

Financial Services Guide

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

Proper Insurance Pty Ltd T/as Cover Tradie

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The purpose of this Financial Services Guide (FSG):

This **Financial Services Guide (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 others are paid.
- Any potential conflict 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 clients for losses.

FSG Version

This FSG applies from 15th July 2023 and remains valid unless a further FSG is issued to replace it. We may give you a supplementary FSG. It will not replace this FSG but will cover services not covered by this FSG.

LACK OF INDEPENDENCE

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

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

- We may receive remuneration, or commission when we provide personal advice to you in relation to insurance products and other financial products;
- 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.

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

Proper Insurance Pty Ltd is authorised to advise and deal in general insurance products to wholesale and/or retail clients. We will do this for you as your broker unless we tell you otherwise.

Responsibility for services provided

Proper Insurance Pty Ltd 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. Proper Insurance Pty Ltd holds a current AFS Licence No 543994. The contact details for Proper Insurance Pty Ltd are as mentioned on page 1.

How can I instruct you?

You can provide us with instructions in person, by telephone or in writing via email or post on the contact details on page 1.

Retail Clients

Under the Corporations Act 2001 (The Act) Retail Clients are provided with additional protection from other clients. The Act defines Retail Clients as:

Individuals or a manufacturing business employing less than 100 people or any other business employing less than 20 people and that are purchasing the following types of insurance covers:

Motor vehicle, home building, contents, personal and domestic, sickness/accident/travel, consumer credit and other classes as prescribed by regulations.

Personal Advice (Retail Clients only)

Typically, we only provide General Advice to our Retail Clients. General Advice does not consider your needs and requirements and you should consider the appropriateness of this advice to your circumstances prior to acting upon it. We will provide you with a General Advice Warning in such cases.

If you are a new Retail Client purchasing Personal Accident or Sickness insurance and obtain Personal Advice, that is, advice that considers your circumstances, we will give you a **Statement of Advice (SOA)**, that sets out the advice provided and the basis on which the advice is made, and our remuneration should you purchase the product.

When you ask us to recommend an insurance policy for you, we will usually only consider the policies offered by the 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 insurance providers we deal with regularly.

If we recommend the purchase of a particular financial product, we will also give you a **Product Disclosure Statement** at that time, which sets out details specific to that product and the key benefits and risks in purchasing the product.

Where we provide you with advice about your insurance arrangements, that advice is current at the time that we give it. We will review your insurance arrangements when you inform us about changes in your circumstances.

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 you maintain in my file and can I examine my file?

We maintain a record of your personal profile, including details of insurance policies that we arrange for you. We may also maintain records of any recommendations or advice given to you.

We will retain this FSG and any other FSG given to you as well as any SOA or PDS that we give or pass on to you for the period required by law.

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 available on request. A copy is also available on our website, www.properinsurance.com.au.

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

What to do if you have a complaint

Proper Insurance Pty Ltd is committed to providing exemplary service to all clients. If on a rare occasion you are not satisfied with our services:

1. You should contact **Proper Insurance Pty Ltd** on 1300 190 535 and we will do our best to resolve your complaint.
2. If your complaint is not resolved within 20 days to your satisfaction, you have the right to refer the matter to the Australian Financial Complaints Authority (AFCA), a free consumer service that provides fair & independent financial services complaint resolution. Further information is available from our office or contact AFCA directly on 1800 931 678 or visit www.afca.org.au. Proper Insurance Pty Ltd also adopt the Insurance Brokers Code of Practice.

Compensation Arrangements

Proper Insurance Pty Ltd has a professional indemnity insurance policy (PI policy) in place.

Our PI policy covers us and our representatives (including our authorised representatives) for claims made against us and our representatives by clients because of the conduct of us, our employees, or representatives in provision of financial services.

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

This policy satisfies the requirements for compensation arrangements under section 912B of the Corporations Act.

Electronic Delivery of Disclosure Notices & Other Documents

We provide all correspondence and disclosure notices (including Financial Services Guides and Product Disclosure Statements) to you electronically, via email or links to websites etc. If you have provided your email address to Us, we will use that email address for all correspondence and disclosure notices. Should you not wish to be sent disclosure documents electronically please advise us and we will update our records accordingly. We may charge reasonable costs for postage and handling of physical documents that you request.

Proper Insurance Pty Ltd's source of income

For each insurance product the insurer will charge a premium that includes any relevant taxes, charges, and levies. We often receive a payment based on a percentage of this premium (excluding relevant taxes, charges, and levies) called commission, which is paid to us by the insurers.

We will also charge you a broker fee for arranging your insurance. These will all be shown on the invoice that we send you. You can choose to pay by any of the payment methods set out in the invoice. You are required to pay us within 14 days from the invoice date.

If there is a refund or reduction of your premium because 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. We will also retain commission depending on our arrangements with the insurer or charge you a cancellation fee equal to the reduction in our commission.

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.

