



Richard Ray
& ASSOCIATES PTY. LTD.

General Insurance Broker

ABN: 33 008 154 167
AFS Licence No. 224426

Financial Services Guide (FSG)

KADINA OFFICE:
2 Forster Street
Kadina SA 5554

Tel: 08 8821 3622
Fax: 08 8821 2450

Email: info@richardray.com.au

MILLICENT OFFICE:
21 Davenport Street
Millicent SA 5280

Tel: 08 8733 2144
Fax: 08 8733 3012

Email: millicent@richardray.com.au

FINANCIAL SERVICES GUIDE

This FSG was prepared on 5th June, 2006

This Financial Services Guide describes the services we provide. It is designed to assist you in deciding whether to use any of our services, and it describes how we are remunerated for our services, and how we handle any complaints you may have. It also provides other useful information about insurance.

If we provide you with advice about your personal circumstances we will also give you a Statement of Advice which confirms the advice we have given and explains our fees for arranging the insurance we have recommended.

If we recommend a particular insurance product to you, or you ask us to arrange insurance, we will also provide you with a Product Disclosure Statement containing information about the policy.

You might also receive some other documents after or at the time we advise you about your insurance needs including:

- **Statements of Advice** – *these will be summaries of our advice and the basis on which it was provided;*
- **Product Disclosure Statements** – *these will contain information about the products we recommend to you; and*
- **Confirmation notices** – *these will confirm the details of transactions we have arranged on your behalf.*

Richard Ray & Associates Pty Ltd and our services

We are an insurance broker and hold Australian Financial Services Licence No: 224426. Our services include:

- Reviewing and advising on your general insurance needs;
- Arranging and renewing general insurance on your behalf;
- Assisting you with general insurance claims;
- Arranging premium funding, if required;
- Arranging Risk Management Surveys

We advise on and arrange the following types of insurance:

Business	House & Contents
Stand Alone Public/Products Liability	Landlords
Professional Indemnity	Caravan
Directors & Officers	Pleasurecraft
Farm	Travel
Crop	Private Motor Vehicle
Personal Accident/Sickness	Business Motor Vehicle
Tax Audit	Transit
Fleet Motor Vehicle	

We act on your behalf to advise on and arrange your insurance, and to assist you in claims settlement.

How can you instruct us?

You may instruct us in person, 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 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.

How we are paid

Commission and fees - We receive a commission from the insurer with whom we place your insurance. The amount varies depending upon the product, but is in the range of 0% – 22.5% of the premium (excluding taxes and statutory charges). The commission is included in the premium quoted to you.

We also charge you a fee for arranging the insurance. The amount depends upon the type of insurance we arrange, but it is in the range of \$0 - \$550 (including GST). This fee is payable in addition to the premium.

Commission and broker fees are our main source of income and also cover the costs of operating our business.

As well as the commission described above, we may receive additional commission from CGU Insurance and Allianz Australia of up to 2.5% on certain products. This is not payable in every year, depending on the performance, profitability and claims experience of the portfolio we place with them.

Certain insurers with whom we place business have negotiated supply arrangements with Steadfast Group Limited. As a member of Steadfast Group Limited, we are paid an additional commission of up to 1% of the base premium for insurance we place with these insurers.

Other benefits – Our staff may also receive non-monetary benefits. This may include entertainment at sporting events, hospitality such as lunches and corporate functions and corporate promotional merchandise. It is not possible to determine in advance what, if any, non-monetary benefit may be received and these benefits are not generally attributed to any particular product.

How our advisers are remunerated - Our advisers are paid an annual salary. They may also receive a performance bonus which is paid at the discretion of our directors where the adviser's performance has been exceptional in terms of meeting our business goals.

Referrers - If you were referred to us, we may share up to 20% of our commission and fees with the person who referred you.

Important associations

Richard Ray & Associates Pty Ltd is a member of the National Insurance Brokers Association (NIBA). We subscribe to the General Insurance Brokers' Code of Practice.

