



THE BUILDERS[®]
INSURANCE BROKER

500 Forest Road PENSURST
PO Box 12 PENSURST NSW 2222
Ph: 02 9570 5422
1300 769 455

Email: builder@buildersbroker.com.au
www.buildersbroker.com.au

TERMS OF ENGAGEMENT & OUR APPOINTMENT

Regarding your Domestic & Commercial General Insurance Policies, will act on your behalf as an insurance broker and are delighted to confirm our engagement as your insurance broker. We write to confirm how and on what terms we will manage your insurance needs.

We subscribe to and are bound by the Insurance Brokers Code of Practice a full copy of which is available from the National Insurance Brokers Association (NIBA) website, www.niba.com.au.

We usually act on your behalf and in your interests in all matters. Sometimes, it may be more appropriate for us to either arrange insurance or manage claims where we act as an agent of the insurer. If and when this situation arises, we will explain and highlight this to you

We are authorised to advise you about and arrange general insurance products. If we are unable to advise you or act on your behalf due to a conflict of interest which cannot be managed we will immediately notify you.

We will provide you with personal/general advice.

More information about our services is available from our Financial Services Guide (FSG) available on our website [Click Here for FSG](#).

Your Insurance Needs

You have confirmed that you would like to protect you or your business by ensuring you have appropriate insurance cover in place. This recommendation is based on the information provided during our risk analysis and as outlined in your quotation. You have requested that we manage the relevant insurances on your behalf.

Your Account Executive

Your account will be managed by a dedicated Account Executive, supported by other brokers and specialists within our firm as required.

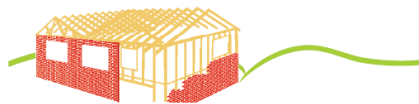
You are welcome to contact your Account Executive at any time via phone, email, or in person.

Our Services

We will provide you with the following services:

Quoting Services

- Help you identify and assess your risks and develop a proposal to submit to potential insurers
- Advise and make recommendations as to your insurance requirements
- Contact you with our recommendations
- Prepare underwriting submissions and seek insurance quotes (we will seek quotes from the broader general insurance market before making a recommendation. We have arrangements with around 60 insurers, which enables us to find the right insurance product for you)



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- Based on our knowledge of the market and understanding of your needs, we will approach **at least three (3)** of these insurers in most instances, to obtain quotations as not all of these insurers products are appropriate for your needs..
- Negotiate policy coverage, excesses and premium

Insurance Placement

- Place the insurances agreed upon
- Review policy wordings and obtain signed policies from insurers
- Confirm the placement of the insurances to you
- Calculate, invoice, and collect the premiums including arranging premium funding where required
- Adjust premiums on prior year policies

Variations

- Review your insurance arrangements when you inform us about material changes to your circumstances
- Facilitate policy changes and/or cancellations as per your instructions

Renewals

- Take reasonable steps to contact you at least fourteen (14) days prior to your insurance cover expiry
- Review your insurance arrangements due to any changes in your circumstances
- take appropriate, professional, and timely steps to seek insurance cover terms and conditions and advise you of available options (if any) for your consideration.

Claims

- Assist you to manage any claims you may need to make including:
 - Informing you in a timely manner regarding the progress of claims.
 - when we receive an insurer's response to a submitted claim, we will notify you of the outcome as soon as it is reasonably practical to do so.
 - if a claim is either unreasonably denied or reduced by the insurer, we will act as claims advocates on your behalf to try to have the claim paid.
 - we will advise you if the insurer seeks to negotiate a settlement of your claim.
 - we will seek your instructions before agreeing to any settlement of your claim.
 - if the insurer declines to pay a claim, we will explain the reasons for the insurer's decision and outline what further steps can be taken, including steps to make a complaint.

Many commercial or business contracts contain clauses that relate to your liability (including indemnities or hold harmless clauses). These clauses may entitle your insurers to either reduce cover, or in some cases, refuse to indemnify you at all. Please inform us of any clauses of this nature before signing and accepting such contracts. We may recommend that you seek legal advice.

