



## Financial Services Guide

### AgriRisk Services Pty Ltd

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AFS Licence No: 233798  
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This Financial Services Guide (**FSG**) was prepared on 24<sup>th</sup> June 2010 and describes the services we can offer you. It is designed to assist you in deciding whether to use any of our services, and contains important information about:

- The services we offer you.
- How we and others are paid.
- Any potential conflicts 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 our clients for losses.

It also provides other useful information about your insurance.

If you purchase a retail product and we provide you with any personal advice that takes into account your objectives, financial situation or needs, you will receive a Statement of Advice (**SoA**) which confirms the advice we have given and explains our fees for arranging the insurance we have recommended. If we have advised you about insurance in the past and your circumstances have not changed, we may not need to give you an SoA – but you can always ask us for a copy of the record of the advice we gave you by calling our office.

If we offer to arrange the issue of a retail insurance policy to you, we will also provide you with, or pass on to you, a Product Disclosure Statement (**PDS**), unless you already have an up to date PDS. The PDS will contain information about the particular policy which will enable you to make an informed decision about purchasing that policy.

### AgriRisk Services Pty Ltd and our Services

We are an insurance broker and hold an Australian Financial Services Licence.

Our services which we provide as your agent include:

- Reviewing and advising on your general insurance needs;
- Arranging and renewing general insurance on your behalf;
- Assisting you with general insurance claims;
- Risk management and consulting

## How can you instruct us?

You may instruct us in person, by phone, fax or email. It is important that you provide us with complete and accurate information about the risk to be insured otherwise the advice we give you may not be appropriate for your needs.

If your circumstances change, our recommendations may no longer be appropriate. Please tell us about any changes in your circumstances so that we can confirm that your insurance continues to be suitable for your needs.

## How we are paid

**Commission and fees** – We received a commission from the insurer with whom we place your insurance. The amount varies depending upon the product, but is in the range of 0% to 25% of the premium (excluding taxes and statutory charges). The commission is included in the premium quoted to you.

We may also charge you a broker administration fee for arranging the insurance. The amount depends upon the type of insurance we arrange, but is usually in the range of \$100 to \$500. This fee is payable in addition to the premium.

Commission and broker fees are our main source of income and also cover the costs of operating our business.

Should we provide personal advice (taking into account your objectives, financial situation or needs) for a retail product; 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.

**How our advisers are remunerated** - Our advisers are paid an annual salary. They may also receive discretionary bonuses on performance and at the discretion of our directors where the adviser's performance has been exceptional in terms of meeting our business goals. AgriRisk advisers receive no additional inducement to place business with a particular insurer.

**Referrers** – If you were referred to us, we may share up to 50% of our commission with the person who referred you.

## Important Associations

We may place business with Insurers from whom we earn additional income that is not directly related to the service we provide to you. This may be a fee for service or may be remuneration based on the profitability or volume of the insurance business placed with the Insurer.

The prevailing factors in the decision to recommend a specific product are the suitability and availability of that product. AgriRisk deals in products only available from a limited number of insurers.

We may advise on and arrange insurance through or with insurance brokers, underwriting agencies or insurers which are related to us. This happens when we arrange insurance with Primacy Underwriting Agency Pty Ltd (AFS Licence No: 244235) as this company has two minority shareholders who are the majority shareholders of AgriRisk Services Pty Ltd. These companies operate independently.

The majority shareholder of Primacy Underwriting Agency Pty Ltd is Allianz Australia Insurance Limited (AFS Licence No: 234708).

AgriRisk Services Pty Ltd is a shareholder of Steadfast Group Limited (Steadfast). Steadfast has exclusive arrangements with some insurers under which Steadfast will receive between 0.5 - 1% commission for each product arranged by us with those insurers. These payments are used to operate the Steadfast Group.

Depending on the operating costs of Steadfast (including the costs of member services provided by Steadfast to us and other Steadfast shareholders) and the amount of total business we place with the participating insurers in any financial year, we may receive a proportion of that commission at the end of each financial year.

As a shareholder of Steadfast 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 shareholders for a fee.

Steadfast is also a shareholder of Miramar Underwriting Agency Pty Limited (Miramar). As a shareholder, Steadfast may receive dividends from Miramar. These amounts will indirectly contribute towards the benefits we receive from Steadfast.

## **What to do if you have a complaint**

If you wish to complain about our services, contact your adviser and tell them about your complaint. If your complaint is not satisfactorily resolved within 15 business days, please contact our Complaints Officer John van der Vegt on 02 9965 1100 or put your complaint in writing and send it to him at the address noted at the beginning of this FSG. We will try and resolve your complaint quickly and fairly.

We are a member of the Financial Ombudsman Service (FOS), an external dispute resolution scheme. If your complaint cannot be resolved to your satisfaction by us you have the right to refer the matter to the FOS. You can contact them on 1300 780 808. Any decision they make is binding on us but not on you.

