



# Financial Services Guide

Leed Insurance Group Pty Ltd T/As  
Coverforce Leed Insurance Brokers

#### ISSUE DATE

1 July 2017

#### ISSUED BY

Leed Insurance Group Pty Ltd T/as  
Coverforce Leed Insurance Brokers

T 1300 881 464  
F 08 9213 9999  
enquiries@leed.com.au

695 Murray Street  
West Perth WA 6005

AFSL 245650  
ACN 090 113 536  
ABN 22 090 113 536

## Financial Services Guide (FSG) contains information about our services.

It is designed to assist you in deciding whether to use any of our services, and it describes our charges, your rights as a client and other things you need to know in relation to your insurance matters, including how any complaints you may have will be dealt with.

We will act as your general insurance broker on the terms set out in this Guide. Unless you tell us otherwise in writing, we assume that you agree with these terms.

We may also provide you with a Letter of Engagement which, together with this Guide, will record the basis of our relationship.

### 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. Some of the information in this FSG only applies to Retail Clients and it is important that you understand if you are covered by the additional protection provided.

### RETAIL CLIENT ISSUES

Typically we only provide General Advice to our Retail Clients. General Advice does not take into account your particular circumstances, financial needs and requirements and you should consider the appropriateness of this advice to your circumstances prior to acting upon it. We also recommend you read the relevant policy wording and Product Disclosures Statement before acquiring any financial product. 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 takes into account your particular 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.

For existing Retail Clients we may not provide an SOA but rather provide the advice to you orally. In such cases you may request us to provide you with a Record of Advice (via phone or in writing) which we will provide to you within 28 days of such request.

### ABOUT US

Coverforce Leed Insurance Brokers (**Coverforce Leed**) is the registered trading name of Leed Insurance Group Pty Ltd. Leed Insurance Group Pty Ltd ABN 22 090113 536 holds an Australian Financial Services Licence (AFSL) number 245650. Under our AFSL we are authorised to:

- > Provide advice about general insurance products and;
- > Arrange for our clients to acquire, vary or dispose of general insurance products. We are authorised to do this for both retail and wholesale clients.

Coverforce Leed is a member of the National Insurance Brokers Association of Australia (**NIBA**), which is our industry professional body. NIBA membership requires adherence to a strict Code of Practice, ongoing professional development and a high standard of ethics. We also subscribe to the Insurance Brokers Code of Practice.

Coverforce Leed is also a shareholder of Insurance Brokers Network Limited (**IBNA Ltd**), which was established by a group of general insurance brokers to provide our clients with the benefits of big business buying power as well as personalised service. Shareholders of IBNA Ltd are committed to providing the highest standards of service and advice to their clients.

#### Who do we act for?

As your general insurance broker we act for you. This means we act as your agent, not as agent of the insurer.

#### How to contact us

You are able to contact us by phone, in writing, by email or in person. Our contact details are located on the first page of this document.

### FEES FOR OUR SERVICES

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

Unless we tell you otherwise we will be paid a commission by the relevant insurers when we arrange insurances on your behalf, including when we arrange renewals and some variations to your policy.

The commission is a percentage of the premium (excluding government charges, levies and taxes). The rate of commission is in the range of 0-27%, depending on the type of insurance and cover provided and the way the transaction is arranged. Some insurers may pay us more than others. The commission we receive is included in the premium quoted to you.

If you are a Retail Client and we give you Personal Advice, commission amounts will be provided in any SOA or (where an SOA is not required to be provided) included on any relevant invoices. When we give you General Advice, full commission information (including dollar amounts) will be provided on request.

We have a set of standard non-refundable Broker Fees that we charge you for services such as

- Market research on products available
- Assessing the claims service of insurers
- Sourcing alternative quotations and coverage
- Risk analysis and portfolio co-ordination

We may also charge you an administration or broker fee to cover our costs of administration and other services we provide. The fee depends on the complexity of the service we are providing. For retail clients the fee will be in the range of \$0-100. For other clients the fee will be agreed with you prior to arranging the insurance. This administration or broker fee is charged in addition to the premium quoted to you and will always be shown separately on your invoice.