We can also advise on risk management strategies apart from insurance.

Remuneration and your consent

Retail Products – Household, Landlords, Personal Accident, Motor Vehicle, Travel, Consumer Credit Commercial & Residential Strata

IMPORTANT - If you are a retail client purchasing a retail insurance product, it is a requirement of the law that we obtain your informed consent before we receive payment of any insurance commission for the policies that we arrange for you. Once you provide your consent it is irrevocable. By agreeing to the attached terms of engagement you will be providing your informed consent to us receiving insurance commission for the policies (including any renewals) that we arrange for you. It is important that you read and understand the information attached. We will not proceed any further until you give your informed consent to us.

If there are changes to your policies during the policy terms or at renewal of your policy, we will seek agreement from you to vary your consent where it is necessary to do so and by providing this consent you agree the parties can do this by agreement.

Before agreeing to these terms of engagement and providing your consent for us to receive commission, you should read carefully the information in these terms of engagement to understand:

- the rate of commission we may receive and the frequency of that commission; and
- the services that we provide.

Many insurers we work with do not sell directly to the public. They partner with brokers who use their expertise to ensure you receive the right advice and coverage.

As your broker, we also manage your claims, handle policy amendments, answer your questions, maintain your policy, and take care of the compliance requirements—so you can focus on your business while we handle the rest.

In return for the services we provide, we will receive either:

- a commission, usually between 1% and 26.5% of the premium paid (excluding relevant taxes, charges, and levies), which is paid to us by the insurer; or
- a fee charged in lieu of commission, agreed with you prior to placement; or
- a combination of commission and a fee, in which case the fee will be shown on your invoice.

If you have any questions about how the commission or fee is calculated, please contact us before agreeing to the terms of engagement.

Important Relationships

We are part of Steadfast Group Limited (**Steadfast**). As a Network Broker of Steadfast, the brokerage company and/or principals/directors hold shares in Steadfast. As a Steadfast Network Broker, we have access to services including model operating and compliance tools, procedures, manuals and training, legal, technical, HR, contractual liability advice and assistance, group insurance arrangements, product comparison and placement support, claims support, group purchasing arrangements and broker support services. These services are either funded by Steadfast, subsidised by Steadfast or available exclusively to Steadfast Network Brokers for a fee.



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Steadfast has arrangements with some insurers and premium funders (**Partners**) under which the Partners may pay Steadfast commission of between 0.5 - 1.5% for each product arranged by us with those Partners or alternatively a fee to access strategic and technological support and the Steadfast Broker Network. Steadfast is also a shareholder of some Partners.

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 0% to 2.5% 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.

Your Disclosure Obligations

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. We rely on you to provide complete and accurate information.

Before you enter into an insurance contract with an insurer, you have a duty under the Insurance Contracts Act 1984 (Cth) to disclose information to the insurer. This Duty of Disclosure applies until the insurer agrees to either insure you or renew your insurance. The Duty of Disclosure also applies before you extend, vary or reinstate your insurance.

If you are applying for or renewing insurance in relation to consumer insurance products such as, your motor vehicle, home building and/or contents, residential strata, travel, personal accident or sickness and/or consumer credit products, you must answer the specific questions asked by the insurer truthfully and accurately. In answering those questions, you must tell the insurer all information that's known to you and that a reasonable person would be expected to provide in answer to the questions. Not doing so may be considered by the insurer to be a breach of your 'duty to take reasonable care not to make a misrepresentation' and may cause issues in relation to the validity of your insurance policy and/or issues in the event of you lodging a claim.

At renewal, the insurer may either ask you to advise any changes to information you have previously disclosed, or may give you a copy of the information you previously disclosed and ask you to advise them if there have been any changes. If you do not tell the insurer about a change, you will be taken to have told the insurer there is no change.

