



**INSURANCE
SERVICES**



Financial Services Guide

HIA Insurance Services Pty Ltd
as authorised representative (275 925)
of Aon Risk Services Australia Limited
ABN 17 000 434 720 AFSL 241141

Version 3

July 2015

a joint venture
with Aon

AON

Financial Services Guide

This Financial Services Guide (FSG) explains:

- Our products and services
- Our remuneration
- Other important information

that we, as an authorised representative, can provide to you. It also explains the relationship HIA Insurance Services Pty Ltd, as an authorised representative, has with Aon Risk Services Australia Limited, as an Australian Financial Services Licensee (AFSL).

HIA Insurance Services is a joint venture between Aon Risk Services Australia Limited and the Housing Industry Association. It was formed to provide a specialist insurance broking operation servicing the insurance requirements of the Australian building and construction industry.

HIA Insurance Services Pty Ltd is authorised, by agreement with Aon Risk Services Australia Limited, to deal in and provide advice on general insurance products.

Details about the authorised representative:

Name: HIA Insurance Services Pty Ltd (HIAIS)

ABN: 84 076 460 967

Authorised Representative Number: 275925

Address: 4th Floor, 70 Jolimont Street, Jolimont VIC 3002

Details about the authorising licensee:

Name: Aon Risk Services Australia Limited (Aon)

ABN: 17 000 434 720

AFSL Number: 241141

Address: Level 33, 201 Kent Street, Sydney NSW 2000

Please take the time to read this FSG and keep it safely with your policy documents.

Introduction

We aim to provide you with insurance products and services that protect and/or enhance your business. To help us achieve this, it's important that you understand what we do as your insurance broker.

Our FSG contains important information about the products and services HIAIS, as an authorised representative of Aon, offers. It also explains how we may be remunerated and contains details of our internal and external complaints handling procedures.

By continuing to engage HIAIS to provide insurance services, you are, in the absence of a formal written retainer agreement, agreeing to the delivery of our services and our remuneration as described in this FSG.

If you are buying a Retail Product (as defined in the Corporations Act 2001), we will, if and when required, also give you a Product Disclosure Statement. This contains information on the product and its features to assist you in making an informed decision about whether or not to buy it.

If we give you personal advice about a Retail Product, which takes into account your individual objectives, financial situation or needs, we will, if required, also give you a Statement of Advice. This contains the advice we have given, the basis of that advice and other information about our remuneration and any relevant associations or interests which may have influenced the advice provided.

This FSG is also available on our websites:

www.aon.com.au and www.hiainsurance.com.au

How you can instruct us

You can give us instructions by using the contact details set out in this FSG.

Our products and services

As an authorised representative of Aon, we are authorised to deal in and provide advice in relation to general insurance products. Under our authorisation, amongst other things, we are able to:

1. Arrange general insurance products to help you protect against insurable risks;
2. Collect information that insurers require from you;
3. Where needed, provide you with information and advice about general insurance products; and
4. Where needed, assist you to make insurance claims.

We will endeavour to arrange insurance that meets your risks and needs. However, as it is you who best understands your risks and needs, you should always consider the appropriateness of any advice we provide or any insurance we recommend to you before acting on our recommendations. We also rely on you for the accuracy and completeness of information you provide to us.

Your policy documents (including policies and endorsements) contain the terms of your cover, including the applicable limits, sub-limits and deductibles and your obligations. You must read these documents carefully to ensure that the cover suits your needs and so you understand and comply with your obligations under your policy(s). Failure to do so may result in uninsured losses.

Finally, please note that we cannot guarantee the availability of insurance for your particular risks or the solvency of insurers.

Arranging your insurances

While cost is always important, the quality of insurance cover offered by a policy is equally important. Insurance that does not match your needs is worthless, however cheap the premium.

As one of Australia's leading insurance brokers, Aon has many clients in similar businesses and situations with similar risks and needs. For these groups, Aon designs and develops Aon products (Aon Product) which combine good pricing and quality cover from reputable insurers. Where we believe it suits your risks and needs, we will only recommend an Aon Product (rather than alternative insurance products).

