

# FINANCIAL SERVICES GUIDE

A guide to our relationship with you and others



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

**MURRAY CHRISTIAN** (Authorised Broker No. 324770)

**MKC PTY LTD t/as BROADWATER INSURANCE BROKERS**

Corporate Authorised Representative No. 324517

ABN: 71 130 349 307 | ACN: 130 349 307

P: PO Box 180, Gosford NSW 2250

T: 0435 201 440 | E: murray@bwib.com.au

Authorised Representatives of:

**National Adviser Services Pty Ltd t/as Community Broker Network**  
(the Licensee)

ABN: 60 096 916 184 | ACN: 096 916 184 | AFSL 233750

Ground Floor, Halcyon House, 1 Campbell Street,  
West Perth WA 6005

T: (08) 9480 8900 | E: [compliance@cbnet.com.au](mailto:compliance@cbnet.com.au)

## This 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 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
- Arrangements that are in place to compensate clients for losses.

## Further information when personal advice is given (\*Retail Clients only)

We will provide you with further information whenever we provide you with advice, which takes into account your objectives, financial situation and needs. This information may include the advice that we have given you, the basis of the advice and other information on our remuneration and any relevant associations or interests. This information may be contained in a Statement of Advice (SOA).

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.

## Product Disclosure Statement (\*Retail Clients only)

If you are a retail client and we offer to arrange the issue of an insurance policy to you, we will also provide you with, or pass on to you, a product disclosure statement (PDS) or short-form PDS, unless you already have an up to date PDS or short-form PDS from the Insurer. The PDS or short-form PDS will contain information about the particular policy, which will enable you to make an informed decision about purchasing that policy.

## From when does this Financial Services Guide (FSG) apply?

This FSG applies from 30 April 2018, and remains valid unless a further FSG is issued to replace it.

## How can you give us instructions?

You can contact us to give us instructions by post, phone, fax or email on the contact details mentioned at the top of this page.

## Who is responsible for the financial services provided?

The Licensee is responsible for the financial services that will be provided to you or through you to your family members, including the distribution of this FSG. The contact details for the Licensee are at the top of this page. The distribution of this FSG by us is authorised by the Licensee.

## What kinds of financial services are we authorised to provide and what kinds of financial product/s do those services relate to?

The financial services referred to in this guide are provided by your Authorised Broker, who is authorised under the Licensee's Australian Financial Services License to provide financial product advice and deal in general insurance products for wholesale and retail clients. We will do this on your behalf as your general insurance broker unless we tell you otherwise.

If we ever act under a binder arrangement, which means we have authority to issue policies as an agent for the insurer, rather than acting for you, we will inform you of this arrangement.

## Will I receive tailored advice?

We may need information about your personal objectives, details of your current financial situation and any relevant information, so that we can arrange insurance policies for you, or to give you advice about your insurance needs. We will ask you for the details that we need to know.

In some cases, we will not ask for any of this information. If we do not ask, or if you do not give us all of the information we ask for, any advice you receive may not be appropriate to your needs, objectives and financial situation. You should read the warnings contained in any SOA, or any other warnings that we give you, carefully before making any decision about an insurance policy.

At renewal we may review your insurance however, in some cases we may automatically renew your insurance to ensure you continue to be covered. This renewal will not take into account any changes to your

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current financial situation or personal objectives or needs that you have not informed us of.

## 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.

## Legal Advice

Our duty as a general insurance broker does not extend to giving legal advice. You should consult your solicitor when you need advice on legal matters.

## What information do we maintain about you and how can you access it?

The Licensee maintains a record of your personal profile including details of insurance policies that we arrange for you. The Licensee may also maintain records of any recommendations or advice given to you. The Licensee will retain this FSG and any other FSG given to you as well as any SOA, PDS or short-form PDS that we give or pass on to you for the period required by law.

We and the Licensee are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. The Licensee has taken the appropriate action to ensure we comply with the Australian Privacy Principles ("APPs") and have established a Privacy Policy. A copy of our privacy policy is available on request, or at [www.cbnet.com.au](http://www.cbnet.com.au).

If you wish to access your file, please ask us. We will make arrangements for you to do so.

## How will I pay for the services provided?

Payment for the services we provide you are payable directly to the Licensee. For each insurance product, the insurer will charge a premium that includes any relevant taxes, charges and levies. The Licensee will receive a payment based on a percentage of this premium (excluding relevant taxes, charges and levies) called commission, which is paid to the Licensee by the insurers.

In some cases, we may also charge you a broker fee. This will be shown on the invoice that is sent to you. The invoice provides methods of payment for our services and details of payment terms. The Licensee pays the commission and broker fee to us after deducting a management fee.

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. Depending on our arrangements with the insurer, the Licensee will retain any commission that was paid to them by the insurer for the policy and we may retain the portion of the commission that was paid to us by the Licensee. We may also charge you a cancellation fee.

