

Your personal financial services guide

This Financial Services Guide (FSG) contains information about our services and charges, your rights as a client and other things you need to know in relation to insurance matters including how any complaints you may have will be dealt with.

We trust it will assist you in deciding whether to use our services. If you ask us to act as your general insurance broker, 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. If there are any alterations to these terms we will advise you in writing.

You may also receive some other documents after or at the time we advise you about your insurance needs including:

- » Product Disclosure Statements – these will contain information about the products we recommend to you; and
- » Confirmation notices – these will confirm the details of transactions we have arranged on your behalf.

If you need more information or have any questions, please feel free to phone us. This Financial Services Guide was prepared on 26th of September, 2011.

Who is Avant Guard Financial Group Pty Ltd?

The Avant Guard Financial Group is an authorised Representative #330315 of Insurance House Pty Ltd which holds an Australian Financial Services Licence #240954 under the Corporations Act 2001 to carry on a financial services business to:

- provide financial product advice on the following:
 - general insurance products
- deal in a financial product by:
 - applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:
 - general insurance products.

Insurance House Pty Ltd is a member of the National Insurance Brokers Association and subscribes to the General Insurance Brokers Code of Practice. It is a member of the Financial Ombudsman Service (13914).

What services can Avant Guard supply?

The Avant Guard Financial Group is committed to providing sound advice based upon your needs and our comprehensive market knowledge.

- We offer a range of services to assist you to protect your assets. These include:
- » Arranging and renewing insurance contracts on your behalf;
 - » Arranging premium funding if required;
 - » Assisting with insurance claims.

- We can advise about & arrange all general insurance products on your behalf including:
- » Boat Insurance; » Business Insurance; » Professional Risk Insurance;
 - » Farm Insurance; » Caravan Insurance; » Home & Contents Insurance;
 - » Liability Insurance; » Motor Vehicle Insurance; » Warranty Insurance;
 - » Marine Transit Insurance.

Does Avant Guard have any relationships or associations with other financial product and services providers?

- » The Avant Guard Financial Group is an authorised representative of Insurance House Pty Ltd;
- » Insurance House Pty Ltd is a member of the Insurance Brokers Network Australia (IBNA) Group;
- » Insurance House Pty Ltd may hold binding authorities with a number of Insurers to issue contracts of insurance and to deal with or settle claims on their behalf. When we arrange insurance or deal with claims under one of these binders, we will be acting as the agent of the insurer, not as your agent. We will always tell you when this is the case;
- » Insurance House does not warrant or guarantee the solvency of the Insurer when you buy a policy or on an ongoing basis. We do not accept responsibility for the financial viability of any Insurer as we have no control of the Insurer's performance which can be affected by many commercial and economic factors.

How will Avant Guard 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 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 information which you need to disclose to the insurer. 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 before the interim cover expires. We will send 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 arranged or last renewed for you. At that time we will send you an offer to renew the insurance contract and invoice you for the cost of renewal.

If you want to change the details of the cover, contact us as soon as you receive the renewal offer. If you wish us to renew the contract on your behalf, you must provide us with written instructions to do so and/or 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.

We will notify you when renewal has been effected. 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 or business activities. If you want to vary any cover, eg 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 provide you with written confirmation. You can provide us with instructions in person, by phone or email or in writing.

What happens if you need to make a claim?

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.

Fees & commissions

How much do we receive in fees/commission & how is it calculated?

You are entitled to know how and what we will charge for our services and what other benefits we receive.

Our remuneration

- » The licensee (Insurance House Pty Ltd) will receive commissions from the relevant insurers when we arrange insurances on your behalf. As a general rule, the insurer will pay us an amount based on a percentage of the premium. If we accept a commission, we may also charge you an arrangement fee;
- » Avant Guard Financial Group will receive a payment from the licensee for arranging this insurance. The amount received is 83.5% of the licensee's total income;
- » Alternatively, we may rebate all commissions to you and charge you a fee based upon the nature of the service we provide.

We will provide you with specific information about the basis and amount you will be charged before or at the time we arrange your insurance. Our charges include GST. Some of our charges may be tax deductible. If Insurance House holds your money in trust pending payment to the insurer, they also receive any interest earned.

Where personal advice has been, or is to be provided, we will give full details of the amount of commission we will receive in the Statement of Advice. In addition, some insurers with whom the licensee arranges a large amount of business may pay them a commission based on the volume of/profitability of the business placed with them. These payments do not increase the amount you are required to pay for your insurance.

How are Avant Guard's advisers paid?

Our advisers are usually paid in two ways – salary and bonus' or incentives based on a number of factors including achievement of Company goals.



"Service is in our blood. It's part of our DNA."



How to pay your premiums - Invoices.

We will invoice you for the premium, statutory charges (eg stamp duty, fire services levy, etc) and any fees we charge for arranging your insurances. You must pay us within 30 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.

Credit card fees

If you pay by credit card we may charge you a credit card (including arrangement and handling) fee, which is always disclosed to you. This fee is not refundable. The fee reimburses us for bank interest, extra charges/costs and internal time attributable to credit card use.

Premium funding

Premium funding products enable you to pay your premiums by installments. Although they do not usually require any security, premium funders do charge interest. We can arrange premium funding on your behalf if you require it. The licensee is paid a commission ranging from 0-3.5% for arranging your premium funding.

What if you change your mind and do not want the policy?

Cooling off period - retail insurance only

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 repaid. 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.

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. We will not refund our fees or commission for arranging the insurance.

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 it 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 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 can assist you to do this and to ensure that your contract of insurance is altered to reflect those changes.

Is there anything else you should know?

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 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 ihgroup.com.au

Sums insured - average and 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.

Interest of other parties

Some insurance contracts 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 contract only names one owner or does not name the financier. Please tell us about everyone who has any interests in the property insured so that we can ensure that they are noted on the 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.

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 copy of the insurance contract.

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 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. We will not refund our fees or commission for arranging the insurance.

If you have a problem, who can you complain to?

Complaints and disputes

If you are not fully satisfied with our services, please telephone the Complaints Manager at Insurance House on 03 9235 5222. We will acknowledge your complaint in writing and endeavour to resolve your problem within 20 days. If you are still not satisfied, Insurance House subscribe to the Financial Ombudsman Service which handles complaints against brokers involving amounts up to \$100,000 and relating to a variety of small business and domestic processes. You can refer your complaint to the FOS-IBD Consumer Relations Manager which will conciliate with a view to seeking a solution that is acceptable to both parties. If the dispute remains unresolved after a further 20 days, it will be referred to the FOS-IBD Consumer Relations Manager whose decision is binding on us (but not on you). Further information about the FOS is available from our office. For additional information on Financial Services, or any of Avant Guard Financial Group's other services, please call us on any of the numbers listed, or jump on to our website at www.ihgroup.com.au.

Compensation

Insurance House holds a Professional Indemnity Policy. This policy is designed to pay claims by Third Parties (including our clients) arising out of our professional negligence. This policy also extends to cover us for work done by us and satisfies the requirements for compensation arrangements under Section 912B of The Act.

