



Financial Services Guide

 **bruce**
INSURANCE

 **trades**
INSURANCE

 **dental**
ESSENTIALS

 **machine**
INSURANCE

 **professional**
ESSENTIALS

Financial Services

This Financial Services Guide (FSG) contains important information about our services and charges, your rights as a client and other things you need to know in relation to insurance matters such as our dispute resolution process, conflicts of interest and client compensation arrangements. This FSG (V12) applies from 15th October 2020 and remains valid unless a further FSG is issued to replace it.

Our Services

Bruce Insurance Pty Ltd as trustee for the Bruce Insurance Trust trading as Bruce Insurance, Dental Essentials, Professional Essentials, Trades Insurance & Machine Insurance ABN 92 241 283 362 holds Australian Financial Services License No. 238917 under the Corporations Act 2001 to provide financial product advice and deal in the following financial products to retail and wholesale clients:

- General insurance
- Life insurance (investment life and life risk insurance products)
- Superannuation
- Retirement savings accounts
- Deposit products
- Government debentures, stocks and bonds
- Managed investment schemes (including IDPS)
- Securities

Responsibility for services provided

We are responsible for the financial services provided to you, or through you to your family members, including the distribution of this FSG.

Who we act for

We usually always act on your behalf and in your interests in all matters.

For general insurance, at times it may be more appropriate for us to access insurance or manage claims where we act as an agent of the insurer. This means that we will be acting on behalf of the insurer. If and when this situation arises, we will explain and highlight this to you.

If you request we act as your insurance broker, we will do so on the terms set out in this FSG. Unless you inform us in writing, we assume you agree with these terms.

We are committed to providing sound advice based on your needs and our specialised market knowledge. We offer a range of services to assist you to protect your assets and manage your risk exposure. We are a member of the National Insurance Brokers Association and we are a Steadfast Network Broker. We subscribe to the Insurance Brokers Code of Practice and, subject to the type of services provided, also follow the General Insurance Code of Practice and Financial Adviser Code of Ethics.

Retail Clients

Under the *Corporations Act 2001* (the Act) Retail Clients are provided with additional protection from other clients. Some of the information in this FSG only applies to Retail Clients and it is important that you understand if you are covered by the additional protection provided. For general insurance business, the Act defines Retail Clients as:

Individuals or a manufacturing business employing less than 100 people or any other business employing less than 20 people and that are purchasing the following types of covers: Motor vehicle, home building, contents, personal and domestic, sickness/accident/travel, consumer credit and other classes as prescribed by regulations.

Most life insurance, superannuation and investment advice and services are provided to Retail Clients.

Retail Client Advice

Typically we only provide General Advice to our Retail Clients. General Advice does not take into account your particular needs and requirements and you should consider the appropriateness of this advice to your circumstances prior to acting upon it. We will provide you with a General Advice Warning in such cases.

If you are a Retail Client seeking Personal Accident or Sickness insurance, Life Insurance or other superannuation or investment advice, and obtain Personal Advice (that is, advice that takes into account your particular circumstances) we will give you a Statement of Advice (SOA), that sets out the advice provided and the basis on which the advice is made and other information about our remuneration and relevant associations or interests, should you proceed with our advice.

For existing Retail Clients, we may not provide an SOA in all cases but rather provide the advice to you orally e.g. for further advice where there have been no significant changes to your circumstances. In such cases you may request us to provide you with a Record of Advice (ROA) which we will provide to you within 28 days of such request.

You should read the warnings contained in any SOA or other document we give you carefully, before making any decision about an insurance policy or other financial product.



When you ask us to recommend an insurance policy for you, we will usually only consider the policies offered by the insurance providers that we deal with regularly. In giving you advice about the costs and terms of recommended policies we have not compared those policies to other policies available, other than from those insurance providers we deal with regularly.

If we recommend the purchase of a particular financial product, we will also give you a Product Disclosure Statement at that time, which sets out details specific to that product and the key benefits and risks in purchasing the product.

Where we provide you with advice about your insurance arrangements, that advice is current at the time we give it. We will review your insurance arrangements when you inform us about changes in your circumstances or upon renewal of your insurances (where applicable).

Your Instructions

You can provide us with instructions in person, by telephone, email or in writing via the contact details listed on the last page of this FSG.

If you have any queries about the financial services we provide, please contact us. Please retain this document for your reference and any future dealings with us.

Important Relationships

We are a Steadfast Group Limited (Steadfast) Network Broker. As a Steadfast Network Broker we have access to member 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 member services are either funded by Steadfast, subsidised by Steadfast or available exclusively to Steadfast Network Brokers for a fee.

