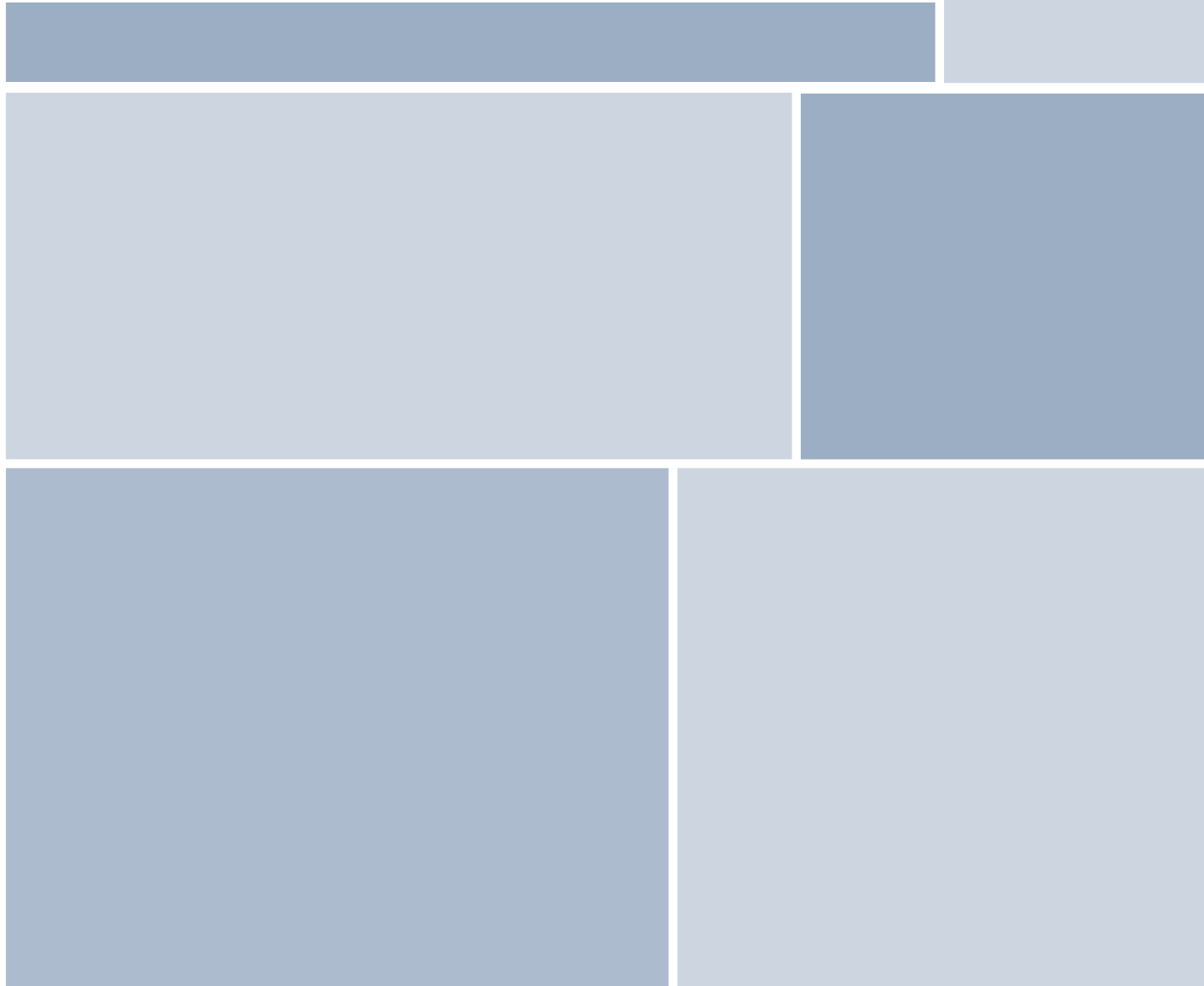


# Financial Services Guide

Freeman McMurrick Pty Ltd



## Financial Services Guide

This FSG explains

- our products and services
- our remuneration
- other important information

Please take time to read this and keep it safely with your policy documentation.

