

COLLECTION STATEMENT – TERMS OF ENGAGEMENT

By providing your personal information you consent to the collection, use and disclosure of it in accordance with this notification and Capricorn's Privacy Policy which can be located on our website. If you do not agree with any part of this notification or our Privacy Policy, **you should not provide us with your personal information.** If you choose not to provide us with your personal information, we may not be able to provide services to you.

Any personal information provided by you in connection with the Services set out in the Terms of Engagement will be used to deliver the specified Services, gauge your satisfaction as to the Services (i.e. by survey or other communication) and for marketing purposes to provide you with information about other Services or benefits we provide (and all such marketing communications will contain an opt out function). Personal information processed by us may also include any follow up information or supporting documentation collected from you in the course of the Services including in relation to seeking quotes and/or renewals. We use electronic communications in connection with our Services and those communications may include your personal information, for example, quotes, renewals or disclosure documents. See clause 5 of our Terms of Engagement for detail.

Capricorn may share your personal information with a range of third parties including, but not limited to organisations Capricorn has engaged to assist it in to perform services on its behalf (such as IT services providers, mailing houses, external advisers etc) or to premium funders, insurers or underwriters. Personal information will only be shared with third parties to the extent necessary to fulfil the purposes of disclosure. We may share your personal information across Australia or NZ for the purposes set out or permitted in this collection statement or our Privacy Policy. We and our service providers may also use cloud-based software solutions to perform internal processes which means that information which you provide to us may be transferred, used or stored outside of Australia or NZ.

If you have any questions about the way we handle your personal information, please call 1800 327 437 (Australia) or contact our Privacy Officer at privacy@capricorn.coop

TERMS OF ENGAGEMENT

The terms and conditions of our appointment as your insurance broker will be detailed in these Terms of Engagement, including in the page labelled **Essential Information**. You should carefully read these Terms of Engagement, **taking particular notice of clause 6** which limits our liability in certain circumstances, and also read the Essential Information.

OUR SERVICES

1. WHO ARE WE

We are Capricorn Risk Services Pty Ltd (**CRS**), an authorised representative of Capricorn Insurance Services Pty Ltd (a general insurance broker that provides financial product advice, and deals in general insurance products for retail and wholesale clients in Australia only) (ACN 154 801 377) (AFSL No. 435197) (**CIS**). CRS is also an authorised representative of Capricorn Mutual Ltd (ACN 104 601 194) (AFSL No. 230038), a mutual protection provider. **These terms only apply in respect of services CRS performs as authorised representative of CIS.**

From time to time, CIS may provide the CIS Services set out in Item 2 Services below directly to you (and where this occurs, only in respect of the CIS Services, **We** will refer to CIS).

2. SERVICES

CRS Services

We will provide you with the following services:

- Meet with you (in person or electronically) to discuss and obtain information regarding your general insurance requirements or needs (please note the General Advice Warning at item 4 below)
- Obtain additional information from you as required for insurance quotes or renewals
- Seek insurance quotes in accordance with these Terms of Engagement
- Negotiate policy coverage and policy renewal annually or as otherwise agreed
- Seek to bind coverage where you have authorised us to do so (except in urgent circumstances where unless you instruct otherwise, we may choose to bind insurance on your behalf if we consider that is in your best interests)
- Confirm the placement of any insurances
- If required:
 - obtain and provide a quotation for premium funding
 - assist you to manage claims if an insured event occurs
 - advocate on your behalf during the claims process
- Facilitate policy changes and/or cancellations as per your instructions
- Take reasonable steps to contact you at least 14 days from expiry of any insurance policy we brokered for you under these Terms of Engagement regarding renewal (**Renewal**)

CIS Services

If applicable, we will provide you with the following services:

- Personal advice via a Statement of Advice in relation to personal accident and illness coverage; and
- Seek insurance quotes for personal accident and illness coverage in accordance with these Terms of Engagement.

CRS may provide some CRS Services to support the CIS Services (such as confirming placement of any insurance with you).