If you are applying for or renewing any other insurance, you must tell the insurer all information that is known to you that a reasonable person could be expected to know or that is relevant to the insurer's decision to insure you and on what terms. You do not need to tell the insurer anything:

- that reduces the risk it insures you for;
- is common knowledge;
- that the insurer knows or should know; or
- which the insurer waived your duty to tell it about.

Non-disclosure

If you fail to comply with your Duty of Disclosure, the insurer may cancel your contract of insurance, or reduce the amount it will pay you if you make a claim, or both. If your failure to comply with the Duty of Disclosure, or you are fraudulent, the insurer may refuse to pay a claim and treat the contract of insurance as if it never existed.



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If you are in doubt about whether or not a particular matter should be disclosed, please contact your Account Executive.

You must make sure you explain the Duty of Disclosure to any person you represent when we arrange any insurance cover for you. Alternatively, you may ask any person you represent to contact us, and we will explain their Duty of Disclosure to them directly.

If your 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.

Sums Insured – Average and Co-Insurance

It is very important that you have an adequate sum insured on your property. As a property owner you don't always know how much it will cost to rebuild your building in the current construction market, nor are property owners generally aware of the additional costs associated with rebuilding.

The most effective way of ensuring your sum insured is adequate is to have an insurance "reinstatement replacement" valuation done on your property.

This report allows you to ensure that your sum insured is adequate, and it also means that you have a document of proof of loss in the event of a claim. It is always difficult in the event of a claim to substantiate what you had in your property when it has all been destroyed. A valuation of this nature will alleviate this problem and remove a great degree of stress from any potential claim.

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.

Please contact our office if you have any queries in relation to this, or if you would like to arrange a valuation.

Electronic Data and Privacy Awareness

Cyber risks are one of the leading risks for Australian small and medium-sized businesses. The cyber landscape is ever-changing, with new scams and threats emerging almost weekly. This means you need to be constantly monitoring these threats to your business, including your staff and customers. The good news is there are several excellent online resources to help you do it. The three sites below are overseen by different arms of the Federal Government and are reliable and useful sources of information:

www.scamwatch.gov.au

www.cyber.gov.au

www.business.gov.au/online/cyber-security

If you would like to obtain a quote to obtain Cyber Liability cover, please contact me to discuss further.

Continuity of Cover

It is important that you maintain continuity of cover. Accordingly, if a contract of insurance falls due and we are unable to contact you, we will automatically arrange for the policy to be held covered (or renewed if necessary). If you do not require the cover, we ask that you tell us as soon as possible. A short-term premium may apply. Please tell us if you do not wish us to provide this service.



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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.

If a cover is cancelled before the expiry of the period of insurance, we reserve the right to refund to you only the net return premium we receive from the insurer and not refund any part of the brokerage and/or broker fee we receive for arranging the cover. A broker fee may be charged to process the cancellation.

Period of Engagement

Unless we agree in writing otherwise, our appointment will commence from the date you first requested cover through us, until cancelled by either party in writing. You may cancel our appointment by giving 1 days' notice for the services engaged in this appointment. Our appointment is exclusive and replaces the appointment of your current broker.

We look forward to working with you and to a long and mutually satisfactory relationship. We encourage you to call your Account Executive at any time if you have any questions about our services or your insurances.

Premium funding

Premium funding products enable you to pay your premiums by installments. Premium funders do charge interest and they take a power of attorney over your insurance policy as they have paid it to the insurer in advance, in full, as required at the beginning of the policy period.

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. We will tell you the basis and amount of any such payment before or at the time the premium funding is arranged.

Our Payment Terms

Invoices - we will invoice you for the premium, statutory charges (e.g. stamp duty and fire services levy) 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 a cover is cancelled before the expiry of the period of insurance, we reserve the right to refund to you only the net return premium we receive from the insurer and not refund any part of the brokerage and/or broker fee we receive for arranging the cover. A broker fee may be charged to process the cancellation.

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.

Credit card fees - if you pay by credit card, we may charge you a non-refundable credit card fee. This fee will be shown on your invoice and reimburses us for bank interest, extra charges/costs and time incurred by us when providing credit card facilities.