## Introduction

We aim to provide you with insurance products and services that protect and enhance your business. To help us achieve this, it's important that you understand what we do as your insurance broker.

Our Financial Services Guide (FSG) contains important information about the products and services Freeman McMurrick Pty Ltd (Freeman McMurrick) offers. It also explains how we, and our representatives, may be remunerated and contains details of our internal and external complaints handling procedures.

By continuing to engage Freeman McMurrick to provide insurance services, you are, agreeing to the delivery of our services and our remuneration as described in this FSG.

Please take time to read this FSG carefully as it contains important information.

If you are buying what we call an 'FSR Retail Product', we will, if and when required, also give you a Product Disclosure Statement. This contains information on the product and its features to assist you make an informed decision about whether or not to buy it. If we give you personal advice about an 'FSR Retail Product' we will, if required, also give you a Statement of Advice. This contains the advice we have given, the basis of that advice and other information about our remuneration and any relevant associations or interests.

Please tell us if you think we can improve in any way and do not hesitate to raise any questions that you have.

This FSG is available on our website: [www.freemanmcmurrick.com.au](http://www.freemanmcmurrick.com.au). Let us know if you want a hard copy.

## Our products and services

As your insurance broker we are licensed to deal in and provide advice in relation to general insurance products. Under our licence, amongst other things, we are able to:

1. Arrange general insurance and life insurance products to help you protect against insurable risks.
2. Collect information that insurers require from you.
3. Where needed, provide you with information and advice about general insurance and life insurance products.
4. Assist you to make insurance claims.

We will endeavour to arrange insurance that meets your insurable risks and needs. However, it's you who best understands your risks and needs. So, always consider the appropriateness of any advice we provide or any insurance we propose before acting on it.

In servicing you, we rely on you for the accuracy and completeness of information you provide and you must ensure this.

Finally, please note that we cannot guarantee the availability of insurance for your particular risks. We do not guarantee the solvency of insurers.

### Arranging your insurances

While cost is always important, the quality of insurance cover offered by a policy is equally important. Insurance that does not match your risk is worthless, however cheap the premium.

As one of Australia's leading insurance brokers, we have many clients in similar businesses and situations with similar risks and needs. We design and develop Freeman McMurrick products specifically for these groups, which combine good pricing and quality cover from reputable insurers with a good claims paying record.

As your insurance broker, we normally act for you in providing our insurance services. We'll tell you before or at the time if we are not acting for you in providing any part of our service. For example, an insurer may give us 'binding authority' to arrange or enter into insurance products on their behalf. We could also agree to handle or settle claims on an insurer's behalf. We will inform you if we act for an insurer in this way.

## Other services

Freeman McMurrick has a number of other services that can help you manage and finance your risks.

**Premium funding** – we can spread the cost of your insurance premiums over the year with a loan repayable (with interest) by monthly instalments. We use a limited number of premium funders. We provide premium funding as agent for the premium funder and not as your finance broker. It's therefore your responsibility to make sure that the premium funding product we offer is suitable.

We may also act as the premium funder's agent in cancelling any insurance where you have failed to meet your repayment obligations. The premium funder usually pays a commission to us for arranging the funding.

**Insurance valuations** – we can help you ensure that your assets are insured for their correct value so that your insurance is effective.

**Business interruption reviews** – we can identify and assess your business interruption risks so you can ensure that your business interruption insurance matches your risk.

**Personal insurance** – we can arrange your and your family's personal insurances.

## The people who provide our services

We usually provide our services using employees.

However in some cases we use 'Authorised Representatives'. These are third parties whom we have authorised to provide financial services on our behalf. They are authorised to provide any of our financial services unless we tell you otherwise. They are not authorised to provide any advice.

In some cases we will offer to sell you an insurance product using one of our 'Distributors'. Distributors are other third parties whom we have authorised to deal in specific insurance products on our behalf. They are not authorised to provide any advice.

Our Authorised Representatives and Distributors are not employees and do not receive a salary. Instead they may be paid a percentage of the commission and/or other part of remuneration that we receive for the financial services they provide.