3. COMMENCEMENT OF ENGAGEMENT

Our appointment commences when you instruct us to arrange insurance on your behalf and will continue until cancelled by either of us. Our appointment may be cancelled by either party on 30 days' written notice however we reserve the right to retain any commission and/or fees. Please also see section 7 *Payments and Refunds* below.

4. GENERAL ADVICE WARNING

The below applies to **all Services provided under these Terms of Engagement**, unless those Services are *CIS Services* set out in section 2 (and in that case, the *CIS Specific Provisions* at sections 17 to 19 will apply to you).

A 'retail client' is as defined by the *Corporations Act 2001* (Cth), and you will be a retail client where a service provided to you relates to a general insurance product provided in connection with a small business (i.e. a business employing less than 100 people (if the business is or includes goods manufacturing), otherwise less than 20 people) or you are an individual, and the product is prescribed under the *Corporations Act* (including, for example, motor vehicle insurance or home contents insurance). In quoting and arranging retail client insurance products for you, that service has been undertaken without taking into account your personal objectives, financial situation or needs.

You need to consider the appropriateness of that advice for your particular circumstances and assess the suitability of a particular insurance contract for your requirements. You also need to consider the cost of the product for your particular situation. We will provide you a copy of the Product Disclosure Statement (PDS) and you should consider the information in that document before you make a decision about a retail client insurance product. You can also ask for a PDS copy at any time.

5. ELECTRONIC COMMUNICATIONS

We may use electronic means (predominantly email to your nominated email address) to provide you with communications in connection with these Terms of Engagement, including for providing you documents related to our Services, or your insurance. By accepting our Services, you agree to receive electronic communications. You may elect not to receive electronic communications by contacting us via capricorn.coop/contact or calling us on 1800 007 022.

6. LIMITATION OF LIABILITY

If you acquire our services:

- at a cost of \$100,000 or less;
- for personal, domestic or household use or consumption; or
- for a small business that employs fewer than 20 people (or 100 people if you manufacture goods);

then the law implies warranties into these Terms of Engagement, including that our services will be rendered with due care and skill and that our services will be fit for any specific purpose or result that you make known to us.

To the extent permitted by law, where our services are not those of a kind ordinarily acquired for personal, domestic or household use, our liability for breach of any condition or warranty of our Terms of Engagement is limited to:

- the supplying of the services again; or
- the payment of the cost of having the services supplied again.

This provision does not limit any other warranties or liability that we are unable to limit by law. You may be able to acquire services from alternative providers of similar services that do not include a term that limits liability in this way.

FEES AND CONFLICTS

7. REMUNERATION

We may:

- receive commission from insurers;
- charge you a broker fee or administration fee or both for arrangement and ongoing maintenance of an insurance policy;
- receive commission from premium funders;
- provide benefits to our employees based on performance or provide them bonuses or gifts; and
- pay referral fees to any person that refers you to us.

These commissions and fees are further detailed in our FSG.

8. PAYMENT & REFUNDS

Where applicable when we arrange, renew or vary cover on your behalf we will invoice you for the premium, Emergency Services Levy (if applicable), GST and any other government charges, taxes, fees or levies that apply to your insurance, as well as our own fees or service charges.

If you are a member of Capricorn Society Ltd with your prior agreement, we will charge your Capricorn Account directly on invoice.

If we invoice you directly the full amount of the invoice will be due and payable within 14 days of the invoice or effective date, whichever is the latter.

If we arrange premium funding at your request, you may pay your premiums by instalment. Premium funders will charge interest (and as mentioned above we may receive commission which is based on a percentage of the premium from the premium funder). We will specify any commission and payment amounts before or at the time premium funding is arranged.

Any refund of premium owed to you as a result of a mid-term cancellation or future downward adjustment of a policy will be determined by the insurer and the conditions of the insurance policy you have entered into. Please note where premium funding is used, your premium funding contract may contain terms that reduce the amount you receive from any premium refund. It is important you carefully consider your contract to understand the impacts of cancelling your insurance policies.

9. CONFLICTS OF INTEREST

When providing services, we normally act for you. We will inform you if this is not the case. A conflict may arise when your interests are inconsistent with ours.

