

# FINANCIAL SERVICES GUIDE

## The financial services referred to in this financial services guide (FSG) are offered by:

Challenge Insurance Services Pty Ltd (Challenge) – CAR No: 452591  
Address – Level 1/95 Stirling Highway, Nedlands WA 6009  
Postal Address - PO Box 1136, Nedlands WA 6909  
Phone - 1300 656 243 | Mobile - 0450 151 800 | Fax – (08) 96389 4242  
Email - info@challengeis.com.au



## As a Corporate Authorised Representative of:

Elliott Australia Group Pty Ltd T/As Elliott Insurance Brokers (EAG)  
ABN – 81 153 685 922 | AFSL Number - 418512  
Address – Level 1, 95 Stirling Highway, Nedlands WA 6009  
Postal Address - PO Box 1136, Nedlands WA 6909  
Phone – 1300 635 315 | Fax – (08) 6389 4242  
Email – info@elliottinsurance.com.au

## This FSG sets out the services that we can offer you. It is designed to assist you in deciding whether to use any of those services and contains important information about:

- the services we offer you.
- how we and 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.

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

When you ask us to recommend an insurance policy for you, we will usually only consider the policies offered by the insurers or insurance providers that we deal with regularly. In giving you advice about the costs and terms of recommended policies we have not compared those policies to other policies available, other than from those insurers we deal with regularly.

**Product disclosure statement** If we offer to arrange the issue of an insurance policy to you, we will also provide you with, or pass on to you, product disclosure statement (PDS), unless you already have an up to date PDS. The PDS will contain information about the particular policy which will enable you to make an informed decision about purchasing that product.

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**From when does this FSG apply?** This FSG applies from 1 November 2018 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.

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**How can I instruct you?** You can contact us to give us instructions by post, phone, fax or email on the contact number or details mentioned on page 1 of this FSG.

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**Who is responsible for the financial services provided?** EAG 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. EAG holds a current Australian Financial Services License no: 418512. The contact details for EAG are on the front of this FSG.

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

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**Will I receive tailored advice?** Maybe not in all cases. However, we may need information about your personal objectives, details of your current financial situation and any relevant information, so that we can arrange insurance policies for you, or to give you advice about your insurance needs. We will ask you for the details that we need to know.

In some cases we will not ask for any of this information. If we do not ask, or if you do not give us all of the information we ask for, any advice you receive may not be appropriate to your needs, objectives and financial situation.

You should read the warnings contained in any SOA, or any other warnings that we give you, carefully before making any decision about an insurance policy.

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, at the time of any scheduled status review or upon renewal of your insurances.

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**Contractual Liability and your insurance cover** Many commercial or business contracts contain clauses dealing with your liability (including indemnities or hold harmless clauses). Such clauses may entitle your insurers to reduce cover, or in some cases, refuse to indemnify you at all. You should seek legal advice before signing and accepting contracts. You should inform us of any clauses of this nature before you enter into them.

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**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.elliottinsurance.com.au](http://www.elliottinsurance.com.au). If you wish to look at your file, please ask us. We will make arrangements for you to do so.

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**How will I pay for the services provided?** 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. However, in some cases we will also charge you a fee. 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 the time set out on the invoice.

If there is a refund or reduction of your premium as a result of a cancellation or alteration to a policy, or based on a term of your policy (such as a premium adjustment provision), we will retain any fee we have charged you. 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.

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**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% and 40%. P = the amount you pay for any insurance policy (less any government fees or charges included in that amount).

We do not often pay any commissions, fees or benefits to others who refer you to us or refer us to an insurer. 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 10% 50% of our commission or fees. Our employees that will assist you with your insurance needs will be paid a market salary.

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.

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*As a Corporate Authorised Representative of EAG, Challenge will receive 77% of any commissions and/or fees paid to EAG by you.*

**Do you have any relationships or associations with the insurers who issue the insurance policies or any other material relationships?** Elliott Australia Group is a Steadfast Group Limited (Steadfast) Network Broker. Steadfast has exclusive arrangements with some insurers and premium funders (Partners) under which Steadfast will receive between 0.5 – 1.5% commission for each product arranged by us with those Partners. Steadfast is also a shareholder of some Partners.

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

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

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

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 1% to 7% 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.

We may, from some insurers, receive profit share and/or performance based payments at the end of a financial year based upon the overall performance of the portfolio of business placed with them.