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

Our commission will be calculated based on the following formula:

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

In this formula:

X = our commission

Y% = the percentage commission paid to us by the insurer. Our commission varies between 0% - 30%.

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

Any fees that we charge you will be based upon the type of insurance we arrange. This fee is payable in addition to the premium.

We do not often pay any commissions, fees or benefits to others who refer you to us. If we do, we will pay commissions to those people out of our commission or fees (not in addition to those amounts), in the range of 0% to 50% of our commission or fees.

If we give you 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 insurer) will receive in relation to the policies that are the subject of the advice.

How our advisers are remunerated

Our employees or advisers are paid as follows:

- annual salary
- performance bonus

The amounts of these payments are determined at the discretion of our management where the adviser's performance has been exceptional in enhancing our business by providing excellent service to you.

Other material relationships/associations.

Steadfast Group Limited

Proper Insurance Pty Ltd is a Steadfast Group Limited (**Steadfast**) Network Broker.

As a Steadfast Network Broker we have access to services including model operating and compliance tools, procedures, manuals and training, legal, technical, HR, contractual liability advice and assistance, group insurance arrangements, product comparison and placement support, claims support, group purchasing arrangements and broker support services. These services are either funded by Steadfast, subsidised by Steadfast or available exclusively to Steadfast Network Brokers for a fee.

Steadfast has arrangements with some insurers and premium funders (**Partners**) under which the Partners pay Steadfast a fee to access strategic and technological support and the Steadfast Broker Network. Steadfast is also a shareholder of some Partners.

You can obtain a copy of Steadfast's FSG at www.steadfast.com.au

Premium Funding

If we arrange premium funding for you we may be paid a commission by the premium funder. We may also charge you a fee (or both). The commission that we are paid by the premium funder 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 are in the range of 0% to 3% of 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 the other arrangements that were available to you. The amount of our commission and any fee that we charge will be set out in the premium funding contract.

Please be aware that premium funders do charge you interest for the service. We do not advise or represent that any of the premium funder's products we can provide are the best option for you. We take no responsibility for the products and services that the premium funders provide to you. You will need to make your own decision based on the information they provide you.

Terms of Payment

We will invoice you for the premium, statutory charges (eg stamp duty, fire services levy, GST 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.

Important Information

Policy

The invoice refers to a contract of insurance that you have entered into via our company. You should refer to your policy document for the full terms and conditions applicable and you should read them carefully. Should any doubts arise as to the scope of cover provided, please contact us for an explanation.

Your Duty of Disclosure

Before you enter into a contract of general insurance and up until the commencement of the insurance, you have a duty, under the Insurance Contracts Act 1984, to tell the underwriter of anything that may affect the underwriters' decision whether to insure you and on what terms. You must tell the underwriter about anything that you know or could be reasonably expected to know taking into account the nature and extent of the insurance cover to be provided and the class of persons who would ordinarily be expected to apply for such insurance cover.

For Eligible Contracts (Eligible Contracts involve individuals purchasing insurance for motor vehicles with carrying capacity under 2 tonne, motorcycle, home building and contents, residential strata, travel, personal accident and sickness and consumer credit) the above duty only applies to questions asked of you by the underwriter. In answering any such questions, you must tell them anything that you know and that a reasonable person in the circumstances would include.

You have the same duty before you renew, extend, vary, or reinstate an insurance contract. You do not need to tell the underwriter anything that:

- reduces the risk to be insured or that is common knowledge
- the underwriter knows or, in the ordinary course of business, ought to know; - the underwriter has waived your duty to tell them about.

Non-Disclosure

If you do not tell the underwriter anything you are required to, they may cancel your contract or reduce the amount they will pay you if you make a claim, or both.

If your failure to tell the underwriter is fraudulent, they may refuse to pay a claim and treat the contract as if it never existed.

Cancellation Warning (Retention of Brokerage and Fees)

If a cover is cancelled before expiry of the period of insurance, we reserve the right to refund to you only the net return premium we received from the underwriter, and not refund any part of the brokerage or fees we receive for arranging the cover. A broker service fee may be charged to process the cancellation.

Premium Funding Warning

Premium funding allows you to spread out the cash flow associated with paying your insurance premiums over the next twelve months. We receive a commission from the funder for arranging the funding contract, full details are available on request.

Please note that should the insurance policy be cancelled before the expiry date for whatever reason, the Premium Funder will charge you the full interest applicable to the contract, as detailed in the Loan Application Form. Typically, there will be no refund of our commission on the refund premium and no refund of any fee we may have charged you for arranging the cover. We also reserve the right to charge you a policy cancellation handling fee. In some cases, underwriters also apply minimum premiums to policies, which may further reduce the refund that you might otherwise receive.

The impact of the above on you is that any refund you receive for the midterm cancellation of your policy will usually be significantly less than a pro rata calculation would produce and in extreme cases may involve you having to make an additional final payment even though the policy has been cancelled. Therefore prior to cancelling a policy and replacing it with another cover we strongly recommend that you discuss your situation with us so that we can advise the exact extent and impact of the early cancellation provisions mentioned above.