In most cases we will receive a commission and an administration fee. As an example, if you take out motor vehicle insurance with a base premium of \$500, you may pay us the following:

<b>Base Premium</b>	<b>\$500</b>
<b>Administration Fee</b>	<b>\$40</b>
<b>Total amount you pay to Coverforce Leed</b>	<b>\$540 + any relevant government taxes</b>
<b>Commission paid by insurance company to Coverforce Leed</b>	<b>\$50 = 10% of base premium</b>

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. It also covers the cost of performing the distribution functions of the insurer such as data entry, underwriting and issuing policies.

#### Credit card fees

If you pay by Credit Card (VISA, MASTERCARD or AMERICAN EXPRESS only) we may charge you a credit card (Incl. management and handling) fee which is non refundable and will be shown on your invoice. The fees cover the cost of bank charges etc associated with such facilities and will be advised to you at the time of payment.

#### Premium funding

Premium funding enables you to pay your premiums by instalments. Although they do not usually require any physical security, you do assign your rights, title and interest in the policy to the premium funder. This means for example that should you default, the premium funder has the right to cancel the policy, and receive any refunds of premiums and sums payable to you in satisfaction of a claim under the policy. Premium funders do charge interest. You should read the terms and conditions in the premium funding loan application and agreement carefully. If we arrange premium funding on your behalf we may receive a commission from the premium funder. This is based on a percentage of the premium and is in the range of 0-2%.

For each product placed by us with an IBNA Ltd preferred premium funder IBNA Ltd receives between 0-1% of the base premium as an additional commission. Depending on the operating costs of IBNA Ltd and the total amount of premium we place with participating premium funders in any financial year, we may receive a proportion of that commission at the end of the financial year.

Some premium funders may pay us a volume bonus based on the volume of business we place with them.

#### **How our representatives are paid**

Most of our representatives are paid a fixed salary. Some are also paid a bonus incentive based on volume of income per annum. Any Authorised Representatives we may have are paid a percentage of Leed's income that is generated by their clients and are not paid a fixed salary.

#### **Referral fees**

If a person has referred you to us, we may pay them up to 50% of the commission received. This will not increase the amount you pay us. If we refer you to Leed Financial Services we may receive a commission of up to 25% of the commission that they receive from the insurer. At times, we may refer you to other businesses such as other specialist insurance brokers or finance brokers. We may receive a commission for this if you place business with them.

### **IMPORTANT RELATIONSHIPS**

#### **Coverforce**

Coverforce Leed is a joint venture between Leed Insurance Brokers as Trustee of the Manetas Unit Trust and Coverforce Partners Pty Ltd (ACN 089 245 465). Coverforce Partners is a wholly owned subsidiary of Coverforce Insurance Broking Pty Ltd (ACN 11 118 883 542) and is a member of a group of companies owned by Coverforce Pty Limited (ACN 067 079 261) collectively known as the 'Coverforce Group'

If we recommend a product or service of a company in the Coverforce Group or provided by an entity in any one of our joint venture relationships we may receive benefits as a result of that referral including a share of any commission generated by that referral, policy administration, claims management and in some cases a share of that entities profits.

We maintain independence by ensuring that all negotiations and discussions with entities in the Coverforce Group are conducted as if that entity was an unrelated party and the relationship between the entities does not influence us in our recommendation of a product to you. We will always recommend products to you that are an appropriate solution for your needs.

Where there is potential conflict of interest in our remuneration or arrangements generally with entities in the Coverforce Group we manage those in accordance with our conflicts of interest policy which all staff and Representatives must comply with.

#### **IBNA membership**

For each product placed by us with an IBNA Ltd preferred insurer IBNA Ltd receives between 0.5 - 1.5% of the base premium as an additional commission. Depending on the operating costs of IBNA Ltd and the total amount of premium we place with participating insurers in any financial year, we may receive a proportion of that commission at the end of the financial year.

As an IBNA shareholder, we can access services including operating and compliance tools, advice and assistance from professional bodies, group insurance arrangements, product comparison and placement support, claims support and purchasing arrangements. These shareholder services are either funded or subsidised by IBNA or available exclusively to shareholders for a fee.

