


bms.

A nighttime photograph of a city skyline, likely Dubai, featuring several illuminated skyscrapers and their reflections on the water. The image is split vertically: the left side is a dark blue gradient, and the right side shows the actual city lights. A white rectangular frame is overlaid on the left side, containing the title and date.

Terms of Engagement

January 2023

Welcome

Thank you for appointing BMS Risk Solutions Pty Ltd (ABN 45 161 187 980, AFSL 461594) as your insurance broker and risk management consultant.

We would like to draw your attention to the important information below that you should know about us.

We subscribe to and are bound by the Insurance Brokers Code of Practice, a full copy of which is available from the National Insurance Brokers Association (NIBA) website - www.niba.com.au.

We usually act on your behalf and in your interests in matters. However, sometimes, it may be more appropriate for us to either arrange insurance or manage claims where we act as an agent of the insurer. If and when this situation arises, we will explain and highlight this to you.

We are authorised to advise you about and arrange general insurance products. If we are unable to act on your behalf due to a conflict of interest which cannot be managed, we will immediately notify you.

Duty of Disclosure

This sets out your responsibility to provide complete and accurate information for risks to be insured.

[Duty of Disclosure](#)

Terms of Engagement

This sets out the terms on which we provide our services to you. By appointing us, you agree to be bound by these terms.

[Terms of Engagement](#)

Financial Services Guide

This document includes information regarding the services that we can provide and how we are remunerated and should be read in conjunction with our Terms of Engagement.

[Financial Services Guide](#)

Privacy Statement

This outlines our privacy policies and procedures in relation to the collection, handling, use and disclosure of personal information.

[Privacy Statement](#)



Your Disclosure Obligations

It is important that you provide us with complete and accurate information about the risks to be insured, otherwise the advice we give you may not be appropriate for your needs. We rely on you to provide complete and accurate information.

Before you enter into an insurance contract with an insurer, you have a duty under the Insurance Contracts Act 1984 (Cth) to disclose information to the insurer. This Duty of Disclosure applies until the insurer either agrees to insure you or renew your insurance. The Duty of Disclosure also applies before you extend, vary, or reinstate your insurance.

If you are applying for or renewing insurance in relation to consumer insurance products such as, your motor vehicle, home building and/or contents, residential strata, travel, personal accident or sickness and/or consumer credit products, you must answer the specific questions asked by the insurer truthfully and accurately.

In answering those questions, you must tell the insurer all information that's known to you and that a reasonable person would be expected to provide in answer to the questions. Not doing so may be considered by the insurer to be a breach of your 'duty to take reasonable care not to make a misrepresentation' and may cause issues in relation to the validity of your insurance contract and/or issues in the event of you lodging a claim.

At renewal, the insurer may either ask you to advise any changes to information you have previously disclosed; or may give you a copy of the information you previously disclosed and ask you to advise them if there have been any changes. If you do not tell the insurer about a change, you will be taken to have told the insurer there is no change.

If you are applying for, or renewing any other types of insurance, you must tell the insurer all information that is known to you that a reasonable person in the circumstances could be expected to know, or that is relevant to the insurer's decision to insure you and on what terms. You do not need to tell the insurer anything:

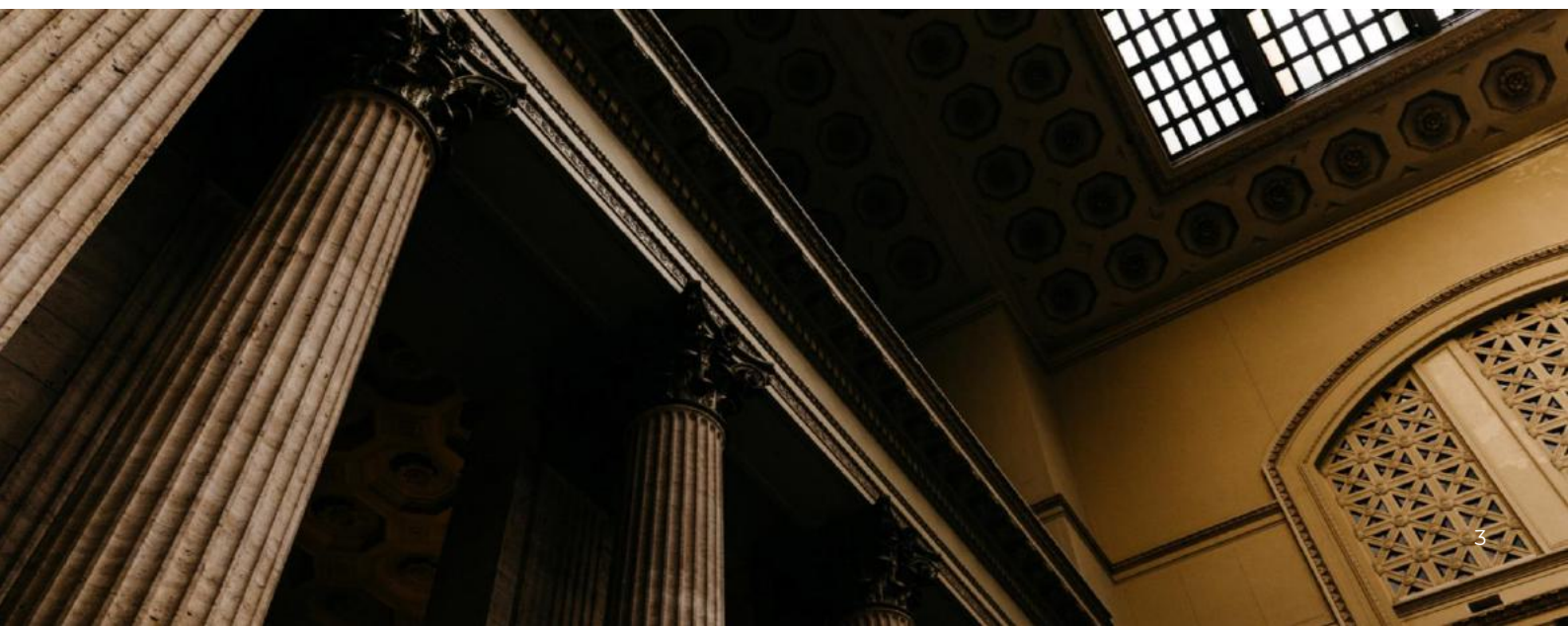
- that reduces the risk it insures you for;
- is common knowledge;
- that the insurer knows or should know; or
- which the insurer waived your duty to tell it about.

Non-disclosure

If you fail to comply with your Duty of Disclosure, the insurer may cancel your insurance contract, or reduce the amount it will pay you if you make a claim, or both. If your failure to comply with the Duty of Disclosure is fraudulent, the insurer may refuse to pay a claim and treat the insurance contract as if it never existed.

If you are in doubt about whether or not a particular matter should be disclosed, please contact your Account Executive.

Where you represent another insured party you must make sure you explain the Duty of Disclosure to them when we arrange any insurance cover. Alternatively, you may ask any person you represent to contact us and we will explain their Duty of Disclosure to them directly.



Terms of Engagement

Your insurance needs

You have asked us to manage some or all of your insurance requirements for you. The policies we are arranging for you will be confirmed when you are provided with your quotation/s, policy document/s and/or by your broker when providing their advice to you.

If we are appointed mid-term, we may not have reviewed your program and will not advise about the adequacy of the existing coverage. If this is the case we will advise you of this and the date by which we will provide our recommendations for any changes or additions.

Our Services

We will provide you with the following services where applicable:

- Help you identify and assess your risks and develop a proposal to submit to potential insurers.
- Advise and make recommendations as to your insurance requirements.
- Contact you with our recommendations.
- Prepare underwriting submissions.
- Seek insurance quotes (we will seek quotes from the broader general insurance market who have appetite for your risks before making a recommendation).
- Where we operate under a binder we will seek quotes from that insurer only. We will tell you when this is the case. (A binder is when an insurer authorises an insurance broker to perform certain functions on their behalf such as issuing policies).
- Negotiate terms with any existing insurers and with alternative insurers.
- Place the insurances agreed upon.
- Review policy wordings and obtain signed policies from insurers.
- Confirm the placement and renewal of the insurances to you.
- Calculate, invoice and collect the premiums.
- Prepare policy wordings and obtain signed policies from insurers.
- Adjust premiums on prior year policies.
- Review your insurance arrangements:
 - when you inform us about material changes to your circumstances;
 - at the time of any scheduled Status Reviews as agreed with you;
 - upon renewal of your insurances.
- Facilitate policy changes and/or cancellations as per your instructions.
- If required, assist you with any Insurance Premium Funding needs.
- If required, assist you to manage any claims you may need to make:
 - we will keep you informed in a timely manner regarding the progress of claims.
 - when we receive an insurer's response to a submitted claim, we will notify you of the outcome as soon as it is reasonably practical to do so.
 - if a claim is either unreasonably denied or reduced by the insurer, we will act as claims advocate on your behalf to try to have the claim paid.
 - we will advise you if the insurer seeks to negotiate a settlement of your claim.
 - we will seek your instructions before agreeing to any settlement, or compromise of a claim.
 - if the insurer declines to pay a claim, we will explain the reasons for the insurer's decision and outline what further steps can be taken, including steps to make a complaint.
 - in the event you terminate our appointment as your insurance broker we will provide details of any claim(s) to your new insurance broker, so that they may continue to negotiate settlement, on your behalf.
- We will take reasonable steps to contact you at least fourteen (14) days prior to your insurance cover expiry date to engage you on the next steps to be taken prior to the expiry of the policy. We will take appropriate, professional and timely steps to seek insurance cover terms and conditions and advise you of available options (if any) for your consideration.

Many commercial or business contracts contain clauses that relate to your liability (including indemnities or hold harmless clauses). These clauses may entitle your insurers to either reduce cover, or in some cases, refuse to indemnify you at all. Please inform us of any clauses of this nature before signing and accepting such contracts. We may recommend that you seek legal advice.

We can also advise on risk management strategies apart from insurance.

Important Relationships

We are a privately owned insurance broking firm.

Continuity of Cover

It is important that you maintain continuity of cover and where we have taken reasonable steps to contact you prior to expiry of your insurance but we are unable to obtain your instructions, you authorise us to renew your existing policy with your current insurer as per expiring policy details to make sure that you remain protected in these circumstances. You also authorise us to change insurer for price or cover advantages. If you do not require the cover, please contact us as soon as possible. A short term premium may apply.

Cancellation

We can only cancel a contract of insurance on the written instructions of 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.

Period of Engagement

Unless we agree in writing otherwise, our appointment is ongoing unless we receive written advice from you. Our appointment is exclusive and replaces the appointment of your current broker.

We look forward to working with you and to a long and mutually satisfactory relationship. We encourage you to call us at any time if you have any questions about our services or your insurances.

Limitation of Liability

To the maximum extent permitted by law, our entire liability to you (whether in contract, tort, common law or under statute and whether by reason of negligence or breach of this agreement) shall be limited to losses proven, foreseeable and fully mitigated only and will not exceed \$20 million in the aggregate.

Notwithstanding the above, we will not be liable to you for any punitive, special, aggravated, exemplary, personal or liquidated damages or indirect, incidental or consequential loss of any kind including loss of profits or revenue, loss of opportunity or contract, loss of data, loss of production, use or supply, loss of reputation or goodwill, deterioration in value or increased business cost.

Premium funding

Premium funding products enable you to pay your premiums by installments. Premium funders do charge interest and they take a power of attorney over your insurance policy as they have paid it to the insurer in advance, in full, as required at the beginning of the policy period.

We can arrange premium funding on your behalf 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 before or at the time the premium funding is arranged.

Our Payment Terms

Invoices - we will invoice you for the premium, statutory charges (eg stamp duty and fire services levy) and any fees we charge for arranging your insurances. You must pay us within 14 days of the date of the invoice.

Please note that should you cancel an insurance policy before the period of the insurance ends BMS will retain the commission paid by the insurer and/or or any broker fee received for the professional service provided.

If you do not pay the premium on time, the insurer may cancel the contract of insurance and you will not be insured. The insurer may also charge a short-term penalty premium for the time on risk.

Credit card fees - If you pay by credit card, we may charge you a non-refundable credit card fee. This fee will be advised to you at the time of payment and reimburses us for the merchant fees incurred by us when providing credit card facilities.



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FINANCIAL SERVICES GUIDE

The financial services referred to in this Financial Services Guide (**FSG**) are offered by:

BMS Risk Solutions Pty Ltd (BMS)

ABN 45 161 187 980

Address Level 3, 222 Clarence Street, Sydney
NSW 2000

Phone 1800 931 070

Email bmsaus@bmsgroup.com

Website www.bmsgroup.com/australia

Lack of independence

Why we are not independent, impartial, or unbiased in relation to the provision of personal advice and the impact of this on you.

We are not independent, impartial, or unbiased pursuant to section 923A of the Corporations Act because we may receive remuneration, commission, gifts or other benefits when we provide personal advice to you in relation to insurance products and other financial products or we may have associations or relationships with issuers of insurance products and other financial products.

Further information about these benefits and relationships is set out in this Financial Services Guide. If you have any questions about this information, please ask us.

This FSG sets out the services that we 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 and external dispute resolution procedures and how you can access them
- arrangements we have in place to compensate clients for losses.

Further information when personal advice is given

We will provide you with further information whenever we provide you with advice which takes into account your objectives, financial situation and needs. 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).

When you ask us to recommend an insurance policy for you, we will usually 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.

Product Disclosure Statement (PDS)

If we offer to arrange the issue of a retail 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 product.

From when does this FSG apply?

This FSG applies from 1 January 2023 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.

You should read this FSG in its entirety and retain it for your future reference. By engaging, or continuing to engage us you are, in the absence of any formal written agreement with us, agreeing to the delivery of our services and remuneration as described in this FSG.

How can I instruct you?

You can contact us to give us instructions by phone or email on the contact number or details mentioned on page 1 of this FSG.

Who is responsible for the financial services provided?

BMS is responsible for the financial services provided, including the distribution of this FSG.

BMS holds a current Australian Financial Services Licensee Number 461594.

All references in this FSG to 'we', 'us' and 'our' mean BMS.

If you are receiving this FSG as a Bikesure client, the services referred to in this FSG are offered by:

BMS Risk Solutions Pty Ltd trading as Bikesure.



What kinds of Financial services are we authorised to provide?

BMS is authorised to provide financial product advice and deal in financial products by:

- issuing, applying for, acquiring, varying or disposing of a financial product
- issuing, applying for, acquiring, varying or disposing of a financial product on behalf of another person.

BMS is also authorised to provide a claims handling and settling service, limited to:

- making a recommendation, or stating an opinion, in the following circumstances:
 - a) the recommendation, or statement of opinion, is made in response to an inquiry by or on behalf of another person about an existing or a potential claim by the other person under an insurance product; and
 - b) the recommendation, or statement of opinion, could reasonably be expected to influence a decision whether to continue with the existing claim or to make the potential claim;

- assisting another person to make a claim under an insurance product;
- assessing whether an insurer has a liability under an insurance product, or providing assistance in relation to such an assessment;
- making a decision to accept or reject all or part of a claim under an insurance product;
- quantifying the extent of the insurer's liability to another person under an insurance product, or provides assistance in relation to the quantification of the extent of such a liability;
- offering to settle all or part of a claim under an insurance product; and
- satisfying a liability of the insurer under an insurance product in full or partial settlement of a claim under the insurance product;

These authorisations apply to general insurance products for retail and wholesale clients.





Who do we act for when providing the financial service?

We will usually provide financial services on your behalf.

Sometimes we will act under a binder or agency from the insurer. When we act under a binder or agency we will be acting as the agent of the insurer. This means that we represent and act for the insurer, not for you. We will tell you when we act under a binder or agency to arrange your insurance or advise you about your insurance needs, or to provide claims handling and settling services on behalf of the insurer.

Retail clients

Under the Corporations Act 2001 (the Act) Retail Clients are provided with additional protection from other clients. The Act defines Retail Clients as: Individuals or a manufacturing business employing less than 100 people or any other business employing less than 20 people and that are purchasing the following types of insurance covers: Motor vehicle, home building, contents, personal and domestic, sickness/accident/travel, consumer credit and other classes as prescribed by regulations.

Some of the information in this FSG only applies to Retail Clients and it is important that you understand if you are covered by the additional protection provided.

Will you receive tailored advice?

Maybe 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 read the warnings contained in any SoA, or any other warnings that we give you, carefully before making any decision about an insurance policy.

Where we provide you with advice about your insurance arrangements, that advice is current at the time that we give it. We will review your insurance arrangements when you inform us about changes in your circumstances, at the time of any scheduled status review or upon renewal of your insurances.

Contractual Liability and your insurance cover

Many commercial or business contracts contain clauses dealing with your liability (including indemnities or hold harmless clauses). Such clauses may entitle your insurers to reduce cover, or in some cases, refuse to indemnify you at all. You should seek legal advice before signing and accepting contracts. You should inform us of any clauses of this nature before you enter into them.

Continuity of Cover

It is important that you maintain continuity of cover and where we have taken reasonable steps to contact you prior to expiry of your insurance but we are unable to obtain your instructions, you authorise us to renew your existing policy with your current insurer as per expiring policy details to make sure that you remain protected in these circumstances. You also authorise us to change insurer for price or cover advantages. If you do not require the cover, please contact us as soon as possible. A short term premium may apply.



Cooling off period

If you are a retail client your PDS will include details of any cooling off period that may apply. You may return the policy during the relevant period if cooling off applies.

Relationships or associations which might influence us in providing you with a financial service

We are a Steadfast Group Limited (Steadfast) Network Broker. As a Steadfast Network Broker we have access to services including model operating and compliance tools, procedures, manuals and training, legal, technical, HR, 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 Steadfast Network Brokers for a fee.

Steadfast has arrangements with some insurers and premium funders (Partners) under which the Partners may pay Steadfast commission of between 0.5 – 1.5% for each product arranged by us with those Partners or alternatively a fee to access strategic and technological support and the Steadfast Broker Network. Steadfast is also a shareholder of some Partners.

If we arrange premium funding for you, we may be paid a commission by the premium funder. We may also charge you a fee (or both). 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 0-5% 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.

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

We maintain a record of your personal profile, including details of insurance policies that we arrange or issue for you. We may also maintain records of any recommendations or advice given to you. We will retain this FSG and any other FSG given to you as well as any SoA or PDS that we give or pass on to you for the period required by law.

We are committed to implementing and promoting a 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 our website.

If you wish to look at your file, please ask us. We will make arrangements for you to do so.

Privacy

We are committed to protecting your privacy. We use the information you provide to advise about and assist with your insurance needs. We provide your information to insurance companies and agents that provide insurance quotes and offer insurance terms to you or the companies that deal with your insurance claim (such as loss assessors and claims administrators). Your information may be given to an overseas insurer (like Lloyd's of London) if we are seeking insurance terms from an overseas insurer, or to reinsurers who are located overseas. We will try to tell you where those companies are located at the time of advising you. We also provide your information to the providers of our policy administration and broking systems that help us to provide our products and services to you. We do not trade, rent or sell your information.