Non-payment of premium within applicable time frames could result in the insurer cancelling the contract of insurance or charging a penalty premium for time on risk.

When you pay us your premium it will be banked into the Licensee's trust account. The Licensee will retain the commission from the premium you pay us and remit the balance to the insurer in accordance with the Licensee's arrangements with the insurer. The Licensee will earn interest on the premium while it is in their trust account or the Licensee may invest the premium and earn a return. The Licensee will retain any interest or return on investment earned on the premium.

If you require assistance from us with a claim which requires an unexpected and significant amount of time or expertise, we reserve the right to make an additional charge for it. Any charges will be agreed with you before we provide the services so you always know how much you will be required to pay.

## How are any commissions, fees or other benefits calculated for providing the financial services?

The commission the Insurer pays to the Licensee will be calculated based on the formula:

$$P \times Y\% = X.$$

In this formula:-

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

*Y%* = the percentage commission paid to the Licensee by the Insurer.

*X* = the Licensee's commission. The Licensee's commission varies between 0 and 30%.

We may also charge you a broker fee in addition to commission when you enter into an insurance policy. The amount of the fee will depend on the complexity of the services we are providing. The amount of any broker fee charged will be shown on your invoice.

The Licensee deducts a management fee of between 0% and 22.5% from the total commission and broker fee received and pays the remainder of the broker fee and commission to us.

Our employees that will assist you with your insurance needs will be paid a market salary and may also receive a performance bonus based on both the value and quality of the work they do for our clients.

Where a third party has referred you to us, we may share part of our fees/commission with them or pay an agreed referral rate. If we do, we will pay commissions to those people out of the commission and fees passed to us by the Licensee (not in addition to those amounts), in the range of 0 to 50% of our commission or fees.

If we give you (as a Retail client) 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 third party referrer) will receive in relation to the policies that are the subject of the advice as soon as practicable after that time.

## Do we have any relationships or associations which might reasonably influence us?

**The Licensee is a wholly owned subsidiary of Insurance Australia Limited.**

### *Insurer Relationships*

The Licensee sometimes enter into specific arrangements with a limited number of insurers where we receive fees or other remuneration for the development of insurance solutions or the growth of various insurance portfolios. The remuneration the licensee receives from these arrangements is variable and is determined by the profitability of the recommended insurance products. We will only recommend these products where they meet your needs and are in your best interests. Any such relationship is managed under our conflicts of interest policy.

We work closely with a range of insurers and underwriting agencies to arrange high quality benefits, competitive pricing and superior service levels for our clients. Wherever possible we will recommend that clients deal with insurers that are authorised under the Insurance Act 1973 (Cth) to carry on insurance business in Australia and are subject to oversight by the Australian Prudential Regulation Authority. We will warn you when we recommend an unauthorised foreign insurer.

Some insurers give other benefits such as sponsorship of annual conferences, training and invitations to social business functions. These benefits may change from year to year. The receipt of these benefits may be based upon the volume of business placed with the provider but may also be more of an ad hoc reward. Occasionally we may also receive small gifts and gratuities. It is the Licensee's policy that gifts or gratuities may be accepted only if they are of an incidental nature. These amounts are not additional costs to you.

Despite the existence of any incentive, 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 incentive entitlement. The Licensee may pass any incentive received on to us.

### ***Steadfast Group Limited***

The Licensee is a shareholder and member of Steadfast Group Limited (**Steadfast**). Steadfast has exclusive arrangements with some insurers and premium funders (**Partners**) under which Steadfast will receive between 0.5 – 2.0% commissions for each product arranged by the Licensee with those Partners. Steadfast is also a shareholder of some Partners.

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

As a Steadfast member, the Licensee has 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 members for a fee.

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

## The Licensee and Premium Funding Companies

If we arrange premium funding for you with a premium funder, we may be paid a commission by the premium funder. The commission that we are paid by the premium funder is usually calculated as a percentage of your insurance premium (including government fees or changes). If you instruct us to arrange premium funding for you, this is when we become entitled to the commission.

Commission rates for premium funding are usually in the range of 0 to 5% of funded premium. When we arrange premium funding for you, you can ask us what commission rate we are paid for that funding arrangement compared to the other arrangements that were available to you. The amount we are paid is set out in the premium funding contract. Some premium funders may pay the Licensee a volume bonus based on the volume of business the Licensee and we place with them. This payment may be passed on to us.

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

If you have any complaints about the service provided to you, you should contact your Authorised Broker about your complaint. If your complaint is not satisfactorily resolved, please contact the Licensee's Complaints Officer:

T: (08) 9480 8900 | E: [compliance@cbnet.com.au](mailto:compliance@cbnet.com.au)

P: Complaints Officer, CBN

PO Box 1183, WEST PERTH WA 6872.

