



Terms of Appointment & Major Uninsured Risks (Please Read, Sign & Return)

It is our pleasure to confirm your appointment of our company as your insurance broker. We would like to take this opportunity for our mutual benefit to record the terms of our appointment and to advise you of matters arising under The Insurance (Agents & Brokers) Act 1984 and the Insurance Contracts Act 1984.

Disclosure to Insurers

For an insurer to make an informed assessment of the risk it faces under the contract of insurance, and calculate the premium it should charge, all relevant matters must be disclosed in good faith to it. The duty to make full and frank disclosure rests upon you, the party seeking the insurance cover (or renewal or variation of it) and not upon the broker who acts on that party's behalf. The duty of disclosure is explained in a prescribed notice under the Insurance Contracts Regulations 1985 as follows:

"Your duty of disclosure"

Before you enter into a contract of general insurance with an insurer you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you know, or could be expected to know, is relevant to the insurer's decision whether to accept the risk, of the insurance and, if so, on what terms. You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require your disclosure of matters:

- ❖ that diminishes the risk to be undertaken by the insurer.
- ❖ that is of common knowledge
- ❖ that your insurer knows, or in the ordinary course of his business, ought to know

as to which compliance with your duty is waived by the insurer.

You must disclose any changes to the risk insured **IMMEDIATELY** the changes occur, even if it is during the course of the policy contract; i.e. if you have a property that is rented to a tenant the tenancy changes or the rented premises becomes untenanted for a period of **30 days**; there is a major change in your business and/or process etc, or any other like matter that could be relevant **MUST BE DISCLOSED**. Should you be unsure whether or not a circumstance should be disclosed, please ring us and discuss the matter-do not wait until the renewal date.

Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to **REDUCE** his liability under the contract in respect of a claim or may **CANCEL** the contract. If your non-disclosure is fraudulent, the Insurer may also have the option of **AVOIDING** the contract from its beginning. The history of losses suffered and claims made by the party seeking insurance, or any person, firm or company closely associated with that party be obviously one of the principal matters to be disclosed. It is therefore imperative that you maintain up-to-date record of all such losses and claims. We do not accept responsibility for doing this for you, or for checking in any particular instance that you have made proper and complete disclosure.

Terms of Payment

When we arrange, renew or vary a cover on your behalf, we will invoice you for the premium, statutory charges (e.g. stamp duty, fire service levies, underwriters levies etc.) and our brokerage &/or fees. In the case of renewal, if you wish to instruct renewal by payment of our invoice, we must receive payment before the expiry date. In all other cases, our invoices are payable by you **WITHIN 7 DAYS OF THE DATE OF THE INVOICE** (notwithstanding that the invoice may be addressed to some other party at your request). The full amount is payable by you to us, including the premium and statutory charges. Please note: A broker is entitled to retain interest on trust account money if the broker discloses to the client that the broker will retain any interest. This disclosure is provided on our Financial Services Guide.

Methods of Payment

Direct Debit (EFT), Premium Funding, Credit Card (Visa and Mastercard only with a 2% surcharge). No AMEX Cards Accepted.

Certificate of Currency – IMPORTANT

Please note that a Certificate of Currency (CofC) **will not be** issued until Insurance Advisory Service (NSW) Pty Ltd has received and have receipted payment and declaration page has been returned.

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Insurance Advisory Service (NSW) Pty Ltd
Po Box 1073 NORTH SYDNEY NSW 2060

Sums Insured - "Average" & "Co-Insurance"

The level of insurance cover is a matter of considerable importance, yet often little attention is given to it until a claim arises. Many policies contain a so-called "average" or "co-insurance" clause. It operates to reduce the amount payable under the policy for any claim in proportion to the degree of under-insurance. Thus, if the sum insured is only half the current value of the whole property insured when a claim occurs, you would only receive approximately half the amount of the claim. It is your task to set the sums insured for your covers, and to keep them under review. We do not accept responsibility for advising on levels of cover, or for reminding you to review them in any particular instance. You may need to engage a building consultant or valuer or other specialist to assist you to do this and we are happy to recommend one if you so wish.

Notices

In accordance with your instructions, we will direct all notices and correspondence in relation to covers we arrange or renew on your behalf to your address. If you wish to change this address, please advise us in writing of the new address. Unless you do so, our records will not be altered, and notices and correspondence will continue to go to the existing address for notices being: We do not accept responsibility for chasing responses from you to correspondence or notices sent to your address for notices. Various provisions of the Insurance Contracts Act 1984 require an insurer dealing direct with an insured or an intending insured to give specific notice of matters such as:

- ❖ the ways in which the terms and conditions of the insurer's policy are more limited and restricted than the terms and conditions prescribed under the Insurance Contracts Regulations 1985.
- ❖ unusual terms in the insurer's policy.
- ❖ the retrospective cover is not provided (if it is not) under "claims made" type of cover.
- ❖ that the insurer's policy excludes or limits any claim by reason by the insured is a party to an agreement which limits the insured's right of recovery.