Our correspondence with you and/or correspondence from our third party representatives will disclose if an Authorised Representative or a Distributor is providing a financial service on our behalf.

If we are selling you what we call an FSR Retail Product then we will also disclose if an Authorised Representative is providing financial services on our behalf.

## Our remuneration

Unless we have agreed in writing otherwise, our remuneration will comprise the following:

- For arranging your insurances we usually receive a commission paid by the insurer.

This type of remuneration is standard for insurance brokers and our rates of commission typically range from 5 to 35 per cent of the premium (before taxes and statutory charges) depending on the type of insurance. Different insurers may pay different rates of commission. The insurer pays us out of its premium and the commission is not specifically disclosed on your invoice.

- A broker service charge for policy invoicing, premium collection and remittance and for issuing policies and other insurance administration work. This charge will appear on your invoice and will vary depending on the work involved and the commission we receive.
- In some cases you may need specific risk advice (such as a business interruption analysis or a valuation). We will charge a separate fee for these services, which we will agree with you beforehand.
- In some cases an insurer may quote its premium net of our commission. Where this happens we may increase the broker service charge by the amount of commission that would normally apply to this type of insurance or agree a specific fee with you.
- We may charge an additional administration fee for any change to the policy that necessitates a further statement or invoice or a certificate of currency. We may retain this fee from any premium refund arising in connection with the policy change.

Please note that we treat our remuneration as fully earned when we issue you with a tax invoice. You agree that we may retain all our commission, fees and other remuneration in full in the event of any mid-term cancellation of a policy or future downward adjustment of premium. You also agree that the insurer and Freeman McMurrick may offset such remuneration from any premium refund you are entitled to.

A surcharge may apply to all credit card payments. The nominated surcharge will be displayed on your invoice.

We want to be entirely transparent about our remuneration. So please ask us if you want more information or have any questions by emailing us at [freemcm@freemanmcmurrick.com.au](mailto:freemcm@freemanmcmurrick.com.au) or phone us on 03 9211 3700. On the next page are a couple of questions we have anticipated that you may have.

Does Freeman McMurrick receive any other remuneration for its service?

The law requires us to pay your premiums (and certain monies paid to us by insurers for your account) into a trust account pending payment to the insurer. We are entitled to earn and retain interest on these monies. Our standard credit terms for premium payments are 14 days. We pay insurers within the period dictated by the law or earlier if the insurer requires.

Freeman McMurrick Pty Ltd is part of a large financial and professional services group of companies (Aon Group). There are other parts of the Aon Group that may earn remuneration in connection with insurance we place for you. However, these are kept separate and distinct from the services we provide to you so that they do not influence us to act contrary to your interests.

Freeman McMurrick and its staff may also receive non-monetary benefits from insurers such as sponsorships of Freeman McMurrick conferences, client functions, meals and/or entertainment. Freeman McMurrick has and monitors its compliance with a policy that ensures that these do not create a conflict with your interests.

How does Freeman McMurrick avoid conflicts of interest when earning commission?

Remuneration by way of a commission is commonplace in the financial services sector. We have taken a number of measures to ensure that our service to you is not affected as a result of receiving commission from insurers based on the amount of premium.

These include:

- A conflict of interest policy and guide that our staff is required to comply with.
- Specific rules and controls in place to prevent conflicts affecting our services.
- Training our staff to understand the potential for conflicts and prevent such conflicts from affecting the service we provide to our clients.
- Promoting our values, which include openness, trust, and integrity.
- Having staff dedicated to monitoring compliance, including compliance with our conflicts of interest policy.

This helps ensure that our service to clients is not affected by any apparent conflict arising from our remuneration or anything else. However, please contact the Freeman McMurrick's Compliance Officer if you have any concerns ([freemcm@freemanmcmurrick.com.au](mailto:freemcm@freemanmcmurrick.com.au)).

What does Freeman McMurrick do with its remuneration?

We are one of Australia's leading insurance broking companies so a large part of the remuneration we receive pays the salaries and wages of our staff, and remuneration we may pay to our Authorised Representatives and Distributors. Our remuneration also funds normal business expenses such as rent and technology as well as the profit that our shareholders expect.