We have a Conflict of Interests Policy, and monitoring and training procedures to ensure that we identify and manage any actual or potential conflicts. Where a conflict is unavoidable, you will be consulted to avoid any prejudice to your interests.

HOW WE MANAGE YOUR INSURANCE

10. NEW BUSINESS

Once you have provided us with full details of the property or risk to be protected, via the completion of a proposal form, quote request form or otherwise, we will endeavour to identify the most appropriate solution to suit your needs.

Quotes and Negotiation

We arrange insurance quotes with one or more insurers selected from a limited range or a pre-determined panel, according to the nature of the product required. For some products, we may only deal with a single insurer. We may also on occasion provide advice or make recommendations based on information generally applicable to businesses or individuals with similar operations or circumstances as yours. Furthermore, based on the information you have provided to us, we may present only one quote from those we have obtained that we judge to best match your requirements.

We will negotiate with insurers on your behalf and keep you informed of any significant developments. We are independent of any insurer. If you choose to accept an insurance policy, we will deem that the insurer from which the quote is sourced is acceptable to you unless you advise us otherwise.

Interim Cover

If required, interim cover may be available, however further paperwork may be required by the insurer and you will not be covered until we provide confirmation to you.

Accuracy of information

Prior to signing any documents, it will be your responsibility to ensure the accuracy of all information supplied on the proposal form, or any other documentation required. The advice provided by us will be based on the information you supply, and we will request that you carefully check any documentation produced by the insurer to ensure that it covers your requirements. Refer also to **Essential Information** in this regard.

11. RENEWALS

If contacting you in relation to Renewal, we will ascertain what, if any, changes need to be made to your insurance program based on your instructions and we will negotiate with the insurer(s) for updated terms. If you do not provide information about your current circumstances to us, we may instruct the insurer to hold you covered under the existing terms until we can contact you. If you do not respond, the insurer may cancel the policy and we will notify you in writing to your last provided contact details.

Depending on the outcome of this contact with you and the terms provided by the holding insurance company, we may or may not obtain quotes from alternative insurers.

If agreed prior, we will organise for automatic renewals to ensure continuity of cover.

12. POLICY ALTERATIONS/ENDORSEMENTS

If there is a change in your circumstances that may affect the services that we provide to you, or the insurances that are in place, you must advise us as soon as reasonably practicable so that you will comply with your duty of disclosure (see **Essential Information**).

It will be at the discretion of the insurer whether they decide to accept the change in the risk and whether any further information will be required. If the insurer does not accept the changes, we will endeavour to source an alternative offer to align with your revised circumstances.

13. CLAIMS

We will liaise with your insurer(s) to assist with the claims process including assisting with lodgement, negotiation and coordination with various claims professionals such as assessors and adjusters etc.

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 endeavour to forward to you all claims documentation, insurance company settlement cheques and other information as soon as practicable.

If any claims are outstanding when you terminate our appointment as your insurance broker, we will provide details of the claim(s) to your new insurance broker, with your permission, so that they may continue to negotiate settlement on your behalf.

PRIVACY, CODE AND COMPLAINTS

14. PRIVACY

We are committed to protecting your privacy. 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.

For details of the management (including collection, use and disclosure) of your personal information by us and how you may access it, please refer to our Privacy Policy which can be found on our website.

15. COMPLAINTS

If you wish to complain about our services, you can either discuss the matter with your adviser, contact us via telephone on 1300 761 780 or email us at complaints@capricornrisk.com. We will acknowledge receipt of your complaint within 2 business days and confirm who will be managing the matter. If we have sufficient information, we will endeavour to provide you with a response to your complaint within 5 business days.

We are a member of the Australian Financial Complaints Authority, an external dispute resolution scheme. If you are not satisfied with the way we handle your complaint, you are entitled to take your complaint to them. Their contact details are:

- Telephone: 1800 931 678;
- In writing: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001;
- Email: info@afca.org.au; or
- Website: www.afca.org.au

You can access this scheme for free and any decision they make is binding on us but not on you.

FURTHER INFORMATION

16. FURTHER INFORMATION

We also provide you with a Financial Services Guide (FSG). This document contains important information about our relationship with you.