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*As a Corporate Authorised Representative of EAG, Challenge will receive 100% of any commissions paid to EAG for premium funding for one of their clients.*

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

1. Contact us and tell us about your complaint. We will do our best to resolve it quickly.
2. If your complaint is not satisfactorily resolved within 20 days, please contact Garth Krasinski on 1300 635 315 or put your complaint in writing and send it to Garth Krasinski at the address noted at the beginning of this FSG. We will try and resolve your complaint quickly and fairly.
3. EAG is a member of the Australian Financial Complaints Authority (AFCA). If your complaint cannot be resolved to your satisfaction by us, you have the right to refer the matter to the AFCA. AFCA provides fair and independent financial services complaint resolution that is free to customers. The AFCA can be contacted at:  
Mailing address - Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC 3001  
Ph - 1800 931 678  
Email - [info@afca.org.au](mailto:info@afca.org.au)  
Website - [www.afca.org.au](http://www.afca.org.au)

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**What arrangements do you have in place to compensate clients for losses?** EAG has a professional indemnity insurance policy (**PI policy**) in place.

The PI policy covers us and our representatives (including our authorised representatives) for claims made against us and our representatives by clients as a result of the conduct of us, our employees or representatives in the 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.

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**Any questions?** If you have any further questions about the financial services EAG provides, please contact us.

Please retain this document for your reference and any future dealings with EAG.

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*Retail Clients - - individual or small business (less than 20 employees or 100 if goods manufacturer) that purchases a prescribed retail insurance product. The small business must purchase the insurance for use in connection with the business. Prescribed retail product – motor vehicle, home building and contents, sickness and accident, consumer credit, travel, personal and domestic property, pleasure craft as prescribed in the Corporation Act 761*

## IMPORTANT INFORMATION AND NOTICES

We have prepared this document to assist you to understand important issues relating to your insurances. We recommend that you read it carefully. Please contact your Account Executive if there is anything you do not understand, or if you have any questions.

**Electronic Delivery of Disclosure Notices** - So that we can save you time, save paper and improve our services, we will provide your insurance documents electronically. We will deliver your insurance policies, Product Disclosure Statements and our Financial Services Guide and other disclosure documents by sending an email with PDF attachments or sending an email with a hyperlink to your email address we currently have on file. If you do not wish for us to communicate with you in this way or at any stage you no longer wish to receive documentation from us electronically or you require a hard copy of any documentation, please advise us and we will update our records accordingly.

**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 policy 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 policy which we arranged or last renewed for you.

*Retail Clients* - Unless you tell us otherwise, or where the policy is non-renewable, we will automatically renew your insurance to ensure you continue to be covered. At that time, we will send you an offer to renew the insurance policy and invoice you for the cost of renewal. If there is a change to your circumstances or if you want to change the details of the cover, contact us as soon as you receive the renewal offer so that we may make these changes.

*Wholesale Clients* - If you wish us to renew your insurance, we will need your written instructions to do so prior to the expiry date of your policies.

If you arrange or renew your insurance directly with an insurer or through another broker, we will not be responsible for notifying you of expiry or arranging further renewals unless you ask us to do so.

**Non Renewable Insurance** - Cover under your policies terminates on the date shown in on your tax invoice or adjustment note. While insurers will send renewal offers for most insurance policies, there are some which are not "renewable". For these, if you wish to effect similar insurance for a subsequent period, you will need to complete a further proposal before the current policy expires so that we can seek terms of insurance and quotations on your behalf.

**Variations** - You should carefully monitor and review that your insurance policy is adequate to cover your assets or business activities. If you want to vary any cover, e.g. 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 notify you when it is arranged.

**Cancellation** - We can only cancel a contract of insurance on the written instructions of a person authorised to represent each of the parties who are named as insureds. We cannot cancel any contract of insurance which is subject to the Marine Insurance Act 1909.

**Your Duty of Disclosure** - Before you enter into an insurance contract, you have a duty to tell the insurer anything that you know, or could reasonably be expected to know, that may affect their decision to insure you and on what terms.

You have this duty until they agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell the insurer anything that:

- reduces the risk they insure you for; or
- is common knowledge; or
- they know or should know as an insurer; or
- they waive your duty to tell them about.

**If you do not tell the insurer something** - If you do not tell the insurer something 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 them is fraudulent, they may refuse to pay a claim and treat the contract as if it never existed.

For insurances required by statute, such as CTP motor vehicle insurance and worker's compensation, the Insurer may be able to recover against the Insured in the event of misrepresentation, misstatement or non-disclosure.