Richard Ray & Associates Pty Ltd is a shareholder of Steadfast Group Limited (Steadfast). Steadfast has exclusive arrangements with some insurers under which Steadfast will receive between 0.5 – 1% commission for each product arranged by us with those insurers. These payments are used to operate Steadfast.

Depending on the operating costs of Steadfast (including the costs of member services provided by Steadfast to us and other Steadfast shareholders) and the amount of total business we place with the participating insurers in any financial year, we may receive a proportion of that commission at the end of each financial year.

As a shareholder of Steadfast we have access to member services including model operating and compliance tools, procedures, manuals and training, legal, technical, banking and recruitment advice and assistance, group insurance arrangements, product comparison and placement support, claims support and group purchasing arrangements. These member services are either funded by Steadfast, subsidised by Steadfast or available exclusively to shareholders for a fee.

You can obtain a copy of Steadfast's FSG at www.steadfast.com.au

What to do if you have a complaint

If you wish to complain about our services, you can either discuss the matter with your adviser or contact our Complaints Officer on 08 8821 3622. We will acknowledge receipt of your complaint within 3 days, and attempt to resolve it within 20 days.

We are a member of the Insurance Brokers Disputes Limited, 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. You can contact them on 1800 064 169. Any decision they make is binding on us but not on you.

How we look after your insurance needs

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 generally valid for a month or less). To arrange this, we will need details of the property or risk and all other information which you need to disclose to the insurer.

We will then send you a proposal for completion. You will need to complete and sign this and return it to us as soon as possible and before the interim cover expires.

We will send the original insurance policy 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

We will give you at least 14 days notice of expiry of any insurance policy which we arranged or last renewed for you.

Unless you tell us otherwise, we will automatically renew your insurance to ensure you continue to be covered. At that time we will send you an offer to renew the insurance policy and invoice you for the cost of renewal. If there is a change to your circumstances or if you want to change the details of the cover, contact us as soon as you receive the renewal offer. This will allow us to assess whether your insurance is appropriate for your circumstances. We will notify you when renewal has been effected.

If you arrange or renew your insurance directly with an insurer or through another broker, we will not be responsible for notifying you of expiry or arranging further renewals unless you ask us to do so.

Variations

You should carefully monitor and review that your insurance policy is adequate to cover your assets or business activities.

If you want to vary any cover, eg by increasing the sum insured or adding other 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 notify you when it is arranged.

Claims

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

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

We 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, we will either:

- Assist you to negotiate settlement on your behalf but we will charge a claim service fee of \$ 100.00 per hour.
Or
- Provide details of the claim(s) to your new insurance broker so that they may continue to negotiate settlement on your behalf

Cancellation

We cannot cancel a contract of insurance without written instructions from 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 you cancel your insurance mid term, we will refund the net premium we receive from your insurer. We will not refund our fees or commission for arranging the insurance.

How we protect your privacy

We are committed to protecting your privacy. We use the information you provide to advise about and assist with your insurance needs. We only provide your information to the insurance companies with whom you choose to deal (and their representatives). We do not trade, rent or sell your information.

You can check the information we hold about you at any time. For more information about our Privacy Policy, ask us for a copy.

Our payment terms

Invoices

We will invoice you for the premium, statutory charges (eg stamp duty, fire services levy, etc) and any fees we charge for arranging your insurances. You must pay us within 30 days of the date of the invoice or, in the case of a 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.

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.

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 the bank interest, extra charges/costs and internal time generated for credit card use.

Important information about your insurance

Your duty of disclosure

To make an 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 avoid (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 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 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 tell 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 Insurance

You may 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).

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, eg by signing an agreement which disclaims or limits the liability of the other party.

Please tell us about any 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 Product Disclosure Statement or a copy of the insurance policy.

Unusual Terms

If an insurer wants to rely 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 insurance policy.