

# Financial Services Guide



**MELBOURNE**

P.O. Box 4747  
Melbourne VIC 3001  
t— +61 3 9947 4333  
f— +61 3 9947 4300

**SYDNEY**

P.O. Box R1782  
Royal Exchange  
NSW 1225  
t— +61 2 9299 0767  
f— +61 2 9299 0747

**BRISBANE**

P.O. Box 2614  
Brisbane QLD 4001  
t— +61 7 3368 3708  
f— +61 7 3511 7258

**PERTH**

P.O. Box 7989  
Cloisters Square  
PO WA 6850  
t— +61 8 6557 0400  
f— +61 8 6557 0499

**ADELAIDE**

5 Peel Street  
Adelaide SA 5000  
t— +61 437 080 655

The financial services referred to in this Financial Services Guide (FSG) are offered by Honan Insurance Group Pty Ltd (“HIG”, “We”, “Us”, “Our”) **ABN: 67 005 372 396, AFSL: 246749.**

This FSG sets out the services that HIG can offer you. It is designed to assist you in deciding whether to Use any of those services and contains important information about:

- the services We offer you;
- how We and others are paid;
- any potential conflict of interest We may have;
- Our internal & external dispute resolution procedures and how you can access them; and
- arrangements We have in place to compensate clients for losses.

## Further information when personal advice is given

When you ask Us to recommend an insurance policy for you, We will usually be providing general advice where We only consider the policies offered by the insurers or 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 insurers We deal with regularly.

If We provide you with tailored personal advice, which takes into account Your objectives, financial situation and needs, We will provide you with further information. This information may include the advice that We have given you, the basis of the advice and other information on Our remuneration and any relevant associations or interests. This information may be contained in a Statement of Advice (SOA).

## Product Disclosure Statement

If We offer to arrange the issue of an insurance policy to you, We will also provide you with, or pass on to you, a product disclosure statement (PDS), unless you already have an up to date PDS. The PDS will contain information about the particular policy which will enable you to make an informed decision about purchasing that policy.

## From when does this FSG apply?

This FSG applies from **13 December 2019** and remains valid unless a further FSG is issued to replace it. We may give you a supplementary FSG. It will not replace this FSG but will cover services not covered by this FSG.

## How can I instruct you?

Instructions for coverage to be bound or any request of additions, deletions or changes, must be made directly to a licensed broker and followed up in writing by email, fax or post. It is important for you to ensure that the policy you have requested Us to provide you does contain the correct details of your circumstance.

## Cooling Off Period

A cooling off period may apply to an insurance policy issued to you as a retail client, however, only if the policy has a qualifying cooling off period and only during this period may you return the policy for a full refund. Details of your cooling off rights will be included in the relevant PDS.

## Who is responsible for the financial services provided?

HIG holds a current Australian Financial Services Licence (Licence No: 246749). The contact details for HIG are on the front of this FSG.

## What kinds of financial services are you authorised to provide to me and what kinds of financial product/s do those services relate to?

HIG is authorised to advise and deal in general insurance products to retail and wholesale clients. We will do this for you as your broker unless We tell you otherwise.

From time to time, We may act under a binder or agency arrangement with an insurer which allows Us to arrange, bind and issue insurance policies on their behalf. This may include a binder or agency arrangement with an insurer for providing services such as strata, professional indemnity, public liability, management liability, leave protection plans and finance gaps, landlords and marine insurance coverage as well as claims services. When We act under a binder or agency arrangement We will be acting as the agent of the insurer. This means that We represent and act for the insurer and not for you. We will tell you when We act under a binder or agency arrangement to arrange your insurance or advise you about your insurance needs.

## Will I receive tailored advice?

Not in all cases. However, We may need information about your personal objectives, details of your current financial situation and any relevant information, so that We can arrange insurance policies for you, issue insurance policies to you or to give you advice about your insurance needs. We will ask you for the details that We need to know.

In some cases We will not ask for any of this information. If We do not ask, or if you do not give Us all of the information We ask for, any advice you receive may not be appropriate to your needs, objectives and financial situation.

You should carefully read the warnings contained in any SOA, or any other warnings that We give you, before making any decision about an insurance policy.

## What if your circumstances change?

You must notify Us of any changes to your situation that may affect the cover under your insurance policy or the services to be provided by Us. We may need to discuss with you the appropriateness of the insurance placed for your changed circumstances to ensure it remains suitable for your situation. The endorsing of your insurance policy may involve additional premium upon which We will notify you by sending you an invoice with the premium breakdown.

## What information do you maintain in my file and can I examine my file?

HIG value the privacy of personal information and is committed to the protection of your privacy. HIG is bound by the Privacy Act 1988 when We collect, Use, disclose or handle personal information. We collect personal and/or business information in order to provide Our various services to you such as insurance broking, claims management and risk management consultancy. If you do not provide the requested personal information We may not be able to evaluate, effect, manage or administer your policy and you may also be in breach of your duty of disclosure.

We disclose both personal and business information to third parties who are involved in the provision of Our services or related entities to HIG. In addition We may also provide information to the extent required by law or regulatory requirements.

We are committed to enforcing Our privacy policy, which will ensure the privacy and security of your personal information. A copy of Our privacy policy is available on request. A copy is also available on HIG's Website, [www.honan.com.au](http://www.honan.com.au). If you wish to look at your file please ask Us. We will make arrangements for you to do so.

## Insurance Brokers Code of Practice

We are a member of the National Insurance Brokers Association ("NIBA") and are 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 NIBA Website [www.niba.com.au](http://www.niba.com.au)

## How will I pay for the services provided?

For each insurance product the insurer will charge a premium that includes any relevant taxes, charges and levies.