## **How we look after your insurance needs**

### **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 may be able to obtain an interim contract of insurance (which is generally valid for one month or less) for some, but not all types of insurance. To arrange this we will need details of the property or risk and all other information which you need to disclose to the insurer.

We will then send you a proposal form for completion. You will need to complete and sign this and return it to us as soon as possible and before the interim cover expires.

We will then send the original insurance policy 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 policy which we arranged or last renewed for you.

If you wish us to renew your insurance, please provide us with your written instructions to do so and pay the premium and other charges before the date shown on the invoice.

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.

In some cases we may 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 appropriate for your circumstances.

Some of the insurance policies we sell are **not** automatically renewable which includes most of the crop insurance contracts. For these policies you will need to complete a new contract each season.

If you arrange or renew your insurance directly with an insurer or through another broker, we will not be responsible for notifying you of expiry or arranging further renewals unless you ask us to do so.

### **Variations**

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

If you want to vary cover, e.g. by increasing the 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 notify you when it is arranged.

### **Claims**

When you need to make a claim, we can advise if it is covered under that 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 adjuster we shall, with your permission, pass on your contact details and co-ordinate meetings. For major losses, we can attend the initial meeting with the loss adjuster if you wish us to do so.

We will promptly forward to you all claims documentation, insurance company settlement cheques and other information.

If any claims are outstanding when you terminate our appointment as your insurance broker we will 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. We cannot cancel any contract of insurance which is subject to the Marine Insurance Act 1909.

If you cancel your insurance mid term, we will refund the net premium we receive from your insurer. We will not refund our fees or commission for arranging the insurance.

Some crop insurance policies do not allow a refund of premium if the policy is cancelled.

## **How we protect your privacy**

We are committed to protecting your privacy. We use the information you provide to advise about and assist you with your insurance needs. We only provide your information to the insurance companies with whom you choose to deal (and their representatives). We do not 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, ask us for a copy or visit our website at [www.agririsk.com.au](http://www.agririsk.com.au)

## **Our payment terms**

### **Invoice**

We will invoice you for the premium, statutory charges (e.g. stamp duty, fire services levy, 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 charge interest and they take a power of attorney over your insurance policy.

If required we can arrange premium funding on your behalf. We may receive a commission based on a percentage of the premium from the premium funder for doing so which may range between 0% and 2%. We will tell you the basis and amount of any such payment before or at the time the premium funding is arranged.

Steadfast has a shareholding in Macquarie Premium Funding. If we arrange premium funding with Macquarie Premium Funding for you, under its agreement with Macquarie Premium Funding, Steadfast will receive 0.5% of your insurance premium (including government fees or charges). As an equity shareholder of Macquarie Premium Funding, Steadfast may also receive dividends from profits of Macquarie Premium Funding. The amount of the Steadfast dividend is based on the share of profit attributable to funding arranged by Steadfast shareholders. The payments (commission and dividends) that Steadfast receives from Macquarie Premium Funding are used to operate Steadfast. Depending on the operating costs of Steadfast and the amount of total business we place with Macquarie Premium Funding in any financial year, we may receive a portion of those amounts at the end of each financial year.

You can obtain a copy of Steadfast's FSG at [www.steadfast.com.au](http://www.steadfast.com.au)

## **Important information about your insurance**

### **Your duty of disclosure**

To make an informed assessment of the risk and calculate the appropriate premium, your insurer needs information about the risk you are seeking 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 issue 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 to your insurer, do contact us.

### **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.

We can assist you to tell the insurer about changes and to ensure that your contract of insurance is altered to reflect those changes if necessary.

### **Cooling off period – this only applies to Retail Insurance**

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.

### **Sums insured – Average and Co-insurance**

Some insurance policies 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 should 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 needs to be sufficient to cover the new replacement cost of the property.

### **Interests of other Parties**

Some insurance policies do not cover the interest in the insured property or risk of anyone other than the person named in the contract. Common examples are where property is jointly owned or subject to finance, but the policy only names one owner or does not name the financier.



Please tell us about everyone who has an interest in the property insured so that we can ensure that they are noted on the policy.

### **Waiver of rights**

Some insurance policies 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. E.g. 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**

Insurance laws prescribe minimum standard cover provided by motor vehicle, home buildings, home contents, personal property, sickness and accident, consumer credit and travel insurance policies (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 do this by providing you with a Product Disclosure Statement and 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 do so by providing you with a copy of the insurance policy

### **Client Compensation Arrangements**

AgriRisk Services Pty Ltd has a Professional Indemnity insurance policy (PI policy) in place. The PI policy covers us and our employees for claims made against us and our employees by clients as a result of the conduct of us or our employees in the provision of financial services.

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

### **Any questions?**

If you have any further questions about the financial services AgriRisk Services Pty Ltd provides, please contact us.

Please retain this document for your reference and any future dealings with AgriRisk Services Pty Ltd.