NEPEAN
BROKERS

NEPEAN BROKERS &
ASSOCIATES PTY LTD
PO Box 2050
Rosebud
VICTORIA 3939

TERMS OF ENGAGEMENT

This outlines the scope of agreed services, whether we provide you with advice based on personal circumstances, how we intend to seek quotations from insurance companies, and the remuneration we will earn by arranging insurance policies for you and / or providing advice on insurance cover

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We are a privately owned general insurance broker, and we will usually act on your behalf and in your interests in all matters.

We are authorized 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 general advice.

More information about our services is available from our Financial Services Guide (FSG) available on our website:

Remuneration and your consent

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.

In return for the services we provide, we will receive a commission usually between 0 and 26.5% of the premium paid (excluding relevant taxes, charges and levies) which is paid to us by the insurer and a fee, payable by you.

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

Our Services

We will provide you with the following 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
- Seek insurance quotes (we will seek quotes from the broader general insurance market before making a recommendation. We have arrangements with around 40 insurance providers, which enables us to find the right insurance product for you)
- Negotiate terms with any existing insurers and with alternative insurers.
- Place the insurances agreed upon
- Review policy wordings and obtain required documents from insurers
- Confirm the placement of the insurances to you
- Calculate, invoice and collect the premiums
- Adjust premiums on prior year policies where required
- Review your insurance arrangements:
    - when you inform us about material changes to your circumstances;
    - at the time of any scheduled status reviews as agreed with you;
    - upon renewal of your insurances.
- Facilitate policy changes and/or cancellations as per your instructions
- If required, assist you with any Insurance Premium Funding needs.
- If required, assist you to manage any claims you may need to make:
    - We will keep you informed 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.
    - in the event you terminate our appointment as your insurance broker we will provide details of any claim(s) to your new insurance broker so that they may continue to negotiate settlement on your behalf.
- We will take reasonable steps to contact you at least fourteen (14) days prior to your insurance cover expiry date to engage you in respect of the next steps to be taken prior to the expiry of the policy. We will take appropriate, professional and timely steps to seek insurance cover terms and conditions and advise you of available options (if any) for your consideration.

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. In such cases we may recommend that you seek legal advice.

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

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 you 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 you fail to comply with the Duty of Disclosure, or if you are fraudulent, the insurer may refuse to pay a claim and treat the contract of insurance as if it never existed.

If you are in doubt about whether 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.

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, where possible we will automatically arrange for the policy to be held covered (or renewed if necessary). If you do not require ongoing cover, we ask you to 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.

Cancellation

We can only cancel a contract of insurance on the written instructions of a person authorized to represent each of the parties who are named as insureds. We cannot backdate cancellations, and we cannot cancel any contract of insurance which is subject to the Marine Insurance Act 1909.

If you instruct mid-term cancellation of a policy, we will retain all commissions and fees (plus GST) and where a refund is available, it will be sent to you minus these amounts. Please note that any refund to you is dependent on first receiving refunded monies from the insurer concerned.

If you appoint another broker to manage your policies mid-term, we will retain all commissions and fees (plus GST). No refund will be payable to you, as your policies remain in force.

Premium funding - premium funding products enable you to pay your premiums by installments. Premium funders do charge interest, and they take power of attorney over your insurance policy as they have paid the premium 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 insurance on your behalf. 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 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.

Period of Engagement

This engagement letter, including any attached terms and conditions, will be effective for future years unless we advise you of its amendment or replacement, or the engagement is terminated. If you have any questions, please contact us on 03 5982 2330

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 insurance(s).