

FINANCIAL SERVICES GUIDE

This FSG has been authorised for distribution by the Australian Financial Services Licence holder identified below. **AB Insurance Solutions Pty Ltd** has been appointed as an authorised representative of **SMS Insurance Brokers Pty Ltd**.

The services described in this FSG will be provided to you by **AB Insurance Solutions Pty Ltd**.

How you can contact us

Your Insurance Services Provider (Authorised Representative)

AB Insurance Solutions Pty Ltd

ABN: 94 622 858 673

18 Doveton Street North, Ballarat VIC 3350

Authorised Representative No. 1261696

Phone: (03) 5333 5944

Email: info@abinsurance.com.au

AFS Licence holder

SMS Insurance Pty Ltd ACN 159 106 635

As The Trustee for the SMS Unit Trust

30 Doveton Street North, Ballarat, Vic, 3350

ABN 32 361 928 456

AFS Licence No. 425573

Phone: (03) 5333 8000

Email: info@remingtons.com.au

The Financial Services Guide (**FSG**) describes the insurance services offered to you by **AB Insurance Solutions Pty Ltd (AB Insurance)** as authorised representatives of SMS Insurance Brokers Pty Ltd (**SMS**), who hold an Australian Financial Services Licence, AFS Licence No. 425573.

It is an important document which is designed to assist you in deciding whether to use any of the services offered in the **FSG**. It contains information about remuneration that may be paid to **AB Insurance** Advisers at **SMS** and others in relation to the services offered. It also contains information on professional indemnity insurance arrangements and on how we handle any complaints you may have.

The distribution of this FSG has been authorised by the Australian Financial Services Licence holder, **SMS**, who provide general insurance broking services.

We may give you other documents when providing our services including:

If we provide insurance broking services, we may give you a Product Disclosure Statement (**PDS**) or policy wording/brochure which provides important information about the financial products being recommended. A **PDS**

contains important information about the benefits, exclusions, cooling off period and how to make a complaint about the insurance policy.

AB Insurance is not authorised by the licensee **SMS** to provide personal advice to you and will not provide you with a Statement of Advice (**SoA**). If **SMS** provide you with advice about your personal circumstances in relation to a sickness and accident policy or consumer credit insurance, **SMS** will give you a SOA. This will confirm the advice we have given and explain our fees for arranging the insurance **SMS** has recommended.

Authorised Services

AB Insurance holds an authorisation to act as an Authorised Representative of an Australian Financial Services holder, **SMS**, to provide general financial product advice and deal in a financial product. **AB Insurance** is not authorised to provide you with personal advice, which takes into account any of your needs, objectives and financial circumstances.

We will endeavor to make it clear to you when we are acting under **SMS's** authority in providing financial services.

Who we act for

AB Insurance as authorised representative of **SMS** acts on your behalf when we obtain quotes from Insurers, when we arrange or renew your insurance, assist with general insurance claims, risk management and premium funding or provide general insurance advice.

When we provide these services we are doing so under the authority of **SMS**.

SMS is a member of the National Insurance Brokers Association (**NIBA**) and subscribes to the Insurance Brokers Code of Practice.

How you can instruct us

You may instruct us in person, by post, by phone, fax or email. It is important that you provide us with complete and accurate information about the risk to be insured otherwise the advice we give you may not be appropriate for your needs.

If circumstances change, our recommendations may no longer be appropriate. Please tell us about any changes in your circumstances so that we can confirm that your insurance continues to be suitable for your needs.

Remuneration

If we arrange your insurance for you, **AB Insurance** receives a commission of up to 60% of the total commission received by **SMS** from the insurer for arranging the policy. This commission is paid to us by **SMS** and is included in the premium quoted to you. **SMS** receive a commission from the insurer with whom **AB Insurance** place your insurance with. **SMS** may also receive an override on premiums paid by certain insurers and premium funders. The amount **SMS** receive varies depending upon the product, but it is in the range of 0% and 35% of the premium (excluding taxes and statutory charges.) The commission is included in the premium quoted to you.

