

FINANCIAL SERVICES GUIDE

This guide is designed to assist you in deciding whether to use the services offered by us. It contains important information about:

- the services we can offer you
- how we and our associates are remunerated
- how we manage conflicts of interest
- our internal and external dispute resolution procedures and how you can access them

It is an important document. Please read it carefully and keep it in a safe place.

By asking us to act as your general insurance broker, you agree that we will do so on the terms set out in this Guide. Unless you tell us otherwise in writing, we accept that you agree with these terms.

Unless agreed in writing, we only provide a "General Advice" service, a general recommendation or opinion is provided to you on the relevant product which is not based on a consideration of your personal objectives, financial situation or needs. You should consider whether the general advice is appropriate having regard to those matters and obtain a Product Disclosure Statement for the recommended product before making a decision whether to acquire it.

The Financial Services covered by this Financial Services Guide (FSG) are provided by:

Rivers Insurance Brokers Pty Ltd are, unless stated otherwise, referred to in this FSG as "we" or "us" and can be contacted at:

Cairns	Innisfail	Toowong
PO Box 5070	PO Box 351	PO Box 1215
Cairns Qld 4870	Innisfail Qld 4860	Toowong DC Qld 4066
188 Mulgrave Road	88 Rankin Street	39 Sherwood Road
Cairns Qld 4870	Innisfail Qld 4860	Toowong Qld 4066
07 4051 8422	07 4061 1766	07 3028 9494

Not Independent

We are not independent, impartial or unbiased in accordance with section 923A of the Corporations Act for these reasons:

We or our representatives or associates may receive remuneration or other gifts or benefits from:

- (a) the issuer of the product you buy (e.g. commission that we retain or volume-based payments we may receive); or
- (b) other third parties for related services provided in connection with the personal advice service (e.g. premium funding, claims or loss adjusting or reinsurance services)

We explain such arrangements in more detail in this document and please don't hesitate to ask us for more detail.

A GUIDE TO OUR RELATIONSHIP WITH YOU AND OTHERS

Our various roles

We are an Australian Financial Services Licensee and are licensed under the Corporations Act to advise and deal in relation to all general insurance products. We can act in a number of roles in providing our services.

We usually act on your behalf. However in some cases, we may act on behalf of an insurer or their representative or on our own behalf (e.g. as a referrer to another service provider). We tell you if this is the case as this means we do not act for you when we provide the service.

Our Services

Arranging insurance for you

This is where we arrange for the application, acquisition, variation, renewal or cancellation of an insurance policy for you. The process differs depending on the type of insurance and we explain it to you when you apply for the insurance.

Providing advice to you

There are two types of advice service we are licensed to provide and it is important to understand the difference:

- *personal advice* – this is advice provided by us to you on the suitability of general insurance policies to meet your particular needs. We will agree with you when this service is to be provided and what the scope of our personal advice will be. For example, in some cases we may only provide personal advice on which of a selected list of products is appropriate for you. Before we provide any personal advice we will need to undertake a needs analysis so we can provide you with appropriate advice.
- *general advice* – this is where we provide a general recommendation or opinion to you on a general insurance policy which is not based on our consideration of your personal needs. We tell you when this is the case because if general advice is given you need to consider if the general advice and any relevant product is right for your circumstances as we have not done this for you.

In some cases where we arrange more than one policy for you we may provide personal advice for one policy and general advice for another. We tell you when this is the case.

Acting for insurers

In some circumstances we may have an agreement with an insurer or their representative to arrange insurance policies on their behalf and not on your behalf. This means that we act for and in the interest of the insurer as our principal in providing the services, not yours.

If we are given a "binding authority" from an insurer, this means we can enter into insurance policies and/or handle or settle claims on their behalf without reference to them, provided it is within the authority they have given us.

In addition to this, we may enter into an agreement with some of the Insurers we deal with, under which we may receive, on an annual basis, a percentage of any growth in Gross Written Premium or a share of the profit of the portfolio.

Due to the variables involved in these agreements, it is not possible to know what amount we may receive might be, until after the completion of the relevant period.

As these agreements change from year to year, if you need more information or explanation, please ask us.

We will tell you when we act for an Insurer and not for you.

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 usually valid for one month or less). To arrange this we will need specific details of the property or risks involved.