Coverforce Leed participates in programs provided by some insurers under which we may obtain additional remuneration by way of business support services and/or profit share or volume bonus arrangements. This remuneration is payable if we meet certain agreed sales and/or profitability targets set by the insurer. If we have profit share arrangements with an insurer that apply to a product we recommend to you, we will advise you of this at the time of making any such recommendation if the amount involved is material.

We retain the interest on premiums paid by you that are held in our trust account before paying the insurer. We also retain the interest on refunds received from the insurer that are held in our trust account before paying you.

We may use money held on trust for you (eg a refund received from an insurer) to offset amounts you owe for premium. If you do not wish us to do this on your behalf, please notify us. Our charges include GST. Some of our charges may be tax deductible.

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. However we will not refund our fees or commission for arranging the Insurance. We may also charge an additional administration fee to process the cancellation.

Our administration or broker fees cover claims management up to 20 hours per policy period. We reserve the right for complex or large claims or claims exceeding 20 hours to charge you an hourly rate. This will be agreed by both parties in writing.

Coverforce Leed will have no obligation to handle (or continue to handle) claims relating to the policies placed by us on your behalf following termination of our engagement.

Leed Financial Services (LFS) which provides life insurance advisory services, has a common Director with Coverforce Leed. See 'Fees for our services' on page 2 for information on fees and benefits associated with this relationship.

### **PERSONAL INFORMATION**

The Privacy Act 1988 sets out standards for the collection and management of personal information for general insurance services. Our Privacy Policy Statement is available on our website.

### **COMPLAINTS**

Clients not satisfied with our services should contact our Complaints Officer. We are members of the Financial Ombudsman Service Australia (FOS), a free consumer service. Further information is available from our office, or contact FOS directly on 1800 367 287 or visit [www.fos.org.au](http://www.fos.org.au). We also follow the Insurance Brokers Code of Practice.

### **COMPENSATION**

We hold a Professional Indemnity Policy. This policy is designed to pay claims by Third Parties (including our clients) arising out of our Professional Negligence. The policy extends to cover us for work done for us by representatives/employees after they cease to work for us and satisfies the requirements for compensation arrangements under Section 912B of The Act.

### **OUR PROCEDURES**

When we 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 those Insurers we deal with regularly.

When you have asked us to arrange a specific policy e.g.: Workers Compensation, we will not give you any advice or be responsible for any other form of Insurance.

#### **New Business**

If you need cover for property or a risk not currently insured, please contact us as soon as possible. If you require immediate cover, we will endeavour to arrange interim cover under a cover note, but in order to do so we will in all instances need to have details of the property or risk (eg nature of risk, location, sums insured) and all information to be disclosed to the insurer.

We will then send you a proposal for completion, which we ask you to return to us as soon as possible. Interim cover is provided for a limited period (eg one month or sometimes less) and will lapse unless the proposal is submitted to the insurer during its currency. The insurer should issue the policy within approximately one month. If you do not receive it, please contact us.

#### **Renewals**

We will give you notice of expiry of any cover arranged or last renewed by us on your behalf. We do not accept responsibility for giving you notice of expiry of any cover arranged or last renewed direct with the Insurer or through another Broker.

To protect your interests we may in some circumstances automatically renew your policy with the same insurer, or with an alternative insurer if a more appropriate policy is found. However this can be reversed if you do not require it.



We do not seek alternative terms or insurers every year for all policies. For some we will only do this if, as a result of your duty of disclosure, you tell us something that requires us to do so, your circumstances change, or we feel that your current insurer is no longer suitable for you generally. When considering alternative insurers we take into account your history with the current insurer, insurer security, policy scope and price.

#### Variations

If you want to vary any cover (eg by increasing the sums insured or adding another location) please contact us. You will need to give us not only the details of the variation you are seeking, but also details of relevant matters to be disclosed to the insurer which have not been previously disclosed. We will then issue an invoice to confirm the variation we have effected with the insurer.

#### Advice

If you need advice on your insurance covers or rationalisation of your insurance arrangements or if you have any other query, please do not hesitate to contact one of our Directors or Account Managers. Any instruction, including electronic instruction for new business or variations to existing policies, are not binding until we have confirmed back to you.