SMS may also charge an administration fee on each policy, which may vary depending upon the services rendered. This fee is payable in addition to the premium.

When you pay the premium to **SMS** it will be banked in their trust account. Where they can earn interest as allowed by law. Any interest received will be retained by them.

At the end of the financial year **SMS** may receive a profit share commission from Insurers, depending on the performance and profitability of the insurance business, **SMS** place with the insurer(s).

SMS is a shareholder of Steadfast Group Limited and has access to insurance products through arrangements it has negotiated with certain insurers and premium funders. **Steadfast Group Limited** may receive commission and override payments for each policy or premium funding contract arranged with these providers. They also have access to services including compliance tools, training, product comparison and the like. These services are either funded or subsidised by **Steadfast Group Limited**.

Some Insurers may give **SMS** hospitality, gifts and the like. **SMS** has procedures in place to ensure these do not influence recommendations to you as far as placement of insurance. As part of our commitment to ongoing training and development, advisers are encouraged to attend industry events, conferences and product training (some of which is subsidised or provided by insurers). These benefits may change from year to year.

Associations or relationships

As a shareholder of Steadfast Group Limited, **SMS** may have access to insurance products through arrangements it has negotiated with certain insurers. **Steadfast Group Limited** may receive a commission from the insurers who provide member services.

Professional Indemnity Insurance

Our Licence holder, **SMS**, has professional indemnity insurance in place which covers them and also **AB Insurance** for any errors or mistakes relating to our professional insurance services when we are acting as an Authorised Representative of **SMS**. The insurance meets the requirements of the Corporation Act and covers the services provided by us after we cease working as an Authorised Representative of **SMS**, providing we notify **SMS** of the claim when it arises and this is done within the relevant policy period.

What to do if you have a complaint?

If you have any complaint about the financial services you are provided as outlined in this **FSG**, please contact the Complaints Officer at **SMS** in writing or by telephone. Their contact details are as set on the first page of this guide. **SMS** will endeavor to resolve your complaint quickly and fairly.

SMS is a member of the **Australian Financial Complaints Authority (AFCA)**, an external dispute resolution scheme. If you are not satisfied with the manner in which we handle your complaint, you are entitled to take your complaint to them. The AFCA contact details are located on their website at www.afca.org.au or you can telephone them on 1300 56 55 62. You can access this scheme for free and any decision they make is binding on us but not on you.

How we look after your insurance needs

Claims

When you need to make a claim, **AB Insurance** can advise if it is covered under that policy and also assist you to prepare and submit the claim to the insurer. If there is uncertainty about whether a claim is covered under your policy **AB Insurance** will advise you.

If the insurer appoints a loss adjustor **SMS** shall, with your permission, pass on your contact details and coordinate meetings. For major losses, **SMS** can attend the initial meeting with the loss adjustor if you wish us to.

SMS 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, **SMS** will provide details of the claim(s) to your new insurance broker so that they may continue to negotiate settlement on your behalf.

Cancellation

If you wish to cancel your policy or reduce your cover under a policy, your request must be in writing. By providing us with your written instructions to cancel a policy or reduce cover, you confirm you represent each of the insured parties and are authorised by each to instruct us. We cannot cancel any contract of insurance which is subject to the Marine Insurance Act 1909. If your cancellation or reduction in cover results in a refund owing to you, we will not refund our fee or commission earned. We will refund the net premium amount we receive from the insurer or charge a fee equal to or less than the lost commission.

How we protect your privacy

AB Insurance maintains a record of personal information about your property or lot owners in relation to insurance and your insurance instructions. We may provide this information as necessary to **SMS** in order to carry out your insurance instructions. We are committed to protecting your privacy. We provide your information to insurance companies and agents that provide insurance quotes and offer insurance terms to you or the companies that deal with your insurance claim (such as loss assessors and claims administrators). Your information may be given to an overseas insurer (like Lloyd's of London) if we are seeking insurance terms from an overseas insurer or to reinsurers who are located overseas. We will try to tell you where those companies are located at the time of advising you and if necessary, seek your consent before disclosing your

information to them. We do not trade, rent or sell your information.

