>Conflicts of interest are circumstances where some or all of your interests, are inconsistent with or diverge from some or all of our interests.</p> <p>We take any potential conflict seriously and have a conflicts of interest policy with which we comply. Our procedures and training are designed to properly manage any conflict that may arise. If you require any further explanation please ask us.</p>
<p><i>What should you do if you have a complaint?</i></p>	<p>If you have any complaints about the service provided you should take the following steps:</p> <ol style="list-style-type: none"> <li>1. Contact us and tell us about your complaint</li> <li>2. If your complaint is not satisfactorily resolved within 24 hours, please contact our Complaints Manager on telephone number 07 3237 8666 or put your complaint in writing and send it to Austcover Pty Ltd, PO Box 2780, Brisbane QLD 4001. Please mark the envelope "Notice of Complaint". We will try and resolve your complaint quickly and fairly.</li> <li>3. Austcover is a member of the Australian Financial Complaints Authority (AFCA). If your complaint is not resolved to your satisfaction you have the right to refer the matter to the AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers. The AFCA can be contacted on 1800 931 678, in writing at GPO Box 3, Melbourne VIC 3001, by email <a href="mailto:info@afca.org.au">info@afca.org.au</a> or via their website at <a href="http://www.afca.org.au">www.afca.org.au</a></li> </ol>
<p><i>What arrangements do we have in place to compensate clients for losses?</i></p>	<p>Austcover has a professional indemnity insurance policy (PI policy) in place.</p> <p>The PI policy covers us and our representatives (including our authorised representatives) for claims made against us and our representatives by clients as a result of the conduct of us, our employees or representatives in the provision of financial services.</p> <p>Our PI policy will cover us for claims relating to the conduct of representatives who no longer work for us.</p> <p>This policy satisfies the requirements for compensation arrangements under section 912B of the Corporations Act.</p>

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