Additionally, to ensure that you stay fully informed and understand the details of the contracts of insurance you have entered into you should comprehensively review any policy documents that are provided to you including, but not limited to, any Product Disclosure Statements, Policy Schedules,

Statements of Advice, Quotes and any other communications you receive from Capricorn Insurance Services and/or your insurer(s).

We are a Steadfast Group Limited Network Broker. We have access to services including model operating and compliance tools, procedures, manuals and training, technical, contractual liability advice and assistance, group insurance arrangements, product comparison and placement support, claims support, group purchasing arrangements and broker support services. These services are either funded by Steadfast, subsidised by Steadfast, or available exclusively to Network Brokers for a fee.

Steadfast has arrangements with some insurers and premium funders under which the partners may pay Steadfast a fee to access strategic and technological support and the Broker Network. Steadfast is also a shareholder of some partners.

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

For further information please refer to our website, capricorninsurance.com.au.

CIS SPECIFIC PROVISIONS

17. PERSONAL ACCIDENT & ILLNESS COVER

In relation to personal accident & injury cover, when providing advice we will take into consideration your personal objectives, financial situation or needs before making a recommendation. In order to provide this advice, we rely on you to provide accurate and complete information. Any personal advice will be documented in a Statement of Advice (SOA), which will clearly set out any information we have relied on to produce the SOA and any recommendations therein. You must carefully review the whole of any SOA prepared for you, and advise us immediately of any issues or concerns or of any errors in or changes to the personal information on which we've relied.

18. CHANGED CIRCUMSTANCES

In relation to personal accident and illness coverage only, where you notify us of changed circumstances referred to in section 12, we may need to provide you with advice as to the suitability of your existing insurance program for your changed circumstances to ensure that they remain appropriate for your needs, objectives and financial situation. If this advice is provided, it will be communicated to you in writing.

19. CODE OF PRACTICE

CIS are members of the National Insurance Brokers Association (**NIBA**) and are bound by their Code of Practice (the **Code**). The Code sets standards of good industry practice for insurance brokers.

As a NIBA member, we will ensure CRS complies with the Code when acting on our behalf.

The Code is owned and published by NIBA and is available to download from their website.

ESSENTIAL INFORMATION

The below information is important. You should ensure you read all provisions, as failure to comply may compromise your insurance policy or insurance outcomes.

1. DUTY OF DISCLOSURE

You have a duty under the *Insurance Contracts Act 1984 (ICA)* to disclose to your insurer every matter that you know, or could reasonably be expected to know, which is relevant to their decision to provide insurance cover. Your duty lasts until the insurance is entered into. You have the same duty before you renew, extend, vary or reinstate an insurance contract. When applying for a policy for the first time or requesting for your policy to be renewed, amended, extended, replaced or reinstated, you do not need to disclose any matter:

- which diminishes the insurer's risk,
- which is common knowledge,
- which the insurer knows, or in the ordinary course of their business, ought to know,
- for which your insurer has waived your duty of disclosure.

If you or anyone covered by your insurances does not comply with the duty of disclosure the insurer can refuse to pay a claim, reduce the amount they pay and/or cancel your policy. If fraud is involved, they can treat the policy as if it had never existed and accordingly pay nothing for any claim you may otherwise have had on the policy.

2. COOLING OFF PERIOD – RETAIL INSURANCE

If you have become insured as a retail client (see clause 5 of Terms of Engagement for additional detail), you may change your mind about that policy within 14 days (or longer if the insurer allows it) from the earlier of the date you receive confirmation of the insurance and 5 days after the insurance policy was issued (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.

3. SUMS INSURED

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 enough to cover the new replacement cost of the property.

4. INTERESTS OF OTHER PARTIES

Some insurance policies 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 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.

5. 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, for example 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.

6. ASSUMPTION OF LIABILITY

It is not possible for you to transfer to the insurer the entire spectrum of legal liabilities which you may be compelled to bear under the terms of an indemnity or hold harmless clause within a contract you sign.

Prior to accepting legal liability for loss, destruction, damage or injury, which would not otherwise have attached to you at law, you should contact us.

7. 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.

8. 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.

9. 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*.