Steadfast has arrangements with some insurers and premium funders (Partners) under which Steadfast will receive between 0.5 – 1.5% commission for each product arranged by us with those Partners or alternatively a fee to access strategic or technological support and the Steadfast Broker Network. Steadfast is also a shareholder of some Partners. You can obtain a copy of Steadfast's FSG at www.steadfast.com.au.

Our Remuneration

For each insurance product the insurer will charge a premium that includes any relevant taxes, charges and levies. We often receive a payment based on a percentage of this payment called commission which is paid to us by the insurers. In some cases we will also charge you a fee. All fees and charges will be shown on the Invoice provided. You can choose to pay by any of the payment methods set out in the Invoice and are required to pay us within the specified time.

All fees and charges are quoted inclusive of GST.

Our commission is calculated based on the following formula:

$$X = Y\% \times P$$

X = Our commission

Y% = The percentage commission paid to us by the insurer

P = The amount you pay for any insurance policy less any government fees or charges (premium)

Example: If an annual Premium was \$1,000 and the commission rate 10%, we would receive \$100.

We will not charge any fees at our initial appointment for collecting information and any advice provided to you at this meeting will be General Advice only.

General insurance

The rate of commission ranges between 5%–33%. Any fees that we charge you will generally be charged at between \$0–\$500, dependant on policy and transaction type, however a higher may be applied dependent on the complexity of advice provided, time and effort required. Any variations outside of this range will be discussed and agreed with your prior to providing our services to you.

Life insurance and investment advice

To receive advice tailored to your relevant personal circumstances (Personal Advice) we will need to provide you with a SOA, which will be charged at between \$0–\$11,000, dependent on the complexity of advice provided.

For life insurance products, the rate of commission will be either:

- Upfront: up to a maximum of 66% initial and 22% ongoing annually
- Level: up to a maximum of 33% initial and ongoing annually

For all insurance products, if you are a Retail Client and we give you

Personal Advice, the commission amounts will be provided in any SOA or (where an SOA is not required to be provided) included on any relevant invoices. When we give you General Advice, full commission information (including dollar amounts) will be provided on request.

Premium Funding

If we arrange premium funding for you we may be paid a commission by the premium funder which is usually calculated as a percentage of your insurance premium (less government fees or charges). Our commission rates for premium funding range between 1-3% of funded premium. If you instruct us to arrange or issue a product, this is when we become entitled to the commission.

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.

We have an association with Brubest Premium Finance (Brubest) via a related entity, who may receive profit distributions from Brubest. Any premium funding arranged by us through Brubest is at competitive market rates. Please ask us if you would like further information.

Our Brokers

Our brokers are paid predominantly by market salary, plus performance-based incentives/bonuses for which eligibility is determined by a range of factors and is not solely volume based. Representatives may also receive payments of a certain portion of the commission payments that we receive from insurers, however this is paid by us and is not an additional charge to you.

From time to time our brokers may receive certain 'hospitality benefits' (such as tickets to sporting events, movies, meals, bottles of wine, hampers). The receipt of these benefits is not based upon the volume of business placed with the provider but is more of an ad hoc reward. Details of these are available on a specially maintained Register which is available for your viewing upon your request.

Referrers

We do not often pay commissions, fees or benefits to others who refer you to us or refer us to an insurer but, if so, we pay them out of our commission or fees, in the range of 0-30%.

Payment

When you pay us your premium for a general insurance policy, it will be banked into our trust account. We retain the commission from the premium you pay us and remit the balance to the insurer. We will earn interest on the premium while it is in our trust account or we may invest the premium and earn a return. We will retain any interest or return on investment earned on the premium. All premiums for life insurance policies are paid directly to the product provider.

If you pay by credit card we may charge you a credit card fee (including arrangement & handling), which is disclosed and shown separately on our Invoices. This is non refundable and covers the cost of bank charges etc associated with such facilities.

Contractual Liability and your insurance cover

Many commercial or business contracts contain clauses dealing with your liability (including indemnities or hold harmless clauses). Such clauses may entitle your insurers to reduce cover, or in some cases, refuse to indemnify you at all. You should seek legal advice before signing and accepting contracts. You should inform us of any clauses of this nature before you enter into them.

Electronic Delivery of Disclosure Notices

Where possible if you have given us your email address, we will provide all correspondence and disclosure notices (including an FSG, SOA, ROA & PDS) to you electronically. Disclosure notices will usually be provided to you via hyperlinks in an email. If you do not wish to be sent disclosure notices as hyperlinks please advise us and we will send them as attachments, or in hard copy if preferred.