Insurers are not required to give these notices when covers are arranged through a registered insurance broker. Thus you will not receive them for covers arranged by our company on your behalf. It is therefore imperative that you check all your insurance certificates and policy wordings to ensure that they provide the cover you require and that you fully understand their limitations. We again stress that you should feel free to contact us if you have any query.

Renewals

We will give you at least fourteen days notice of expiry of any cover arranged or last renewed by us on your behalf., this can either be verbal or written communication. In order for us to commit to the renewal on your behalf, we must receive, **BEFORE THE EXPIRY DATE**, your instructions in writing to renew or cancel the cover. Should we not receive any correspondence from you we will assume that cover is required and will renew on your behalf. You will be obliged to pay this firm's commission and other broker's fees in the event of; not proceeding with the renewal arranged by us.

Cancellation

Should you require to cancel any insurance covers, we require written advice to confirm cancellation or lapse, signed by the insured or, in the case of multiple insured's, all insured's. In the event of a cancellation of a policy before the expiry date some insurers make refunds of premiums based on monthly or quarterly apportionment and therefore may also be a minimum charge. You will be obliged to pay this firm's commission and other broker's fees. If premium funding has been arranged you may also be obliged to pay the interest component for the full year and other charges by the premium funder.

Before making any decision to cancel this policy you should consult us concerning the charges involved and commission and fees which will be retained by us and/or the funding company. Please note that the funding contract is a separate contract which is used to assist you with your cash flow requirements. The funding company is in no way connected to our company with the exception that they will forward the premium to us to pay for your insurance. All dealings must be made on a direct basis with them following the signing of your contract. We can assist should this be required.

Advice

If you need financial advice on your insurance program or rationalisation of your insurance arrangements or if you have any other query please do hesitate to contact one of our account executives to discuss. They are happy to answer minor queries on the telephone; **BUT WRITTEN ADVICE OR CONFIRMATION** should be sought in relation to any matter on which you propose to rely. We accept full responsibility for written advice, **BUT WE ACCEPT NO RESPONSIBILITY FOR VERBAL ADVICE**. We do charge for the service of providing advice if the matter requires a significant amount of time. We shall discuss the charge with you at the time.

Major Uninsured Risks

One of our roles as your adviser is to highlight areas where you, may have an exposure to loss but are presently uninsured. The list below is a summary of some common insurance examples that may assist you to identify risk areas you hadn't previously thought about insuring Risk retention may occur in many ways;

- ❖ By under-insurance (e.g. if your sums insured or declared insurable values are inadequate, and Co-Insurance/Average provisions are applied to losses, you are treated as part-Insurer for all such losses).
- ❖ By inadequate loss limits (e.g. if your Public Liability limit is insufficient, you are your own Insurer for the excess, plus a proportionate share of any legal fees).
- ❖ By non-insurance (e.g. if you elect not to insure a risk like "Motor Vehicle - Own Damage" you must stand all such losses yourselves). A self-assumed irremovable deductible or excess under a policy. Our concern lies not so much in the fact that you may retain certain insurable risks, but that you may do so without fully recognising the fact, and without making a conscious decision to do so. Such conscious decisions should be reviewed from time to time in the light of changing circumstances. A potential problem area could arise from a series of losses, each subject to a heavy deductible.

A further concern is the possibility of the aggregation of self-insured risks, which in the event of one incident giving rise to a variety of losses, could lead to a combined loss figure well above the acceptable level of retention (e.g. a fire or explosion at a major location could involve building, plant and stock damage, business interruption, parked trucks and their loads, not to mention legal liability for injured workers and third parties' property or injury). If you wish to have more information on any of these or any other class of insurance, please contact us. We would welcome the opportunity to meet with you to discuss these covers in more detail or forward information for your perusal. Although many of these insurance policies may not appear appropriate to your needs today, the circumstances of your business may change and so we recommend that you review this list regularly to ensure you have the correct and adequate covers in place.

CLASS	BRIEF DESCRIPTION
Annual or One Off Marine Cargo / Transit	Damage to goods whilst in transit.
Annual or Single Project Contract Works	Loss or damage to the project during construction, including liability.
Association Liability	This provides indemnity to those who hold positions on management committees, incorporated organisation boards etc against negligent acts, errors or omissions.
Aviation Hull and Liability	Material damage and liability covers for aircraft, hangars and associated risks
Business Insurance package	Packaged policy combining covers for Material Damage, Theft, Glass, Business interruption, Money, General Property
Cancellation and Abandonment of Events	Cover 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 and Private Motor Vehicles	Loss or damage to registered vehicles, including trucks
Contractors' Plant & Machinery	Loss or damage to unregistered cranes, mobile plant, drilling rigs and the like.
Corporate Travel and Expatriate	Medical and repatriation expenses following injury or illness while travelling or working overseas.
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.