Utmost Good Faith

Every contract of insurance is subject to the doctrine of utmost good faith which requires that the parties to the contract should act toward each other with the utmost good faith. Failure to do so on your part may prejudice any claim or the continuation of cover provided by Underwriters.

Underwriting Agents and Wholesale Brokers

In some cases, we access insurance products via Underwriting Agents and Wholesale brokers rather than directly with the insurer. In such cases should you wish to access the Financial Services Guide of the Underwriting Agency or Wholesale Broker please contact us and we will arrange to have a copy sent out to you.

Contractual Liability

Many commercial or business contracts contain clauses dealing with your liability (including indemnities or hold harmless clauses). Such clauses may entitle your underwriters 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.

Average / Co-Insurance

It is most important that the Sum Insured you select is adequate to represent the value of the insured property and is calculated in accordance with the cover being arranged. Otherwise, you will be under-insured and in terms of the Average / Co-insurance provisions of your policy, you may be responsible for paying part of the loss you actually suffer.

Third Party Interests

Insurance policies will only provide cover for your interest in the property insured and does not cover the interest of any third parties unless you have informed us of them in writing and they are noted on the policy.

Alterations

No alterations to the risk whatsoever will be admitted until you have notified us in writing and will not take effect until acceptance is confirmed by the insurance underwriters.

Payment

You will not be insured if you fail to pay the premium in full within 14 days from commencement of the risk for new policies and prior to the due date for renewals unless alternative credit arrangements have been agreed with us in writing.

New Policies

Notwithstanding the above, you will not be insured if you do not submit the relevant Proposal within 30 days from commencement of the risk unless an extension of time has been agreed with us in writing.

Interests Of Other Parties

Many policies exclude cover for an interest in the insured property held by someone other than the named insured unless that interest is specifically noted on the policy. For example, if property is jointly owned, or subject to finance, the interest of the joint owner or financier may be excluded, if it is not specifically noted on the policy.

Cooling Off

All Retail Products are subject to a 14-day "cooling off period". This means that if you are not happy with a Retail Product, you have 14 days to withdraw from the new contract at no cost to you other than our broker's fee, which is not refundable.

Disclaimer

This notice is a summary only (errors and omissions excepted) and does not purport to be a copy of the insurance underwriters' policy or other documents. In case of any discrepancy, the underwriters' documents will prevail.

Terms Of Trade

Payment of this account constitutes your acknowledgement and acceptance of these conditions and authorises us to act as your insurance brokers for the risks outlined on the face hereof and no others unless specifically agreed by us in writing.

Subrogation

You are warned that should you become a party to any agreement that has the effect of excluding or limiting your underwriter's ability to recover from a third party, your underwriters may have the right to refuse to indemnify you for such loss where it is shown that your underwriter's rights of recovery have been prejudiced by your action.

Rights of Recovery Against Others

It is a condition of a Contract of Insurance that you may not forego any right of recovery that may exist against another party without prior approval in writing being given by your underwriter.

Claims Made Policy

Where indicated on the invoice this policy provides cover on a "claims made" basis which means that claims first advised to you (or made against you) during the period of insurance are covered irrespective of when the incident causing the claim occurred. To protect your entitlement to indemnity under this policy you must report to underwriters without delay and prior to expiry of the policy period all incidents that may give rise to a claim against you.

Average or Co-Insurance

If the subject matter of insurance (or part thereof) relates to Industrial Special Risks, Fire & Perils or Business Interruption/Consequential Loss, then the policy (or part thereof) will be subject to average. This means that if the sum insured you nominate for buildings, plant, machinery, stock is less than 100% of its value (100% for Business Interruption/Consequential Loss) at the time the insurance was effected (or renewed), then part of the loss will/may not be covered by the policy.

For example, a policy with a 100 % co-insurance clause pays as follows: if a building is insured for \$150,000 when its value is \$200,000, then in the event of a claim for damage of \$100,000, underwriters will only pay \$75,000 and you will be your own underwriter for the balance.

Average/Co-Insurance - Business Interruption Policies

Some policies contain an Average/Co-Insurance clause which is fully set out in the "Basis of Cover" or "Policy Specification" of the policy.

For the types of cover most usually provided, the Average/Co-Insurance calculation is arrived at by applying the Rate of Gross Profit, Revenue or Rentals (as applicable) to the Annual Turnover, Revenue or Rentals (as applicable); these factors first being appropriately adjusted as provided for in the "Trend of Business" or "Other Circumstances" clauses.

If you are in any doubt regarding this clause insofar as it applies to your policy, please contact your Account Manager for assistance.

Claims Occurring Prior to Commencement

Your attention is drawn to the fact that your policies do not provide indemnity in respect of events that occurred PRIOR to commencement of the contract.