



Surety & General Brokers Pty Ltd  
ABN 65 079 830 498

**LEVEL 15, 122 ARTHUR STREET, NORTH SYDNEY, NSW 2060**  
**P.O. Box 6094 North Sydney NSW 2060**  
**TEL. 02 9929 9969 FAX. 02 9929 9919**

This Financial Services Guide 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 is any change to these terms, we will also provide you with a Letter of Engagement which, together with this Guide, will record the basis of our relationship.

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

- Statements of Advice – these will be summaries of our advice and the basis on which it was provided;
- 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 telephone us.

This FSG was updated on 18 December 2009

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## ABOUT US

Surety & General Brokers Pty Ltd is licensed as an Australian Financial Services Licensee pursuant to section 913B of the Corporations Act 2001, our Licence Number is 230980. This licence authorises us to carry on a financial services business to:

- (a) provide financial product advice for the following classes of financial products:
  - general insurance products; and
- (b) deal in a financial product by:
  - issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:
    - (A) general insurance products; and
  - applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:
    - (A) general insurance products

to retail and wholesale clients.

## OUR SERVICES

Surety & General Brokers Pty Limited 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:

- Reviewing and advising on your insurance needs
- Arranging and renewing insurance contracts on your behalf
- Arranging premium funding, if required
- Assisting with insurance claims

We can advise about and arrange the following insurances on your behalf:

### Asset Risk Protection

CLASS	BRIEF DESCRIPTION
Aviation Hull	Loss of or damage to aircraft and related equipment.
Boiler Explosion	Damage to registered boilers by explosion, overheating, collapse.
Burglary	Theft of property following forcible and violent entry to premises.
Contract Works	Loss or damage to the project during construction.
Contractors' Plant & Machinery	Loss or damage to unregistered mobile plant, drilling rigs and the like.
Corporate Travel	Costs following accident or illness whilst travelling.

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CLASS	BRIEF DESCRIPTION
Crop	Fire or hail damage to cash crops.
Electronic Equipment	Material damage and loss of data following breakdown or malfunction.
Extended Warranty	Extensions to warranty periods of products.
Fire and Perils	Damage to fixed assets caused by a range of nominated risks.
Glass	Damage to fixed glass.
Householders	Loss or damage to residential premises and their contents.
Industrial Special Risks	Fire and Perils and Accidental Damage to fixed assets.
Jewellers Block	Loss or damage to stock of precious metals and gems.
Livestock and Bloodstock	Loss following death or loss of use of valuable animals.
Machinery Breakdown	Cost to repair following mechanical or electrical breakdown of plant and equipment.
Marine Builders Risk	Loss of damage to vessels during construction, testing and commissioning and delivery.
Marine Cargo	Damage to goods while in transit.
Marine Hull	Damage to private and commercial vessels and related equipment.
Motor	Loss or damage to registered vehicles.
Personal Valuables	Loss or damage to jewellery, works of art and other valuables.
Political Risks	Expropriation of overseas assets by Governments or local authorities.

### Income & Other Financial Risk Exposures

CLASS	BRIEF DESCRIPTION
Accounts Receivable	Loss due to irrecoverable debts following destruction or theft of debtors' records.
Advance Consequential Loss	Loss of future earnings and increased expenses following delayed completion of a project caused by damage.
Bonds Performance guarantees	An alternative to bank guarantees.
Business Interruption	Loss of income and increased expenses due to damage to fixed assets.
Cancellation and Abandonment	Cover is provided for loss of income and additional expenses incurred due to occurrences such as adverse weather conditions or non appearance of performers for many reasons, including death or illness.
Commercial Legal Expenses	The reimbursement of legal costs in either defending or pursuing legal action in areas of contract, employment, criminal, property, patent and copy write, motor and trade practices (both civil and statutory).
Computer Breakdown	Profits Loss of income and increased expenses following mechanical and electronic breakdown of computer equipment.
Computer Crime	Loss of funds following tampering with computer systems.
Credit Insurance	This provides protection for insured debts following insolvency of a debtor and can be tailored to cover any single or group of specific debtors or a blanket cover over all debtors.

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CLASS	BRIEF DESCRIPTION
Export Credit	Provides exporters with cover for default by customers or default due to political interference.
Fidelity Guarantee	Losses due to the dishonesty of employees.
Intellectual Property	Legal expenses incurred to defend patent, trademark, copyright etc.
Kidnap, Ransom and Extortion	Monies paid following kidnap of staff or family or threats of damage to assets.
Machinery Breakdown Profits increased	Loss of income and expenses following breakdown of key plant and equipment.
Marine Profits	Loss of income and increased expenses following marine transit material damage claims.
Money	Loss or damage to cash, cheques, negotiable instruments.
Product Tamper	Loss of net profit, recall and other expenses following product tampering.
Strike	Additional expenses incurred following labour disturbances.
Takeover Defence	Expenses to successfully defend a takeover of a public company.
Audit & Investigation	Expenses due to unexpected audits required by any statutory body, including Australian Tax Office.