Where we don't have an Aon Product suitable to your risks and needs we will, unless you agree otherwise, seek quotes from appropriate insurers and help you identify an alternative insurance product.

Who do we act for?

HIAS normally acts for you in providing financial services on behalf of Aon. Aon is responsible for the financial services it has authorised HIAIS to provide to you. When HIAIS arranges cover for you or when HIAIS provides general or personal financial product advice to you, both HIAIS and Aon act for you.

We'll tell you before or at the time if we are not acting for you in providing any part of our service. For example, an insurer may give us 'binding authority' to arrange or enter into insurance products on their behalf. We could also agree to handle or settle claims on an insurer's behalf. We will inform you if we act for an insurer in this way.

Our remuneration

Unless we have agreed in writing otherwise, our remuneration will comprise the following:

- A commission paid to us by the insurer;
- A fee which will be agreed with you beforehand; or
- A combination of commission and fee.

A commission paid to us by an insurer is standard for insurance brokers and our rates of commission typically range from 5% to 35% of the premium (before taxes and statutory charges) depending on the type of insurance. Different insurers may pay different rates of commission.

In addition, we may also receive the following:

- A broker service charge for policy invoicing, premium collection and remittance and for issuing policies and other insurance administration work. This charge will appear on your invoice and will vary depending on the work involved and the commission we receive;

- In some cases you may need specific risk advice (such as a business interruption analysis or a valuation). We will charge a separate fee for these services, which we will agree with you beforehand;
- In some cases an insurer may quote its premium net of our commission. Where this happens we may increase the broker service charge by the amount of commission that would normally apply to this type of insurance or agree a specific fee with you.
- Where we provide you with a Statement of Advice in relation to a Retail Product, we will advise you of the full amount of our remuneration in relation to that Retail Product;
- We may charge an additional administration fee for any change to the policy that necessitates us producing a further statement or invoice or a certificate of currency. We may retain this fee from any premium refund arising in connection with the policy change.

Please note that we treat our remuneration as fully earned when we issue you with a tax invoice, unless we have a written agreement with you that varies this statement. You agree that we may retain all our commission, fees and other remuneration in full in the event of any mid-term cancellation of a policy or future downward adjustment of premium. You also agree that the insurer and HIAIS may offset such remuneration from any premium refund you are entitled to.

We want to be entirely transparent about our remuneration. So please ask us if you want more information or have any questions.

Does HIAIS or Aon receive any other remuneration for its service?

Interest

The law requires us to pay your premiums (and certain monies paid to us by insurers for your account) into a trust account pending payment to the insurer. We are entitled to earn and retain interest on these monies. Our standard credit terms for premium payments are 14 days. We pay insurers within the period dictated by the law or earlier if the insurer requires.

Insurers

HIAIS or another Aon Group company may sometimes receive additional remuneration from insurers through profit commissions on certain Aon Products. Because the amount of the contingent commission earned may vary depending on factors relating to performance of a particular portfolio over an entire insurance period, the amount of contingent commission attributable to any given policy will typically not be known at the time of placement. We will not recommend a product to you unless it is suitable for your needs. If we receive contingent commission on a product we recommend to you, we will advise you at the time of recommendation.

Aon Underwriting Agencies

Aon Group companies may also act as a managing general agent (MGA) or underwriting agent on behalf of an insurer with underwriting authority to bind the insurer and/or administer claims. The Aon Group MGA or underwriting agency is remunerated for the work undertaken for the insurer and this may include profit or contingent commission. We will advise you where an Aon Group MGA or underwriting agency is used for your insurance placement or claim settlement.

Premium Funding

We may offer to arrange premium funding to help spread the cost of your insurance premiums over the year. Please note that Aon offers and arranges premium funding as agent for the premium funder and not as your credit provider or finance broker. Aon may also act as the premium funder's agent in cancelling any insurance where you have failed to meet your repayment obligation. The details of your premium funding arrangement will be set out in your separate agreement with the premium funder. The premium funder pays an administrative fee and commission to Aon for arranging the funding.