You must advise us if you accept the terms offered to you and we will send you our invoice and a proposal form (if necessary) for completion. You will need to complete, sign and return it to us, together with your payment, as soon as possible and before the interim cover expires.

We will send the original insurance contract 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

Unless it is impractical to do so, we will give you at least 14 days' notice of expiry of any insurance contract which we arranged or last renewed for you.

At that time we will send you an offer to renew or replace the insurance contract and invoice you for the cost of the renewal. If you want to change the details of the cover, contact us as soon as you receive the renewal offer. If you wish us to renew the contract on your behalf, you must provide us with written instructions and/or pay the premium and any other charges before the expiry date, which we will take as acceptance of the contract.

Variations

You should carefully monitor and review your insurance program to ensure that it remains adequate to cover your assets or business activities.

If you want to vary any cover, e.g. by increasing the sum insured or adding another 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 provide you with written confirmation.

Claims Assistance

We can also assist you when you need to make a claim. If a claim occurs contact us and we can help you decide what to do. We provide this assistance as part of our overall service for no separate charge unless we tell you otherwise. We don't provide this service if we no longer act for you.

Any claims documentation, insurance company settlement cheques and other information received by us on your behalf will be provided to you as soon as reasonably practicable.

Premium Funding

In some cases insurers require the full premium payment up front. Premium funding is one way of not having to pay your premium in one lump sum. You will, however, have to pay interest to the premium funder on the amount borrowed.

We and AUB Group Limited (ABN 60 000 000 715), have a preferred supplier arrangement with Hunter Premium Funding Pty Ltd (HPF) for the arrangement of premium funding. In arranging premium funding with HPF, or any other premium funder, we do not provide personal advice or represent that any of the funder's products and services are right for you or that they are the most appropriate. You need to make your own decision based on the information provided.

Premium funding products, which are a separate loan facility to the Insurance Policies, enable you to pay your premiums by instalments. If any of the Policies are terminated during their current term, including as a result of the failure to pay an instalment, it is likely that the refund will not cover the outstanding loan amount.

We may provide a variety of services and act in different roles.

It is important to note that given the wide variety of general insurance products available and the need to remain competitive we may provide a variety of the above services to you and act in a variety of roles.

For example, where you require a number of different covers we may provide personal advice for some products you need and act on your behalf in relation to them. For others we may only provide you with general advice or provide dealing services only and for others only act as agent of the insurer not you. We can provide a further explanation of why this is the case and we make sure we tell you what the service is and our role before or at the time we provide the service.

Ask us if you need more detailed information or do not understand our explanation.

Terms of Payment

Invoices

We will invoice you for the premium, statutory charges and any fees charged for your insurances. You must pay within the terms stated on the invoice, to ensure your continued protection.

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

If you pay by credit card, we may charge you a credit card (including arrangement and handling) fee, which is always disclosed and shown separately on the invoices sent to you, and is non-refundable. This fee reimburses us for the bank interest, extra charges/costs etc. for credit card use.

How can you give us instructions?

You need to give us instructions in writing, by letter, email or by another method agreed by us. We will tell you what is possible when you contact us.

What information do we maintain about you and how can you access it?

We are committed to protecting your privacy in accordance with the Privacy Act 1988 (Cth) (Privacy Act) and the Australian Privacy Principles (APPs). Where required, we will provide you with a Collection Notice which outlines how we collect, disclose and handle your personal information.

You can also refer to our Privacy Policy available on our website or by contacting us for more information about our privacy practices including how we collect, use or disclose information, how to access or seek correction to your information or how to complain in relation to a breach of the Australian Privacy Principles and how such a complaint will be handled.

How are we remunerated for our services?

When we act for you in advising on and/or arranging insurance

When we act on your behalf in advising on or arranging insurance we can be remunerated in a number of ways. They can vary according to the service you require and/or our arrangements with the relevant insurer or their representative.

We are remunerated by:

- commission from the insurer;
- fees we charge you;
- in limited cases only, remuneration from an insurer based on the profitability or volume of the business we place with them; or
- a combination of the above.

Details are provided below on each.

Commission paid by the insurer to us

Unless we tell you in writing that we will provide our service on a "Fee Only - no commission" basis, we are remunerated by commission from the relevant insurer whenever you enter into an insurance policy arranged by us (including renewal and some variations which increase the premium payable).