#### Contact Agreement

To ensure that we provide you with appropriate products and services, you agree to us calling you to discuss any new products and services. If you do not wish to receive such calls please advise us and we will place you on our Do Not Call Register.

#### Electronic Delivery of Disclosure Notices

Please note that we may provide 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 typically use that email address for this correspondence and disclosure notices. Should you not wish to be sent disclosure documents electronically please advise us and we will update our records accordingly.

## TERMS OF PAYMENT

When we arrange, renew or vary a cover on your behalf we will invoice you for the premium, any insurer levy, statutory charges (eg GST, stamp duty, etc) and our commission, which in most cases will be included in the base premium, and/or a separate administration fee which will always be shown separately. The invoice will also show it is an approved Tax Invoice for GST purposes.

Our invoices are payable by you within fourteen (14) days of the date of the invoice or date of expiry (or as otherwise agreed in writing) notwithstanding that the invoice may be addressed to some other party at your request. The full amount is payable by you to us, including the premium, statutory charges and fees, unless arrangements have been made to premium fund via a monthly facility. Premium funding does attract extra charges. (See 'Fees for our Services' page 5.)

If you do not pay the premium within 14 days we reserve the right to cease to act as your general insurance broker. We will notify you of this in writing. Additionally, we will notify the insurer and the insurer may have the right to cancel your policy, or instruct us to cancel the policy. The insurer may charge a short term penalty premium for the time on risk.

#### Misstatement of Premium

We try to tell you the correct amount of premium and statutory charges that apply to your insurance. In the event that we misstate that amount (either because we have made an unintentional error or because a third party has misstated the amount) we reserve the right to correct the amount. By instructing us to arrange insurance for you, you agree, where permitted by law, that you shall not hold us responsible for any loss that you may suffer as a result of such misstatement.

#### Cancellation

We cannot cancel a contract of insurance without 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 however we will not refund our fees or commission for arranging the insurance. We may also charge an additional administration fee to process the cancellation.

## IMPORTANT INFORMATION

### DISCLOSURE TO INSURERS

#### Your Duty of Disclosure

Before you enter into an insurance contract with an insurer, you have a duty to disclose to the 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 of the insurance and, if so, on what terms. Your duty is not limited to answering specific questions in a proposal. Any additional relevant matters must also be disclosed. You have this duty until the insurer agrees to cover your risk. You have the same duty before you renew, extend, vary or reinstate an insurance contract.

Your duty however does not require disclosure of a matter:

- > that diminishes the risk to be undertaken by the insurer.
- > that is of common knowledge
- > that your insurer knows, or in the ordinary course of its business, ought to know
- > as to which compliance with your duty is waived by the insurer.

For eligible contracts (where a natural person is purchasing Motor Vehicle, Home, Contents, Accident & Sickness, Consumer Credit or Travel Insurance) the insurer may provide you with a copy of all information previously disclosed to them by you, and request you provide updated information where required. If you do not advise of any changes to previous information, the insurer will be under the impression that no changes have occurred to the risk.

#### Non-disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce his liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, the insurer may also have the option of voiding the contract from its beginning.

#### Material Changes

You must notify your insurer of any significant changes that occur during the period of insurance. Examples include such things as acquisitions, changes in occupation or location, new products or new overseas activities. If you do not, your insurance may be inadequate to fully cover you. In order to ensure proper protection please consult with us if you are in doubt whether an insurer should or should not be told of certain changes. We would rather give you the extra service by answering these queries, than allow you to take the risk of losing the opportunity for Indemnity under your insurance policy.

#### Cooling Off Period – Retail clients only

If you decide that you do not require a contract of insurance, you have 14 days (or longer if the insurer allows it) from the earlier of the date you receive confirmation of the insurance contract and the date the insurance contract was arranged to change your mind. The cooling off period applies to new policies and renewals, but not endorsements and interim contracts of insurance. 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.

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.

We will retain our commission and fees if you have advised us to effect cover and subsequently request to cancel cover and your premium is unpaid, you will still be liable for our full annual brokerage and fees for effecting cover and this will be payable on request.

#### 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 'coinsurance' 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.