We often work closely with a trade or industry association in developing and distributing certain insurance products. Sometimes these associations endorse the insurance product we offer to their members. We may pay part of our remuneration to an association for their assistance or endorsement.

We also have relationships with other businesses who, when they consider it appropriate, will recommend Freeman McMurrick and our services to their clients. We may pay part of our remuneration to these referrers in recognition of this introduction.

## Other important information

### Premium and invoice calculations

We adopt industry practice in calculating local statutory charges as gazetted or advised by the Insurance Council of Australia.

All amounts referred to in our invoices, unless stated otherwise, are to be treated as exclusive of GST (Goods and Services Tax). Where the invoice is for a foreign currency amount, any applicable GST is converted to Australian dollars at the exchange rate published by the Reserve Bank of Australia at 4pm on the business day prior to the date of the invoice.

We make every effort to correctly determine the premium and statutory charges that apply to your insurance. However, occasionally errors can occur. We may correct any such error and (except to the extent prohibited by law) we will not be responsible for any loss you suffer as a result of the error and its correction.

### Professional Indemnity Insurance

In accordance with the requirements of the Corporations Act, Freeman McMurrick Pty Ltd maintains adequate Professional Indemnity Insurance. This insurance cover extends to claims in relation to our conduct as an Australian Financial Services licence holder and our employees and representatives both past and present, to compensate clients or their beneficiaries for loss or damage suffered if we provide negligent advice.

### Privacy

We have always valued the privacy of personal information. We are bound by the Privacy Act 1988 when we collect, use, disclose or handle personal information. We collect personal information to offer, provide, manage and administer the services outlined in this FSG.

Please contact us or visit our website at [www.freemanmcmurrick.com.au](http://www.freemanmcmurrick.com.au) if you would like a copy of our Privacy Policy or wish to seek access to, or to correct, the personal information we collect or disclose about you.

### Freeman McMurrick's file retention policy

We hold paper work and correspondence regarding your risk and insurance matters for at least seven years, or longer if you instruct us to do so in writing. After this period we will arrange for the file to be destroyed (except where it relates to personal injury and liability type policies, in which case we retain the records indefinitely). Please note that we will not consult you before destroying this information.

Please tell us in writing before the end of the seven year period if you want us to keep our files for longer. We will extend the time as requested but may charge you a reasonable storage and administration fee.

### Insurance Brokers Code of Practice

Freeman McMurrick is a member of this Code of Practice (Code), which provides clients of members with an additional level of protection.

The Code sets out standards for brokers to follow when dealing with clients, including requirements to inform clients of remuneration arrangements and any conflict of interest.

A full copy of the Code of Practice is available from [www.niba.com.au](http://www.niba.com.au) – the National Insurance Brokers Association website.

### Making a complaint

Please contact your Client Relationship Manager or Freeman McMurrick office if you have a concern about our services or any product we have provided. If your complaint is not satisfactorily and promptly resolved, please contact Freeman McMurrick's National Complaints Manager who will attempt to resolve it in accordance with our Complaints Policy. You may obtain a copy of this policy from the National Complaints Manager or from our website: [www.freemanmcmurrick.com.au](http://www.freemanmcmurrick.com.au)

Freeman McMurrick Pty Ltd  
Level 50, 80 Collins Street  
Melbourne Vic 3000  
Telephone 03 9211 3700  
Email: [freemcm@freemanmcmurrick.com.au](mailto:freemcm@freemanmcmurrick.com.au)

If you are still not satisfied with the outcome determined, you may contact the Insurance Brokers Dispute Limited via the Financial Ombudsman Service by calling 1300 780 808. Alternatively, if your concern is with the insurer, you may contact the Financial Ombudsman Service by phoning 1300 780 808.

Freeman McMurrick Pty Ltd is one of Australia's leading providers of insurance and risk services and is part of the Aon Group – a global leader in risk management services, insurance and reinsurance broking, financial planning and employee benefit and risk solutions.

If you have any questions about our services or anything in this FSG please contact the Freeman McMurrick Client Relationship Manager, Level 50, 80 Collins Street, Melbourne VIC 3000 - Tel 03 9211 3700.

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