The commission is a percentage of the insurer's base premium (i.e. premium excluding stamp duty, fire services levy, GST or any other government charges, taxes, fees or levies). Different insurers can agree to pay us different commission rates for the same type of products. The rates also vary for each product type.

The commission does not represent our profit margin as it also reimburses us for administrative and other expenses we incur in providing our services.

The commission is included in the premium amount set out in your invoice and we receive it when you pay the premium or at a later time agreed with the insurer.

If we act on your behalf and you adjust or cancel a policy and obtain a refund of premium, you agree that we can keep our commission. If we didn't do this we would not be properly paid for the services we provide to you.

Other remuneration arrangements we have with insurers

"AUB Group Limited (ABN 60 000 000 715) (AUB) is the sole shareholder of Austbrokers Member Services Pty Ltd ACN 123 717 653 (AMS), a company that provides marketing, distribution and training services to members of Austbrokers. Some insurers pay a commission to AMS on selected products arranged by members of Austbrokers, being an agreed percentage of the base premium (before government fees or charges). Different insurers may pay different commission rates to AMS.

This money funds the provision of AMS services to Austbrokers members. We and other Austbrokers members benefit from this support and it helps ensure we can continue to provide you with our extensive range of services. Austbrokers members may also be entitled to share in any excess of the commission received by AMS in any one annual period (if any) after deduction of all relevant AMS costs and expenses in providing its services in that period.

The Commission referred to above comprises an amount paid to us for our services based on a percentage of the insurer's base premium. It also includes a commission of up to 1.5% of the base premium paid to AMS. AMS provides marketing, distribution and training services to members of Austbrokers and we may be entitled to share in any excess of its commission each year after deduction of its relevant costs and expenses in that period."

See below for soft dollar benefits we may receive from insurers and our policy on this.

Fees paid by you

Unless we specifically agree in writing before providing our services to charge on a "Fee Only – no commission" basis, the Fees will be paid in addition to any commission we receive.

We may charge you:

- a Broker Fee – this is an administration fee payable when you enter into an insurance policy;
- a pre agreed set amount for specific services;
- an amount based on a pre agreed rate for the time we spend providing the service; or
- on some other basis agreed with you before we provide the service.

All fees are payable after we have provided the service or at such earlier time we agree with you in writing and will be noted in the invoice that we send you. The fees are not refundable.

Where we act for the insurer

Where we act for an insurer, not you, we receive commission from the insurer as our principal and may also charge you an administration fee. The amount of the fee will vary depending on the complexity and type of services that we provide you with. We will tell you how much the fee is before we provide you with the service.

The fee is payable when you buy the policy or at such earlier time as we agree with you in writing. It is noted in the invoice we send you and is not refundable (even where you exercise a cooling off right).

Where there is a referral

Where a third party has referred you to us, we may pay them an agreed percentage of our remuneration or an agreed amount for the referral as a commission or fee. This amount will be paid after we have arranged insurance for you. A commission or an agreed fee may also be paid on renewal and in some cases on variation.

If we refer you to another service provider we will be remunerated by them by way of a commission or fee for doing this unless we tell you we are not. The amount is generally a percentage of their remuneration the amount of which may depend on the circumstances. A commission or an agreed fee may also be paid on renewal and in some cases on variation.

In making any referral we do not advise or represent that their products and services are right for you and take no responsibility for the products and services they may provide to you. You need to make your own decision based on the information they provide.

Our staff's remuneration

Our staff receive an annual salary that may include bonuses based on performance criteria (including sales performance) and achievement of company goals. They may also receive certain soft dollar benefits described further below.

Receipt of Soft dollar benefits policy

From time to time we and our representatives may also receive what are commonly referred to as "soft dollar benefits" from product issuers and other financial service providers we deal with.

These can include entertainment (e.g. lunches, sporting events, movies etc), conferences (e.g. attendance at a product issuer conference or sponsorship of our AUB Group Annual conference by a product issuer), accommodation and travel, business tools (e.g. software), gifts (e.g. product issuer or service provider branded promotional items and other occasional small gifts such as bottles of wine or hampers on special occasions etc). These benefits are provided by a wide range of product issuers and service providers. In most cases they relate to our development of an understanding of the product issuer and/or service provider and their product ranges and practices etc. Ultimately, this assists us in better servicing and representing you.