Complaints and Disputes

If you are dissatisfied with a product or service, please contact us and we will do our best to resolve it quickly. If your complaint is not resolved satisfactorily then please contact our Complaints Manager or put your complaint in writing via the contact details listed in this FSG and we will endeavour to resolve your complaint promptly and fairly.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. The AFCA can be contacted at:

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

In writing to: GPO Box 3, Melbourne VIC 3001

We are a subscriber to the Insurance Brokers Code of Practice (the Code). The Code has been developed by the National Insurance Brokers Association (NIBA) as part of a national self-regulatory scheme and is intended to promote good relations between insurance brokers, policyholders and others in the insurance industry, as well as efficiency in transactions by laying out standards of good practice and levels of service that are expected of brokers. A copy of this Code is available upon request or from our website.

Compensation

We have a professional indemnity (PI) policy. The PI policy covers us and our representatives (including our authorised representatives) for claims made against us and our representatives by clients as a result of the conduct of us, our employees or representatives in the provision of financial services. Our PI policy covers us for claims relating to the conduct of representatives who no longer work for us. This policy satisfies the requirements for compensation arrangements under s912B of the Corporations Act.

Wholesale Broker Information

In some cases we use the services of a Wholesale Broker (insurance intermediary) to access products that are not available to us directly from the underwriter. You can identify where we have used an insurance intermediary as the Invoice/schedule will show that the policy is placed via another Insurance Intermediary. This situation usually arises where the insurance intermediary has developed a specialised product and competitive pricing for risks that are not commonly available directly from most insurers. This means we are not dealing with the end insurer directly but via the insurance intermediary. All insurance intermediaries that we deal with are required to be licensed and to place all client funds received into a Trust Account and are required to meet the same high standards in the delivery of their services that apply to us. Importantly all claims will be the ultimate responsibility of and paid for by the end insurer.

New Business

If you need immediate cover for an uninsured risk or property, we can usually obtain an Interim Contract of Insurance and will need details of the property or risk and all other relevant information you are required to disclose to an insurer. On receipt of our Proposal you must complete and sign the Proposal and return it to us promptly to ensure it is received prior to the expiry of the interim cover. We will send the original Insurance Contract documents to you after issue by the insurer. As these are legal documents they should be kept in a safe place.

Renewals

We will provide you at least 14 days' notice of expiry of any Insurance Contract we have arranged. Unless you inform us we will automatically renew your insurance to ensure you continue to be covered. At that time we will send you a Renewal Invoice. If you wish to change the details of the cover or there is a change to your circumstances, you must contact us to assess the appropriateness of your insurance and whether you require further advice from us. In some circumstances we may be able to arrange for the insurer to cover you temporarily before payment is received, but we can not guarantee this. We will also advise you at least 14 days in advance of expiry of any Insurance Contract should the insurer not wish to offer renewal. If you arranged or renewed insurance directly with an insurer or through another broker, we will not be responsible for notifying you of expiry or arranging renewal.

Variations

You should carefully monitor and review your Insurance Contract to ensure that it adequately meets your requirements. If you wish to vary any cover please provide us with details of the changes you require and any other information you need to disclose to the insurer. We will provide written confirmation in the form of an Endorsement Invoice when the insurer has accepted the variation to cover. Any premium adjustment will be advised to you in the Endorsement Invoice.

Cancellations

We cannot ask your insurer to cancel a Contract of Insurance without written instructions from a person(s) who is authorised to represent each of the parties who are named as insureds in the Contract of Insurance. If a Contract of Insurance is cancelled before expiry of the period of insurance we will refund the gross return premium we receive from the insurer (subject to any cancellation or administrative fee imposed by the insurer) but we will not refund commission or fees we have received. We may also retain a fee for processing your cancellation request.

Claims

We will accept your claims notifications, assist and advise you regarding the scope of cover and pass the information to the insurer. If a loss adjuster is appointed we will, with your permission, pass on your contact details. We will promptly forward all claims documentation, insurer settlement cheques and other information to the appropriate persons.

Privacy

We maintain a record of your personal profile, including details of insurance policies that we arrange for you, any advice given to you and well as any FSG, SOA, ROA or PDS that we give or pass on to you for the period required by law.

We are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. A copy of our privacy policy is available on request or via our website www.bruce.com.au. If you wish to look at your file please ask us. We will make arrangements for you to do so.



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