Please mark the envelope "Notice of Complaint".

We will try and resolve your complaint quickly and fairly.

The Licensee is a member of the Financial Ombudsman Services (FOS). If your complaint cannot be resolved to your satisfaction by us you have the right to refer the matter to FOS who can be contacted on:

T: 1800 367 287 | F: (03) 9613 6399

E: [info@fos.org.au](mailto:info@fos.org.au) | [www.fos.org.au](http://www.fos.org.au).

The Licensee is a principal member of NIBA and as such the Licensee's staff and Authorised Brokers have adopted the Insurance Brokers Code of Practice.

## What arrangements are in place to compensate clients for losses?

We and the Licensee have a Professional Indemnity policy in place. The PI policy covers the Licensee's employees, its contractors and its Authorised Brokers for claims made against them by clients as a result of their conduct in the provision of financial services.

The PI policy will cover the Licensee and us for claims relating to the conduct of representatives who no longer work with us, in respect of the Financial Services provided under the Licensee's Australian Financial Services License.

## Any Questions?

If you have any further questions about the financial services we provide, please contact us on phone number 0435 201 440. Please retain this document for your reference and any future dealings with us and the Licensee.

## ADDITIONAL IMPORTANT INFORMATION

### \*Retail Clients only

Retail clients are individuals or those who purchase an insurance product for use in connection with a small business. However, they are only designated as retail clients when they purchase a general insurance contract which has been designated as a retail product i.e.:

- ♦Motor vehicle
- ♦Home contents
- ♦Consumer Credit
- ♦Personal and domestic property
- ♦Home building
- ♦Sickness and accident
- ♦Travel
- ♦Pleasure craft

Any other kind of insurance prescribed in the Corporations Regulations 2001.

### New Business

We will endeavour to arrange interim cover for property or risk not currently insured when you supply full details of the property or risk and all information requiring disclosure to the Insurer. A proposal may need to be completed by you and then submitted by us to the Insurer prior to expiry of the interim cover.

You understand that all documents relating to insurance contracts should be completed in your own handwriting, however at times this may be done by us with your consent. It is your (the Insured's) responsibility to ensure the accuracy of all information supplied on any documents/the proposal prior to signing the document. The policy document issued by the Insurer forms the agreement between you and the Insurer. Upon receipt of this document we recommend you check the details thoroughly to ensure the cover meets your requirements.

### Renewals

When your policy is due for renewal we will endeavour to give you at least fourteen (14) days' notice of expiry of any policy maintained by us through the Licensee. We will review your insurance requirements when you inform us of any alterations to your circumstances, however in some cases we may automatically renew those policies and you should contact us to inform us if any details are not correct.

We do not accept responsibility for policies not maintained by the Licensee.

### Policy Alteration/Endorsement

Please contact us should you require alteration to details of the insured property or risk. An invoice will be issued to confirm the alteration we have effected with the Insurer.

### Cancellation

Fees may be charged by us for managing any cancellation. In addition, we reserve the right to retain any commission received from the insurer. Some Insurers charge cancellation fees or may not refund anything depending on policy conditions and/or how many days are left before the expiry date of the policy.

### Duty of Disclosure

You and everyone who is insured under an insurance policy must comply with the duty of disclosure. You must provide complete and accurate information and instructions in a timely manner, so that we can assist you fully.

You have a duty to disclose to the insurer before a contract of insurance is entered into, upon any renewal or alteration / endorsement to the contract, every matter that is known to you that is relevant to the decision of the insurer whether to accept the risk.

It is important that you tell us every matter that you know or that a reasonable person in your circumstances would know that would be relevant to an insurers decision whether or not to insure you and on what terms. You must give honest and complete answers to each of the insurer's questions. You should disclose in answer to each question any matter that is known to you and which a reasonable person in the circumstances could be expected to have told the insurer in the circumstances.

Failure to comply with your duty of disclosure may allow the insurer to avoid liability for a particular claim or to void the policy.

### Cooling off Period (applies for \*Retail clients only)

A cooling off period may apply to an insurance policy issued to you as a retail client\*. During the period you may return the policy and receive a premium refund. If you choose to return a product within a cooling off period we will return the commission to the insurer, however we reserve the right to retain our fees. The cooling off period is subject to legal requirements and terms and conditions of the policy. You should check the relevant PDS for full details.

### Terms of Payment

When we arrange, renew or vary cover on your behalf, we will invoice you for the premium, statutory charges (e.g. stamp duty, fire services levies, GST, etc.) and our brokerage &/or fees. Invoices must be paid to us within fourteen (14) days of receipt, unless otherwise stated. Check your invoice for payment options. Please note that a surcharge will be applied to payments made by credit card, and that surcharge may change from time to time and will vary depending upon which type of credit card you choose to use.