Our policy is that any of the above received by us or our representatives that exceed \$300 per item or transaction in estimated value are potentially material.

This means they must be disclosed to our Conflicts Manager in writing. The Manager determines if appropriate procedures are in place to manage or avoid any potential conflict of interest which might arise. They only approve benefits where this is the case.

Any soft dollar benefits which are principally given because of the volume of business provided by the recipient to the product issuer or service provider giving the benefit are not permitted.

The above restriction does not apply to conferences or functions, the principal purpose of which is professional development and where the right to attend is not based on sales volumes.

Premium Funding

If we refer you to a premium funder and you enter premium funding arrangements with them, we may receive commission which is a percentage of the amount funded excluding GST. The amount of commission varies depending on our arrangement with the premium funder we refer you to. In some cases we have a profit share arrangement with the premium funder where we receive a percentage of any profit the premium funder makes on the funds loaned by persons we refer to them. We may receive soft dollar benefits from them too.

If you use Hunter Premium Funding Ltd (Hunter), we receive (a) a commission which is a percentage of the amount of funding provided to you; (b) a payment based on the interest earned on the premium funding by Hunter each month; (c) a payment based on a percentage of all outstanding loans less any cancelled or terminated loans; and (d) a payment based on a percentage on certain general insurance business placed by Austbrokers Network with certain divisions of Allianz Insurance Ltd. AUB Group Limited receives certain upfront payments from Hunter for entering into (or renewing) a preferred premium funding distribution arrangement with Hunter. We are owned partly by AUB Group Limited and benefit from any profit made by this entity due to this arrangement.

If you need more information or explanation of the above, please ask us.

Further information about remuneration received by us or others

Where we don't provide you with personal advice as a retail client you can ask us to give you more particulars of our remuneration (including commission) or other benefits within a reasonable period after receiving this FSG and before we provide you with the financial service to which this FSG relates, unless we agree otherwise.

Money Handling Arrangements

We handle all money received from you or the insurer in relation to insurance in accordance with the requirements set out by the Corporations Act 2001 (Cth). We keep any interest earned on any amounts held by us on your behalf or on behalf of the insurer. The length of time we hold any money can vary according to the type of insurance and the different arrangements we have in place with insurers.

Do we have any relationships or associations with issuers or related bodies corporate that might influence our service or advice?

We are a member of the Austbrokers Network of insurance brokers.

In some cases we may refer you to or advise you to use the services of one of our related body corporates. They may act as agent of the insurer and you will be told when this is the case. As a member of the same corporate group we may indirectly benefit from any such referral or advice if it improves the group performance.

Please refer to our remuneration section for the normal benefits we can receive under such arrangements.

How do we manage conflicts of interest

Conflicts of Interest

As a business we receive income from various third parties as detailed in this FSG. To ensure that any conflicts arising from such relationships or income do not impair the level of advice and service that we provide to You, we have implemented a Conflict of Interest Policy.

The formal documented approach to receiving income and other benefits from third parties is that we will ensure that You receive the most appropriate product or service that we have access to whilst being mindful that as a business we must receive an adequate income to provide the services and facilities that You would expect from a professional insurance broker.

We will separately and specifically disclose any conflict situations where we believe that the conflict is potentially impairing our advice or service to You.

We and our representatives are trained in this important duty and compliance with it is monitored regularly. Should you have any questions, please ensure you ask us.

Cooling off Period

A cooling off period may apply to an insurance policy issued to you as a retail client. During the period you may return the policy. Details of your cooling off rights are included in the relevant Product Disclosure Statement document.

In some cases an insurer can deduct certain amounts from any refund.

Ask us if you do not understand the right.

Other terms of our Service

Important Information about your insurance

You must read the Important Information about your insurance document we give you (tell us if you have not received it) and ask us if you have any questions or do not understand anything we have set out in that document. It will help you understand some important matters about your insurance.

Sums Insured – Average and Co-Insurance

Some insurance contracts require you to bear a proportion of each loss of a 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 a contract of insurance, you must 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 must be sufficient to cover the new replacement cost of the property.