Should your funded insurance policy be cancelled mid-term, for any reason, you should be aware that there may be a shortfall between the balance of the premium funding contract and the return premium as:

- the premium funder will be entitled to charge interest for the full term of the loan under the terms of the funding contract;
- there will be no pro rata refund of our commission or fee as our remuneration is fully earned when we issue you with a tax invoice, unless we have a written agreement with you to the contrary; and
- in some cases, insurers may apply minimum premiums to policies.

Aon Group

Aon is part of a large financial and professional services group of companies (Aon Group). There are other parts of the Aon Group that may earn remuneration in connection with insurance we place for you as described below.

However, these are kept separate and distinct from the services that we provide to you so that they do not influence us in our recommendations and advice to you.

The Aon Group has separate reinsurance broking companies that arrange insurance for insurers (called reinsurance). In some cases an insurer may ask one of our reinsurance broking companies to arrange reinsurance in respect of insurance purchased by you, in which case that company may also earn commission or other remuneration.

The Aon Group has a separate product design and development company (APDD) which has developed electronic quoting and placement platforms to enable Aon to efficiently obtain competitive quotations from panels of established insurers under the terms of insurance products also developed by APDD. The work that APDD does reduces the insurers' work and costs. In recognition of this, the insurers pay APDD an annual and/or a per transaction license fee for access to and use of these platforms and/or Aon Products. The transaction licence fee is calculated in a range between 4% and 7.5% of premium (excluding statutory charges and taxes) applying to the transaction.

Aon Group companies may also earn remuneration where they act as a wholesale broker or as agent for an insurer under a binder or coverholder authority in respect of insurance that we may recommend to you. We will not recommend placing any insurance with such an agent or wholesaler unless it is an appropriate solution for your needs.

Many insurers in the London market outsource specific administrative services to the Aon Group, which reduces their work and costs. In return, the Aon Group is paid fees known as Aon Carrier Charges which are typically in a range between 2.5% – 6% of premiums applying to a transaction.

Aon Group companies also provide specialised consulting and services to insurers and reinsurers for which they may receive remuneration.

Aon and its staff may also receive non-monetary benefits from insurers such as sponsorships of Aon conferences and client functions and meals and entertainment. Aon has and monitors compliance with a policy that ensures that these do not create a conflict with your interests.

Should you require further information regarding any of the above forms of indirect remuneration or benefits, please contact your Aon Client Relationship Manager.

Conflicts of interest

Conflicts of interest may arise in circumstances where some or all of your interests as our client are, or may be, inconsistent with some or all of our interests.

We have a conflicts of interest policy and procedure, including training and monitoring, to ensure we are aware of and manage any conflicts of interest. Our company, staff and our representatives must comply with this policy and procedure.

Where a conflict is unavoidable we will consult with you and manage the conflict in such a way so as to avoid prejudice to any party.

Relationships and Associations

Aon often works closely with a trade or industry association in developing and distributing certain insurance products.

Sometimes these associations endorse the insurance product Aon offers to their members. Aon may pay part of its remuneration to an association for their assistance or endorsement.

Aon also has relationships with various banks and other businesses which, when they consider it appropriate, will recommend Aon and our services to their clients. Aon may pay part of its remuneration to these referrers in recognition of this introduction.

Other important information

Professional Indemnity Insurance

In accordance with the requirements of the Corporations Act, Aon Risk Services Australia Limited maintains adequate Professional Indemnity Insurance on our behalf. This insurance cover extends to claims in relation to our conduct as an authorised representative of an Australian Financial Services licence holder and our employees and representatives both past and present, to compensate clients or their beneficiaries for loss or damage suffered if we provide negligent advice.

Premium and Invoice Calculations

We adopt industry practice in calculating local statutory charges.

All amounts referred to in our invoices, unless stated otherwise, are to be treated as exclusive of GST. Where the invoice is for a foreign currency amount, any applicable GST is converted to Australian dollars at the exchange rate published by the Reserve Bank of Australia at 4pm on the business day prior to the date of the invoice.

We make every effort to correctly determine the premium and statutory charges that apply to your insurance however, occasionally errors can occur. We may correct any such error and (except to the extent prohibited by law) we will not be responsible for any loss you suffer as a result of the error and its correction.