If you are uncertain as to whether particular information is relevant to the insurer's decision to insure, please contact and we can help you identify whether the information should be disclosed to the insurer on the application or upon renewal or variation of the insurance.

**Duty of Good Faith** - Both parties to an insurance contract, the insurer and the insured, must act towards each other with the utmost good faith. If you fail to do so, the insurer may be able to cancel your insurance. If the insurer fails to do so, you may be able to sue the insurer.

**Average or Co-Insurance** - Some policies contain an Average clause. This means that if you insure for less than the full value of the property, your claim may be reduced in proportion to the amount of the under-insurance. These clauses are also called “Co-Insurance” clauses.

Some Business Interruption policies contain an Average/Co-Insurance clause, but the calculation is different. Generally, the Rate of Gross Profit, Revenue or Rentals (as applicable) is applied to the Annual Turnover, Revenue or Rentals (as applicable) (after adjustment for business trends or other circumstances). If you are in any doubt about whether and how Average/Co-Insurance clauses apply to your insurances, please contact your Account Executive for assistance.

**Subrogation and/or Hold Harmless Agreements** - You can prejudice your rights to claim under your insurance if you make any agreement with a third party that will prevent or limit the Insurer from recovering the loss from that party (or another party who would otherwise be liable). This can occur when you sign a contract containing an indemnity clause, “hold harmless” clause or a release – unless you obtain the Insurer’s consent in advance.

This is because some policies contain a ‘contractual liability exclusions’ that mean the Insurer can refuse to pay or reduce the amount it is liable to pay by the extent to which it is unable to recover from the third party. These exclusions are often found in public and products liability, broadform liability and professional indemnity policies.

Examples of such agreements are the “hold harmless” clauses which are often found in leases, in property management contracts, in maintenance or supply contracts from burglar alarm or fire protection installers and in repair contracts. Other contracts you sign from time to time relating to your business operations (e.g. supply agreements, equipment hire contracts, event hire contracts, labour hire contracts, subcontracts, design and construct contracts, consultancy agreements etc.) may contain indemnity clauses and releases which may trigger the operation of policy exclusions or breach the conditions of your insurance.

Do not sign a contract or lease without contacting your broker and/or taking legal advice as to whether the contract terms will prejudice your insurance protection under your policies. If you are in doubt or require further assistance, please consult your Account Executive.

**Leasing, Hiring and Borrowing Property** - When you lease, hire or borrow property, make sure that the contract clearly identifies who is responsible for insuring the property. This will help avoid arguments after a loss and ensure that any claims are efficiently processed.

**Unnamed Parties** - If you require a person to be named as a co-insured, a joint insured, an insured person or if you require the interest of a third party to be covered by your policy, you **must** request this in advance. Most policy conditions will not provide indemnity to other parties (e.g., mortgagees, lessors, principals etc.) unless their interest is properly noted on the policy. Please note, while we can ask, we cannot guarantee that an insurer will accommodate a request to include a further party as an insured under your policy or to note the interests of another party on your policy.

If this is required under a contract or agreement, do not sign the contract without checking with us whether the insurer is prepared to include the other party as an insured or note that party’s interests. You should also be aware that it may not be in your best interests to make arrangements to have someone else insured under the terms of your policy. We can advise you about this. If you would like assistance or guidance with the insurance requirements under a contract, please consult your Account Manager.

**Claims Occurring Prior to Commencement** - Your attention is drawn to the fact that most of your policies do not provide indemnity in respect of events that occurred before the insurance commenced. They cover events that occur during the time the policy is current.

**Claims Made During the Period of Insurance** - Some policies (for example, professional indemnity insurance) provide cover on a “claims made” basis.

This means that claims that are first advised to you (or made against you) and reported to your insurer during the period that the policy is current are insured under that policy, irrespective of when the incident causing the claim occurred (unless there is a date beyond which the policy does not cover – this is called a “retroactive date”).

If you become aware of circumstances which could give rise to a claim and notify the insurer during the period that the policy is current, a claim later arising out of those circumstances should also be covered by the policy that is current at the time of the notification, regardless of when the claim is actually made or when the incident causing the claim occurred

In order to ensure that your entitlement to claim under the policy is protected, you must report all incidents that may give rise to a claim against you to the Insurers without delay after they come to your attention and before the policy expires.

**Essential Reading of Policy Wording** - The policy wordings for your insurances have either been provided to you or will be sent to you as soon as they are received from your Insurers. We recommend that you read these documents carefully as soon as possible and advise us in writing of any aspects which are not clear to you or if any aspect of the cover does not meet with your requirements.