Interests of other Parties

Some insurance contracts do not cover the interest in the insured property or risk of anyone other than the person named in the contract. Common examples are where property is jointly owned or subject to finance but the contract 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 contract of insurance.

Waiver of Rights/Contractual Liabilities

Most insurance contracts limit or exclude claims where the insured person has assumed additional responsibility or liability, or has limited their rights to recover a loss from the person who was responsible for it. Such clauses are often found in leases, maintenance contracts, contracts with your suppliers, hire, storage or security contracts and a variety of other agreements. Please tell us about any contracts of this type which you have or propose to enter into.

Claims Made

Certain contracts of insurance, most commonly Professional Indemnity or Management Liability are issued on a claims made basis. This means that a policy will only respond to a claim or circumstances which may give rise to a claim, which are both discovered and reported to the insurers within the period of insurance.

These types of policies are not renewable and consequently all of the necessary documentation must be submitted to insurers within a sufficient period of time prior to expiry to enable terms for a new policy to be obtained.

Misstatement of Premium

We try to tell you the correct amounts of premium and statutory and other charges that apply to your insurance. In the event that we misstate that amount (either because we have made an unintentional error or because a third party has misstated the amount), we reserve the right to correct the amount. Where permitted by law, you shall not hold us responsible for any loss that you may suffer as a result of any such misstatement.

Professional indemnity insurance arrangements

We and our representatives are covered under professional indemnity insurance that complies with the requirements of section 912B of the Corporations Act.

The insurance (subject to its terms and conditions) will continue to cover claims in relation to our representatives/employees who no longer work for us (but who did at the time of the relevant conduct).

Cancellation or Amendment

We cannot cancel a contract of insurance without written instructions from all insured parties, or a person(s) who is authorised to represent each of the parties who are named as insureds in the contract of insurance. We cannot cancel any contract of insurance which is subject to the Marine Insurance Act 1909, unless by mutual agreement with the Insurer.

Some Insurers impose a penalty for cancelling Policies and accordingly the amount you receive may be significantly less than pro-rata.

If there is a refund of premium applicable, due to the cancellation or adjustment of a Policy, we will not refund our fees or commission for arranging the Insurance.

In some cases an additional fee may be charged to recover our costs in arranging the cancellation or adjustment.

Where Insurers issue cover on a minimum or minimum and deposit basis, no refund is payable.

Therefore, before making any decision to cancel any Policy, you should consult us concerning the costs you may incur.

NIBA Code of Conduct & Code of Practice

We are a proud member of the National Insurance Brokers Association (NIBA) and are bound by their Code of Conduct.

We also subscribe to the Insurance Brokers Code of Practice (the Code). The Code sets out standards for Brokers to follow when dealing with clients including requirements to inform clients of remuneration arrangements and any conflicts of interest.

A copy of the Code is available from <https://www.niba.com.au/html/code-of-practice.cfm> or by contacting this office.

IMPORTANT NOTICES

Duty of Disclosure

In order to make an informed assessment of the risk and calculate the appropriate premium, your insurer needs information about the risk you are asking it 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
- Where 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 avoid (or cancel) the contract of insurance from its beginning. This would have the effect that you were never insured.

One important matter to be disclosed is the history of losses suffered by any of the persons 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.

Material Changes

You must notify our office or your Insurer of any significant changes which occur during the period of insurance. If you do not, your insurances may be inadequate to fully cover you, and in some instances, may void a contract.

We can assist you to do this and to ensure that your contract of insurance is altered to reflect those changes.

Complaints and Disputes

If you have any complaints about the service provided to you, you should take the following steps.

1. Contact us and tell us about your complaint.
2. If your complaint is not satisfactorily resolved within 5 working days, please put your complaint in writing and send it to the Complaints Officer at: **PO Box 1215 Toowong DC, Qld, 4066** or via email to **admin@riversinsurance.com.au**.
3. Please mark the envelope "Notice of Complaint". We will try to resolve your complaint quickly and fairly.

If the complaint can't be resolved to your satisfaction within 35 working days, you may refer the matter to the Australian Financial Complaints Authority (AFCA). We will provide you with further details about AFCA upon lodging your dispute with us, or at any time upon your request.

Please contact us if you have any further questions about this FSG.

Keep this document for your reference and any future dealings with us.

Dated: 30 June 2021 - Version 06.21