CLASS	BRIEF DESCRIPTION
Crop	Fire or hail damage to cash crops.
Cyber Liability	Loss of funds following tampering/hacking of computers systems and loss of third party data records
Directors & Officers Liability	Damages following a wrongful act committed by the directors or officers of a company.
Electrical Equipment Breakdown	Loss of income and increased expenses following mechanical and electronic breakdown of computer equipment.
Electronic Equipment	Material damage and loss of data following breakdown or malfunction.
Employment Practices Liability	Liability for employment related issues such as wrongful dismissal, sexual harassment, and discrimination.
Farm and Hobby Farm	Combined package policy for buildings, crops, livestock, liability, plant and machinery and associated assets
Fidelity Guarantee	Losses due to the dishonesty of employees.
Fine Arts, Jewellery and Collectibles	Loss or damage to jewellery, works of art and other valuables.
General Property	Australia wide cover for loss / damage to portable business equipment and tools of trade
Home and Contents	Loss or damage to residential premises and their contents.
Industrial Special Risks	Fire, Perils & Accidental Damage to fixed assets. (For larger asset values)
Intellectual Property	Legal expenses incurred to defend patent, trademark, copyright etc.
Livestock and Bloodstock	Loss following death or loss of use of valuable animals.
Machinery Breakdown	Cost of repair following mechanical or electrical breakdown of plant and equipment.
Management Liability	Combined liability packaging including cover for directors and officer, the entity, employment practices, crime, OH&S, statutory liability and the like
Marine Hull	Damage to private and commercial vessels and related equipment.
Marine Liability	Bodily injury and property damage arising from operation of vessels, carriers liability, ship repair activities, charterers liability, container liability, stevedore liability
Personal Accident & Illness	Death or disability following an accident or illness (cancellable contract).
Product Guarantee	Cost of removal, recovery, repair, alteration, treatment or replacement of any product or part which fails to perform the function for which it was designed, manufactured or sold
Product Recall	The expenses incurred in the recall of defective products
Professional Indemnity/Medical Malpractice	Liability for the provision of professional services or advice given to clients.
Public & Products Liability	Bodily injury and property damage arising from business activities and from products manufactured, imported or sold.
Residential and Commercial Landlords	Loss / damage to residential or commercial investment properties.
Special Events and One Off Events	Public and Products Liability cover
Stand Alone Business Interruption	Weekly benefits for loss of income and increased expenses incurred due to material

CLASS	BRIEF DESCRIPTION
	damage to fixed assets.
Tax Audit & Investigation	Expenses due to unexpected audits required by any statutory body, including Australian Tax Office.
Workers' Compensation	Mandatory cover providing cover for employers' liability for injury to employees,
CLASS – PERSONAL INSURANCE	BRIEF DESCRIPTION
Business Expenses	You can insure up to 100% of average insurable expenses that the business will continue to incur if you become totally disabled
Income Protection	Provides cover in the event a person is unable to follow their chosen occupation. (a non-cancellable contract).
Key Man	Financial loss following death or disablement of key personnel.
Life/Death Cover	The basis of the sum insured is that in the event of the insured's death a lump sum payment would be available to cover any current debt eg. Funeral or borrowings eg Mortgage and leave the insured's family looked after for the future eg. Education for the children or money to invest
Major Trauma/Critical Illness Cover	Provides lump sum of money following diagnosis of specified major personal health conditions.
Partnership and Shareholder Protection (Buy/Sell)	Provides a package designed to protect the surviving shareholders in the event of the death or disability of a principal.
Total and Permanent Disablement	In the event that the insured is unable to work in any/own occupation and therefore Totally and Permanently Disabled the sum insured would be available to cover any costs associated with the above eg. Hospital bills or handrails, nursing care etc.. and extinguish any current debt or borrowings.
Active Cover (Macquarie)	Active cover is a new style of life insurance that allows you to hold several types of cover in one comprehensive policy. Your policy will include cover for a wide range of health events, death and terminal illness.



Declaration Page

Terms of Appointment and Major Uninsured Risks

Declaration

- ❖ I/We declare that all the particulars provided in the new business invoice and schedules contained in the Package **will** be true and correct information, and I/We have discharged my/our Duty of Disclosure.
- ❖ I/We **will** not suppress, misrepresented or misstated any relevant fact.
- ❖ I/We agree that the particulars provided shall be the basis of the contract of insurance and be deemed to be incorporated in the policies to be issued.
- ❖ I/We expressly agree that the information given by me/us is provided with my/our full knowledge and consent and further agree to hold harmless and indemnify **IAS (INSURANCE ADVISORY SERVICE (NSW) PTY.LTD.)** in the event of any action or matter that may be taken by any party pursuant to the Privacy Act 1988.
- ❖ I/We acknowledge that I/we have read and understood the Financial Services Guide and Privacy Statement.
- ❖ This Privacy Statement can be viewed on our website at www.insuranceadvisoryservice.com.au.
- ❖ I/We acknowledge and confirm the terms of appointment (as contained in this document) of IAS (Insurance Advisory Service (NSW) Pty. Ltd.) to act as our broker and I/We understand the matters that are the subject of the statutory notices.
- ❖ In respect of any Cancellation by You, You will be obliged to pay this firm's commission and other broker's fees. If premium funding has been arranged you may also be obliged to pay the interest component for the full year and other charges by the premium funder. In some cases Your Insurer may also impose a Cancellation Fee, you should contact us to discuss before requesting any Cancellation.

Client Name: _____

Client Signature:

Date: