



**INSURANCE  
SERVICES**

# FINANCIAL SERVICES GUIDE

Aon Risk Services Australia Limited

ABN 17 000 434 720

Australian Financial Services Licence 241141

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a joint venture  
with Aon

**AON**

# Financial Services Guide

This FSG explains:

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

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

## Introduction


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

Our Financial Services Guide (FSG) contains important information about the products and services Aon Risk Services Australia Limited (Aon) offers. It also explains how we, and our representatives, may be remunerated and contains details of our internal and external complaints handling procedures.

By continuing to engage Aon 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.

Please take time to read this FSG carefully as it contains important information.

If you are buying what we call an 'FSR Retail Product', 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 make an informed decision about whether or not to buy it. If we give you personal advice about a 'FSR Retail Product' 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.



You may request from us a record of further advice if you have not already been provided with it.

Please tell us if you think we can improve in any way and do not hesitate to raise any questions that you have.

This FSG is also available on our website:

**[www.aon.com.au](http://www.aon.com.au)** and **[hiainsurance.com.au](http://hiainsurance.com.au)**.

## How you can instruct us

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

## Our products and services

As your insurance broker we are licensed to deal in and provide advice in relation to general insurance products. Under our licence, 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.
4. Where needed, assist you to make insurance claims.

We will endeavour to arrange insurance that meets your risks and needs. However, it is you who best understands your risks and needs. We also rely on you for the accuracy and completeness of information you provide to us.

So, always consider the appropriateness of any advice we provide or any insurance we propose to you before acting on it.

Finally, please note that we cannot guarantee the availability of insurance for your particular risks. We do not guarantee 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 Australia's leading insurance broker, we have many clients in similar businesses and situations with similar risks and needs. For these groups, we design and develop Aon products (Aon Product) which combine good pricing and quality cover from reputable insurers with a good claims paying record. 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.

As your insurance broker we normally act for you in providing our insurance services. 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.

## The people who provide our services

We usually provide our services using Aon employees.

However in some cases we use 'Authorised Representatives'. These are third parties whom we have authorised to provide financial services on our behalf. When you are dealing with one of our Authorised Representatives in what we call an 'FSR Retail Product' an Authorised Representative Profile will be issued to you, setting out their company details, information about their industry experience and the services they are authorised to provide.

In some cases we will offer to sell you an insurance product using one of our 'Distributors'. Distributors are other third parties whom we have authorised to deal in specific insurance products on our behalf. They are not authorised to provide any advice.


Our Authorised Representatives and Distributors are not employees and do not receive a salary. Instead they may be paid a percentage of the commission and/or other part of our remuneration for the financial services they provide. This percentage may range between 0 percent and 38 percent of Aon's remuneration.

Our correspondence with you and/or correspondence from our third party representatives will disclose if an Authorised Representative or a Distributor is providing a financial service on our behalf. If we are selling you what we call an FSR Retail Product we will also disclose if an Authorised Representative is providing a financial services on our behalf. In cases where Authorised Representatives are providing our services, you will be given an Authorised Representative profile and this will form part of the FSG.

## Our remuneration

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

- For arranging your insurances we usually receive a commission paid by the insurer. This type of remuneration is standard for insurance brokers and our rates of commission typically range from 5 percent to 30 percent of the premium (before taxes and statutory charges) depending on the type of insurance. Different insurers may pay different rates of commission. The insurer pays us out of its premium and the commission is not specifically disclosed on your invoice.
- 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.
- As described above, we'll offer you an Aon Product where we believe it suits your risks and needs. Additional work is required to develop, design and manage Aon Products. The work we do also reduces the insurer's work and costs. In recognition of this, the insurer pays us additional commission typically ranging from 5 percent to 15 percent of the premium. The insurer pays us out of its premium and the commission



is not specifically disclosed on your invoice. However, your invoice will identify Aon Products.

- Where we are on a fee for service arrangement with you and we have recommended an Aon product, in addition to the fee that we receive from you, we will only receive a commission representing non-placement services which Aon has provided to the relevant insurer in respect of product design and development, which will be calculated in the range of between 3 percent-6 percent of premium.
- Where we provide you with personal advice in relation to what we call an FSR Retail Product, we will advise you of the full amount of our remuneration in relation to that FSR 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 Aon 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. Below we have anticipated a couple of questions that you may have.

## Does Aon receive any other remuneration for its service?

The law requires us to pay your premiums (and certain moneys 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.


Occasionally we may need to access an overseas market to meet your insurance needs. We use Aon Group offices overseas where this is necessary. They may earn commission at standard rates in the overseas market.

We have developed a quoting and placement platform with a suite of standardised quality products for the more common types of insurance. This enables us to obtain a range of quotes from a panel of established, reputable insurers for an insurance product that provides good insurance cover. Aon receives additional remuneration by way of annual licence fees and increased rates of commission from the panel of insurers to cover the costs of establishing and maintaining this platform and products. Your invoice will identify such a product.

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. However, these are kept separate and distinct from the services that we provide to you so that they do not influence us to act contrary to your interests.

The following are more frequent examples.

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.

Sometimes an Aon Product we recommend may be developed and managed by another company in the Aon Group and made available to other brokers and their clients as well as Aon. Where this happens, that other company usually acts as the insurer's agent in managing the product (sometimes including claims handling and underwriting on the insurer's behalf) and earns separate commission and other remuneration for the development, design and management of that product. This may exceed the range of 5 percent to 15 percent referred to above and may include additional commission based on sales or profitability. To help ensure that this does not have any affect on our service and our obligations to our clients, our business is kept separate from that other company's business and their remuneration is not disclosed to us.

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.

## **How does Aon avoid conflicts of interest from earning commission?**

Remuneration by way of a commission is commonplace in the financial services sector. We have taken a number of measures to ensure that our service to you is not affected as a result of receiving commission from insurers based on the amount of premium. These include:

- A conflict of interest policy and guide that our staff are required to comply with.
- Specific rules and controls in place to prevent conflicts affecting our services.

- Training our staff to understand the potential for conflicts and prevent such conflicts from affecting the service we provide to our clients.
- Promoting our values, which include openness, trust, and integrity.
- Having staff dedicated to monitoring compliance, including compliance with our conflicts of interest policy.

This helps ensure that our service to clients is not affected by any apparent conflict arising from our remuneration or anything else. However, please contact the Aon's Compliance Officer if you have any concerns ([ars.compliance@aon.com.au](mailto:ars.compliance@aon.com.au)).

## **What does Aon do with its remuneration?**

We are one of Australia's leading insurance broking companies and we employ over 1,000 staff. So a large part of the remuneration we receive pays for the salaries and wages of our staff and remuneration we may pay to our Authorised Representative and Distributors. Our remuneration also funds normal business expenses such as rent and technology as well as the profit that our shareholders expect.

We often work closely with a trade or industry association in developing and distributing certain insurance products. Sometimes these associations endorse the insurance product we offer to their members. We may pay part of our remuneration to an association for their assistance or endorsement.

We also have relationships with various banks and other businesses who, when they consider it appropriate, will recommend Aon and our services to their clients. We may pay part of our 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. This insurance cover extends to claims in relation to our conduct as 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 as gazetted or advised by the Insurance Council of Australia.

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 services outlined in this FSG.

Please contact your local Aon office or visit our website at [www.aon.com.au](http://www.aon.com.au) if you would like a copy of our Privacy Policy or wish to seek access to, or to correct, the personal information we collect or disclose about you.



## **Insurance Brokers Code of Practice**

Aon Risk Services 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 – [www.niba.com.au](http://www.niba.com.au)

## Service issues and Complaints

Please contact your Aon Client Relationship Manager or your local Aon office if you have a concern about our services or any product we have provided. If your complaint is not satisfactorily and promptly resolved, please contact Aon's National Complaints Manager who will attempt to resolve it in accordance with our Complaints and Disputes Handling Policy. You may obtain a copy of this policy from the National Complaints Manager.

National Complaints Manager  
Aon Risk Services Australia Limited  
GPO Box 4189. Sydney NSW 2001  
telephone 02 9253 7000  
email [compliance@aon.com.au](mailto:compliance@aon.com.au)

If you are still not satisfied with the outcome determined, you may contact the Insurance Brokers Dispute Limited via the Financial Ombudsman Service on 1 300 780 808. Alternatively, if your concern is with the Insurer, you may contact Insurance Enquiries and Complaints Limited via the Financial Ombudsman Service on 1 300 780 808.



Aon Risk Services Australia Limited is Australia's leading provider 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.

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



### **Sydney**

Phone 1300 200 201

### **Melbourne**

Phone 1300 554 227

### **Brisbane**

Phone 1300 700 701

### **Perth**

Phone 1300 800 801

### **Adelaide**

Phone 1300 600 601

### **Canberra**

Phone 1300 400 401

### **Hobart**

Phone 1300 500 501

To find a HIA Insurance Services office near you, visit [www.hiainsurance.com.au/contactus](http://www.hiainsurance.com.au/contactus)

**[www.hiainsurance.com.au](http://www.hiainsurance.com.au)**

## **HIA Insurance Services Pty Ltd**

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

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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