

Financial Services Guide

The purpose of this guide

This Financial Services Guide (FSG) is designed to assist you in deciding whether to use any of our services and contains important information about:

- » The services we offer you
- » How we and our associates are paid
- » Any potential conflicts of interest we may have
- » What to do in the event of a complaint

Responsibility for services provided

We hold an Australian Financial Services Licence and are authorised to advise and deal in the full spectrum of general insurance products.

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

We are required to meet high standards for staff training, organisational competence, management expertise, financial control and compliance disciplines.

Who do we act for

We usually act on your behalf and in your interests in all matters. Sometimes, it may be more appropriate for us to access insurance or manage claims where we act as an agent of the insurer. When this situation arises we will explain and highlight this to you.

Our services

We offer a range of services to assist you to protect your assets and guard against unexpected liabilities including:

- » Reviewing and advising on your insurance needs
- » Identifying risk factors to avoid claims
- » Seeking competitive premium quotations

How to contact us

You can contact us by phone, in writing, email or in person.

Our products

We can advise and arrange a range of insurances on your behalf including: Credit insurance and Surety Bonds

Personal information

The Privacy Act 1988 sets out standards for the collection and management of personal information. With your consent, we will only use your personal information for general insurance services. Our privacy Policy Statement is available on our website.

Complaints

Clients not satisfied with our services should contact our Complaints Officer. You can find our complaints and dispute document at www.prasidium.com.au. We are members of the Australian Financial Complaints Authority (AFCA), a free consumer service. Further information is available from our office or contact AFCA directly on 1800 931 678 or visit www.afca.org.au. We also follow The Insurance Brokers Code of Practice.

Compensation

We hold a Professional Indemnity Policy. This policy is designed to pay claims by Third Parties (including our clients) arising out of our Professional Negligence. The policy extends to covers us for work done for us by representatives/employees after they cease to work for us and satisfies the requirements for compensation arrangements under Section 912B of The Act.

Contact agreement

To ensure that we provide you with appropriate products and services, you agree to us calling you to discuss any new products and services. If you do not wish to receive such calls, please advise us and we will place you on our Do Not Call Register.

Electronic delivery of disclosure notices

Please note that where possible we prefer to provide all correspondence and disclosure notices (including Financial Services Guides and Product Disclosure Statements) to you electronically, via email attachments or email links to documents/websites etc. If you have provided your email address to us we will typically use that email address for all correspondence and disclosure notices.

Should you not wish to be sent disclosure documents electronically please advise us and we will update our records accordingly.

Our sources of income

When placing your insurance, we usually receive a commission from the insurer. The amount varies between 0% and 25% of the base premium you pay.

We have a set of standard nonrefundable Broker Fees that we charge you for services such as:

- » Market research on products available.
- » Assessing the claims service of insurers.
- » Sourcing alternative quotations and coverage.
- » Risk analysis and portfolio co-ordination.

All fees payable for our services will be advised to you at the time of providing the advice or service.

We may receive non-monetary benefits from insurers or anyone else in the form of training, access to systems, merchandise and marketing support and event tickets.

We retain the interest on premiums paid by you that are held in our trust account before paying the insurer.

If you pay by credit card we may charge you a credit card fee, which is disclosed and shown separately on our invoices, they are nonrefundable. This fee covers the cost of bank charges etc. associated with such facilities.

Premium funding products enable you to pay your premiums by installments. Premium funders do charge interest. We can arrange premium funding 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 if you ask us.

Steadfast membership

We are a Steadfast Group Limited (Steadfast) Network Broker. Steadfast has exclusive 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. Steadfast is also a shareholder of some Partners.

As a Steadfast Network Broker, we have access to 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 broker services are funded by Steadfast, subsidised by Steadfast or available exclusively to Steadfast Network Brokers for a fee.

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

How our representatives are paid

Our representatives do not receive any benefit directly from the sale of a product to you. Our representatives may receive bonuses payable based on the overall performance of our business.

If a person has referred you to us, we may pay them a part of any fees or commission received.

Conflicts of interest

As a business we have relationships with and receive income from various third parties as detailed in this FSG. All material conflicts that impact our advice, that are not mentioned in this FSG, will be advised to you on the invoices related to that advice.

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. 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 business, ought to know or
- » 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 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, please contact us.

Material changes

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

Privacy

Your privacy is important to us. Our Privacy Policy explains how we use and disclose your personal information in accordance with the Australian Privacy Principles. Our Privacy Policy is available at prasadum.com.au or upon request when contacting us.

Sums Insured – average and co-Insurance

Some insurance contracts 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, you must ensure that the amount for which you insure is adequate to cover the full potential of any loss at the time you arrange or renew your contract of insurance.

Interest 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 any interests in the property insured so that we can ensure that they are noted on the contract of insurance.

Waiver of rights

Some insurance contracts 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 e.g. 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.

Unusual terms

If an insurer wants to rely on a term in a contract of insurance which is not usually included in contracts that provide similar cover, they must clearly inform you in writing of that term. They may do so by providing you with a copy of the insurance contract.

Prasidium Pty Ltd as trustee for the Prasidium unit trust t/a Prasidium Credit Insurance

Australian Financial Services
Licence No: 511640 ACN: 602678820

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Level 17, 100 Miller Street, North Sydney NSW 2060
PO Box 1770, North Sydney NSW 2060
Phone: 1800 795 475
Email: admin@prasidium.com.au
Website: www.prasidium.com.au

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