If you don't provide us with full information, we can't properly advise you, seek insurance terms for you or assist with claims and you can breach your duty of disclosure. For more information about how to access the personal information we hold about you, how to have the information corrected and how to complain if you think we have breached the privacy law, ask us for a copy of our Privacy Policy or visit our website.

For details of **SMS** Privacy Policy please contact them or visit their website www.remingtons.com.au.

Payment Terms

SMS will invoice you for the premium, statutory charges and any fees they charge for arranging your insurance. You must pay them within 7 days of the date of the invoice or, in the case of the 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. Premium funders do charge interest and they take a power of attorney over your insurance policy.

SMS may arrange premium funding on your behalf if you require it or refer you to a premium funder. They may receive commission based on a percentage of the invoiced premium amount from the premium funder for doing so. Please note that **SMS** policy for refunds following cancellation of a policy applies to any policies cancelled, as a result of a premium funding default.

Credit card fees

If you pay by credit card a non-refundable credit card fee may be charged by **SMS**. This fee will be shown on your invoice and reimburses **SMS** for the bank interest, extra charges/costs and internal time general for credit card use.

Misstatement of Premium

We attempt to provide you with the correct amount of premium and statutory charges applying to your insurance. In the event that we misstate that amount (either because we have made an unintentional error or 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 this misstatement.

Important Information about your insurance

Your duty of disclosure

To make informed assessment of the risk and calculate the appropriate premium, your insurer needs information about the risk you are seeking 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 void (or cancel) the contract of insurance from its beginning. This would have the effect that you were never insured.

One important issue to be disclosed is the history of any 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 do have any questions about whether information needs to be disclosed to your insurer, do contact us.

Material Changes

You must also notify your insurer of any significant changes which occur while the policy is on risk or under negotiation. If you do not, your insurances may be inadequate to fully cover you. We can assist you to advise the insurer about changes and to ensure that your contract of insurance is altered to reflect those changes if necessary.

Cooling off Period – this only applies to retail clients

You can change your mind about a contract of retail insurance within 14 days (or longer if the insurer allows it) from the date you receive confirmation of the insurance and 5 days after the insurance policy was arranged

(whichever occurs earlier). Details of the Cooling Off Period can be located in the Product Disclosure Statement. If you wish to exercise your Cooling Off rights, you must tell the insurer in writing that you wish to return the insurance policy and have the premium repaid. The insurance policy will be terminated from the time you notify 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.

Sums Insured – Average and Co-Insurance

Some insurance policies 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 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 needs to be sufficient to cover the new replacement cost of the property.

Interests of other Parties

Some insurance policies 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 policy 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 policy.

Waiver of Rights

Some insurance policies 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, for example by signing an agreement which disclaims or limits the liability of the other party. Please tell us about contracts of this type which you have or propose to enter into.

Standard Covers

Insurance laws prescribe minimum standard cover provided by motor vehicle, home buildings, home contents, sickness and accident, consumer credit and travel insurance policies (including a minimum amount of insurance). If an insurer wants to offer different cover or 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 PDS or a copy of the insurance policy.

Unusual Terms

If an insurer wants to reply on a term in an insurance policy which is not usually included in policies 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 PDS or a copy of the insurance policy.

Electronic delivery of disclosure notices

Please note where possible we prefer to provide you with correspondence and disclosure notices (including Financial Services Guides and Product Disclosure Statements) to you electronically via email. If you have provided your email address to us we will typically use that email address for all correspondence and disclosure notices. Should you not wish to be sent disclosure documents and notices electronically please advise us and we will update our records.

From when does this FSG apply

This FSG applies from 1st October 2019 and remains valid unless another 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.