We often receive a payment based upon:

- a percentage of this premium (excluding relevant taxes, charges and levies) called commission, which is paid to Us by the insurers.  
OR
- a fee.  
OR
- a combination of commission and a fee.

You can choose to pay by any of the payment methods set out on the invoice. You are required to pay Us within the time set out on the invoice.

When you pay Us your premium 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 in accordance with Our arrangements with 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.

## Refunds

If there is a refund of premium owed to you as a result of a cancellation or alteration to a policy, the premium and government charges will be calculated and refunded on a pro rata basis. Any fee and/or commission charged/earned by HIG are non-refundable.



## How are any commissions, fees or other benefits calculated for providing the financial services?

Our commission will be calculated based on the following formula:

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

In this formula:

X = Our commission

Y% = the percentage commission paid to Us by the insurer. Our commission varies between 0 and 30%.

P = the amount you pay for any insurance policy (less any government fees or charges included in that amount).

Any fees that We charge you will be based upon Our standard non-refundable broker fees. All fees payable for Our services will be advised to you at the time of providing the advice or service.

We may pay commissions, fees or benefits to others who refer you to Us or refer Us to an insurer.

If We do, We will pay commissions, referral payments or benefits to those people out of Our commission and/or fees.

Our employees that will assist you with your insurance needs will be paid a market salary and may receive a bonus based upon the overall performance of the business.

If We give you personal advice, We will inform you of any fees, commission or other payments We, Our associates or anyone referring you to Us (or Us to any insurer) will receive in relation to the policies that are the subject of the advice.

If We arrange premium funding for you We may be paid a commission by the premium funder. We may also charge you a fee. The commission that We are paid by the premium funder is usually calculated as a percentage of your insurance premium (including government fees or charges). If you instruct Us to arrange or issue a product, this is when We become entitled to the commission.

Our commission rates for premium funding are in the range of 0 and 4% of funded premium. 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.

## Do you have any relationships or associations with the insurers who issue the insurance policies or any other material relationships?

As indicated in this FSG We may:

- Act under a binder or agency arrangement and in those circumstances We will be acting for the insurer and not for you;
- Arrange premium funding through a selected premium funder for you.

We are also a Steadfast Group Limited (Steadfast) Network Broker. Steadfast has exclusive arrangements with some insurers and premium funders under which Steadfast will receive between 0.5-1.5% commission for each product arranged by Us with those premium funders. Steadfast is also a shareholder of some premium funders. We may receive a proportion of that commission from Steadfast at the end of each financial year (or other agreed period).

From time to time We may receive some form of material benefit from Our insurer relationships. These may include administration support, commission overrides, subsidies or performance bonuses or profit share. The form and amount of such material benefit is essentially determined by the amount of the premium earned when compared with the claims experienced in Our total portfolio with the relevant insurer. Due to the contingent nature of insurance and the way the arrangements are set up, it is not possible to know the amount, if any, to which We may be entitled until 3 months after the end of the qualifying period.

## What should I do if I have a complaint?

Whether We act for you as your broker, or under binder or agency arrangement, you can contact Us to tell Us about your complaint. We will do Our best to resolve it quickly. If your complaint is not satisfactorily resolved, We will refer the matter to Our Complaints Manager, alternatively, you can put your complaint in writing and send it to **complaints@honan.com.au** or by post to **P.O. Box 4747, Melbourne Victoria 3001**. We will try and resolve your complaint quickly and fairly.

HIG is a member of the Australian Financial Complaints Authority (AFCA). If your complaint cannot be resolved to your satisfaction by Us, you have the right to refer the matter to AFCA. AFCA provides fair and independent financial services complaint resolution that is free to customers.

The AFCA can be contacted at:

**Mailing address**

**Australian Financial Complaints Authority Limited**

**GPO Box 3, Melbourne VIC 3001**

**t— 1800 931 678**

**e— [info@afca.org.au](mailto:info@afca.org.au)**

**w— [afca.org.au](http://afca.org.au)**

## What arrangements do you have in place to compensate clients for losses?

HIG has a professional indemnity insurance policy (PI policy) in place. The PI policy covers Us and Our representatives (including Our Authorised Representatives and Distributors) for claims made against Us by clients as a result of the conduct of Us, Our employees or representatives in the provision of financial services.

## Any questions?

If you have any further questions about the financial services HIG provides, please contact Us. Please retain this document for your reference and any future dealings with HIG.

# Contact Us

## LOCATIONS

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### MELBOURNE

Principal business address:  
Level 9  
IBM Centre, 60 City Road  
Southbank VIC 3006

P.O. Box 4747  
Melbourne VIC 3001

t— +61 3 9947 4333  
f— +61 3 9947 4300

### SYDNEY

Level 6  
1 Margaret Street  
Sydney NSW 2000

P.O. Box R1782  
Royal Exchange NSW 1225

t— +61 2 9299 0767  
f— +61 2 9299 0747

### BRISBANE

Level 13  
40 Creek Street  
Brisbane QLD 4000

P.O. Box 2614  
Brisbane QLD 4001

t— +61 7 3368 3708  
f— +61 7 3511 7258

### PERTH

Level 4  
251 St Georges Terrace  
Perth WA 6000

P.O. Box 7989  
Cloisters Square PO WA 6850

t— +61 8 6557 0400  
f— +61 8 6557 0499

### ADELAIDE

5 Peel Street  
Adelaide SA 5000

t— +61 437 080 655

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