Privacy

We value the privacy of personal information and are bound by the Privacy Act 1988 when we collect, use, disclose or handle personal information. We collect personal information to offer, provide, manage and administer the many financial services and products we and our group of companies are involved in (including those outlined in this FSG). Further information about our privacy practices can be

found in our Privacy Policies, which can be viewed on the Aon website at www.aon.com.au and the HIAIS website at www.hiainsurance.com.au or, alternatively, copies can be sent to you on request. Please contact your local HIAIS office or visit our website at www.hiainsurance.com.au if you wish to seek access to, or to correct, the personal information we collect from or disclose about you.

Collection and use of corporate client information

Aon gathers data containing information about its corporate clients and their insurance placements, including, but not limited to: names, industry codes, policy types, and policy expiration dates, as well as information about the insurance companies that provide coverage to its clients or compete for its clients' insurance placements.

This information is maintained in one or more databases, including Aon's Global Risk Insight Platform (GRIP), developed to help (re)insurers strengthen their value proposition to clients with a focus on creating distinctive value for clients. In addition to being used for the benefit of Aon's clients, these databases also may be accessed by other Aon Group companies for other purposes including providing consulting and other services to insurers (whether as part of Aon's GRIP services or otherwise), for which the Aon Group may earn compensation.

Due to the global nature of services provided by the Aon Group, the information you provide may be transmitted, used, stored and otherwise processed outside the country where you submitted that information. Aon may also subcontract incidental and non-core aspects of services, such as IT infrastructure and support. If you have questions about Aon Group data processing or related compensation, please contact your Aon Client Relationship Manager.

Insurance Brokers Code of Practice

Aon Risk Services Australia Limited is a member of the National Insurance Brokers Association and is bound by their 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 conflict of interest.

The Code is available from the National Insurance Brokers Association website at **www.niba.com.au**.

Service issues and Complaints

We are committed to providing quality services to our clients.

This commitment extends to giving you easy access to people and processes that can resolve a service issue or complaint.

If you have a complaint about the service we have provided to you, please address your enquiry or complaint to the staff member providing the service, or phone 1300 659 266 during normal office hours.

If we are not able to resolve the issue immediately, or within five days, we will refer it to the Complaints Manager, who will review the complaint and advise you in writing of the expected time for resolution.

You can also refer your enquiry or complaint to the Complaints Officer at any time by email to **feedback@aon.com.au**.

More complex complaints may take 45 days to resolve. We may request an extension of time for up to another 45 days if we cannot resolve the complaint within this period.

If you are not satisfied with our response or proposed resolution, you may refer your complaint to the Financial Ombudsman Service (FOS). FOS provides a conciliation and

arbitration service to assist consumers in the resolution of complaints. FOS services are free to complainants. FOS deals with all complaints in accordance with the FOS Rules. You can obtain a copy of these from FOS or from the website at www.fos.org.au. You can contact FOS on 1300 780 808.

Aon Risk Services Australia Limited is one of Australia's leading providers of insurance and risk services. It is part of the Aon Group, which is a global leader in the design and provision of insurance, reinsurance, risk and employee benefit services.

HIA Insurance Services Pty Ltd is an Authorised Representative (No 275925) of Aon Risk Services Australia Limited ABN 17 000 434 720, AFSL 241141.

If you have any questions about our services or anything in this FSG, please contact your HIA Insurance Services Client Relationship Manager or Aon Australia's head office in Sydney on 02 9253 7000.

This FSG is effective from July 2015 and its distribution has been authorised by Aon Risk Services Australia Limited.



INSURANCE SERVICES

HIA Insurance Services Pty Ltd

ABN 84 076 460 967 as authorised representative
number 275925 for Aon Risk Services

Sydney **1300 200 201**

Melbourne **1300 554 227**

Brisbane **1300 700 701**

Perth **1300 800 801**

Adelaide **1300 600 601**

Canberra **1300 400 401**

Hobart **1300 500 501**

To find a HIA Insurance Services office near you, visit

hiainsurance.com.au

Aon is a leading provider of risk management services, insurance and reinsurance broking, financial planning and employee benefit and risk solutions. Aon professionals meet the diverse and varied needs of our clients through our industry knowledge, technical expertise and global resources.

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