#### Sub-contractors & Consultants

It is advisable to check all insurance held by sub-contractors & consultants utilised, including, Public Liability, Professional Indemnity and Workers Compensation.

## Notices

We will direct all notices and correspondence in relation to covers we arrange or renew on your behalf to the address provided by you. If you wish to change this address, please advise us in writing of the new address. Unless you do so, our records will not be altered, and notices and correspondence will continue to go to the existing address for notices.

We do not accept responsibility for seeking responses from you to correspondence or notices sent to your address for notices.

## Interests 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 an interest in the property insured so that we can ensure that they are noted on the contract of insurance.

## Recovery Rights/Hold Harmless/Waiver of Subrogation

Many policies exclude or limit the Insurers liability if you have entered or enter into an agreement that excludes or limits your rights of recovery against third parties whose acts, errors, omissions or other conduct have caused or contributed to your loss or liability. (these are often called "hold harmless" agreements)

If you have entered, or consider entering, such an agreement, please let us know, so that we can advise you about how the agreement affects, or will affect your cover. You should always seek legal advice before signing and accepting contracts.

## Standard Covers

The Regulations to the Insurance Contracts Act set out standard terms for the cover which is provided by motor vehicle, home buildings, home contents, sickness and accident, consumer credit and travel insurance (including a minimum amount of insurance).

If an insurer wants to alter these terms or offer less than the minimum amount of insurance they must clearly inform you in writing that they have done so. They can do this by providing you with a Product Disclosure Statement or a copy of the insurance contract.

## Unusual terms

If an insurer wants to rely on a term in a contract of insurance that 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 Product Disclosure Statement or a copy of the insurance contract.

## Utmost good faith

Insurance contracts are subject to the doctrine of utmost good faith and this is part of the Law. Utmost good faith must be strictly adhered to by both parties and if you fail to do so you may prejudice any claim.

## Claims made – Liability/Professional Indemnity, Directors insurance policy wordings

Some policies operate on a so-called 'claims made' basis. This means that they provide cover for claims made against you during the period of insurance, irrespective of when the circumstances giving rise to the claim occurred.

If your policy operates on a claims made basis then if during the period of insurance you notify the insurance company of facts or circumstances which may give rise to a claim against you, any claim which subsequently arises from those facts or circumstances is treated as being made during the period you were insured.

## Statutory imposts in overseas jurisdictions

Your insurance risks may be in more than one international jurisdiction. Where required we will liaise between you and the insurers to seek to agree the apportionment of the premium between applicable jurisdictions, and the amounts of local statutory charges and/ or taxes payable in each jurisdiction in relation to your policies insuring those risks.

In providing such services, Coverforce Leed, is acting in its capacity as an insurance broker and does not hold itself out to provide advice in relation to the statutory charges and/or tax laws of any applicable jurisdiction. We recommend you seek your own advice in relation to such imposts where you consider it necessary. We will not be liable to you should the apportionment of premium or the amount of local imposts payable under the policies be challenged by any local authority, nor for any penalties or other charges that may be associated therewith. In addition, we will not be liable to you should the insurers fail, or refuse, to collect, and pay such imposts to the relevant authorities.

## Wholesale Broker Information

In some cases we use the services of a Wholesale Broker (insurance intermediary) to access products that are not available to us directly from the underwriter. You can identify where we have used an insurance intermediary as the Invoice/schedule will show that the policy is placed via another Insurance Intermediary. This situation usually arises where the insurance intermediary has developed a specialised product and competitive pricing for risks that are not commonly available directly but via the insurance intermediary. All insurance intermediaries that we deal with are required to hold an Australian Financial Services Licence and to place all client funds received into a Trust Account and are required to meet the same high standards in the delivery of the services that apply to us. Importantly all claims will be the ultimate responsibility of and paid for by the insurer.

## Underwriting Agents & 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 Broker please contact us and we will arrange to have a copy sent out to you.

Please retain this document for your reference and any future dealings with Coverforce Leed. If you have any questions about the financial services outlined in this document, or would like to discuss your insurance needs, please contact us on: 1300 881 464 or email: [info@leed.com.au](mailto:info@leed.com.au)