### Liability Risks & Exposures

CLASS	BRIEF DESCRIPTION
Airport Operators	Bodily injury and property damage arising from the operation of a licensed airport.
Association Liability	This provides indemnity to those who hold positions on management committees incorporated organisations against negligent acts, errors or omissions.
Aviation Liability	Bodily injury and property damage arising from the operation of an aircraft.
Defamation	Damages following libel and slander.
Directors & Officers Liability	Damages following a wrongful act committed by the directors or officers of a company.
Employers Liability Accident Make-up Pay	Pays "Gap" between Workers' Compensation Act benefits and actual weekly pay.
Employment Practices Liability	Liability for employment related issues such as wrongful dismissal, sexual harassment, and discrimination.
Extra Territorial Workers' Compensation	For employees working interstate or overseas.
Environmental Impairment Liability	Bodily injury and property damage following gradual pollution.
Professional Indemnity or Errors and Omissions	Liability for negligent services performed or advice given to clients.
Forged Transfers	Damages and expenses following negligence in share registry.
Marine Liability	Bodily injury and property damage arising from: <ul style="list-style-type: none"> <li>• Operation of vessels</li> <li>• Carriers liability</li> <li>• Ship-repair activities</li> <li>• Charterers liability</li> <li>• Container liability</li> </ul>

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CLASS	BRIEF DESCRIPTION
	<ul style="list-style-type: none"> <li>• Stevedore liability</li> </ul>
Motor – CTP	Bodily injury arising from registered vehicles (separate insurance not applicable in Western Australia).
Product Recall Expenses	Expenses incurred in the recall of defective products.
Professional Indemnity	Damages arising from the professional activities of an organisation.
Broadform Public & Products	Bodily injury and property damage arising from business.
Liability	Activities and from products manufactured, imported or sold.
Trustees Liability	Damages following mismanagement of superannuation funds by trustees.
Umbrella Liability	Provides cover in excess of standard Broadform Liability policies, including Motor Third Party, but also provides blanket cover for many areas excluded by those policies
Workers' Compensation	Providing cover for employers' liability for injury to employees, Act benefits and at Common Law.

To enable us to provide advice which is appropriate to your circumstances, we will need you to provide us with complete information about the risk(s) to be insured, your situation and your needs and objectives. You should also tell us about any relevant changes as they occur

If you are unable or choose not to provide some information to us, we will be unable to comprehensively review your circumstances. As this may limit our ability to make appropriate recommendations, you will need to assess the appropriateness of our advice to your needs before acting on it.

### IMPORTANT RELATIONSHIPS

- Surety & General Brokers Pty Limited is an independently owned insurance advisory firm
- One of our directors is also a director of:
  1. Deposit Underwriters Pty Ltd
  2. Online Underwriting Group Pty Ltd

Surety & General Brokers Pty Limited holds a binding authority from CGU Insurance to issue contracts of insurance on their behalf. When we arrange insurance 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.

### HOW WE WILL LOOK AFTER YOUR INSURANCE NEEDS

You can provide us with instructions in person, by telephone or email or in writing.

#### 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 and 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 not 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.

### **Claims**

We will receive your claims notifications, assist and advise you regarding the scope of cover and pass the information to the insurer.

If a loss adjustor is appointed we shall, with your permission, pass on your contact details and co-ordinate meetings. In the case of a major loss, we can attend the initial meeting with the loss adjustor if you wish us to.

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:

- Negotiate settlement on your behalf subject to a claim service fee of \$ 75.00 per hour + GST.

## **FEES FOR OUR SERVICES**

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

### **Our remuneration**

- We may be paid commission by 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.
- 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 we hold your money in trust pending payment to the insurer, we also receive the interest earned.

### **Other Pecuniary Interests**

We may be eligible for other pecuniary interests such as:

### **An Intermediary Profit Share**

We have entered into a profit share agreement with QBE Commercial Limited.

Provided that we meet certain criteria, including profitability, we will receive additional commission by way of a profit share bonus. This will be a payment from QBE Commercial Limited based on:

\* the profit that they earn on certain business; and/or

\* the volume of certain business we provide to them, within an agreed period. It may be a percentage of the profit (or levels of profit) or an agreed amount depending on the level of profit achieved. It is paid on or around 31 March each year, commencing in 2006.

### **How are our advisers paid**

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

If a person has referred you to us, we may pay them a part of any fees or commission received. This will not increase the amount you pay us.

## **TERMS OF PAYMENT**

### **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 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. 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. We may receive a commission based on a percentage of the premium from the premium funder for doing so.

### **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.

The basis for calculating any refund payable on early cancellation is as follows:

- 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.

## **IMPORTANT INFORMATION**

### **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 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 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.

### **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.

You cannot return the contract of insurance if it has already expired or if you have made a claim under it.

### **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 which is [www.surety.com.au](http://www.surety.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.

### **Interests of other Parties**

Some insurance contracts do not cover the interest in the insured property or risk of any one 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.

### **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 a 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**

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 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.

### **COMPLAINTS AND DISPUTES**

If you are not fully satisfied with our services, please telephone our Managing Director, Mr. Guy Stening. We will acknowledge your complaint in writing and endeavour to resolve your problem within 14 days.

If you are still not satisfied, we subscribe to the Financial Ombudsman Service Limited Dispute Facility which handles complaints against brokers involving amounts up to \$280,000 and relating to a variety of small business and domestic processes. You can refer your complaint to the Financial Ombudsman Service Limited who 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 Financial Ombudsman Services Limited Referee whose decision is binding on us (but not on you).

Further information about the Financial Ombudsman Service is available from our office.