If you don't provide us with full information, we can't properly advise you, seek insurance terms for you, or assist with claims and you could breach your duty of disclosure.

For more information about how to access the personal information we hold about you and how to have the information corrected and how to complain if you think we have breached the privacy laws, ask us for a copy of our Privacy Policy or visit our website.

How can you give us instructions about Financial Products?

You may tell us how you would like to give us instructions. For example by telephone, email or other means.

If you have supplied your email address to us, we will send insurance documents including this FSG and any PDS (if required) to that email address either as attachments or links to documents/websites, unless you tell us you would like to receive those documents in a different form.

How will you pay for the services provided?

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

We often receive a payment based on a percentage of this premium (excluding relevant taxes, charges and levies) called commission, which is paid to us by the insurers.

In some cases we will also charge you a fee, or we may charge you fee only and not receive commission.

If you do not pay the premium the insurer may cancel the contract, and you would not be insured. The insurer may also charge a premium for the time on risk.

Your payment of the premium is treated as acceptance of all of the terms and conditions of the associated insurance policy.

If your insurance contract is cancelled or varied before the expiry of the period of insurance, you will be paid any refunded pro-rata premium received from the insurer. We will retain all of our commission, fees and other remuneration in full in the event of any early cancellation or variation of your insurance contract or adjustment of premium.

We may charge an additional fee for processing your request to cancel or vary your insurance contract and you agree that this fee may be offset against any premium pro-rata refund you are entitled to.

This also applies where we have notified you that your insurance policy is due to expire and provided our renewal offer. If you have not responded to the offer prior to the expiry date we may renew your cover to ensure that you remain protected. If you then advise that the policy is to be cancelled, we may retain our commission, fees and other remuneration, or charge you an additional fee for processing to cancel the insurance contract.

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.

If we provide you with claims handling and settling services, we will inform you of any fees, commission or other payments that we, or our associates will receive in relation to the claims and settling services that are provided.

We may also earn remuneration where we act as an agent for an insurer under a binder authority. The remuneration we receive from these arrangements is generally a mixture of a flat processing fee and commissions. The performance fees and commissions are determined by the nature of the arrangement and, in the case of the performance fees, may be influenced by the profitability of the relevant portfolio.

If you obtain insurance through your membership of an organisation, this organisation may be distributing the insurance on behalf of BMS and may be paid a percentage of the commission received by BMS from the insurer for each policy placed. They may alternatively be paid a fee by BMS.



How are commission and fees calculated?

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 26.5%.

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

We do not often pay any commissions, fees or benefits to others who refer you to us or refer us to an insurer. If we do, we will pay commissions to those people out of our commission or fees (not in addition to those amounts), in the range of 0 to 25% of our commission or fees.

We may offer premium funding so you can pay your insurance by instalments. Such funding would incur an interest charge, which would be advised to you before you decide on this payment method. We may also charge you a fee for this facility.

If you pay by credit card, we may charge you a credit card fee, which will be disclosed to you. This fee covers the cost of bank charges etc associated with such facilities.

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.

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

How our representatives are paid

Our representatives will be paid a market salary and 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.

What kind of compensation arrangements are in place and are these arrangements compliant?

BMS has a professional indemnity insurance policy (PI policy) in place.

The PI policy covers us and our representatives (including our authorised representatives) for claims made against us and our representatives by clients as a result of the conduct of us, our employees or representatives in the provision of financial services. Our PI policy covers us for claims relating to the conduct of representatives who no longer work for us. This policy satisfies the requirements for compensation arrangements under section 912B of the Corporations Act.

What should you do if you have a complaint?

BMS is committed to providing quality service to our clients. If you have a complaint about the financial services provided by BMS, please contact your broker first to discuss your concern. We also have a Complaints Officer. If your complaint is not satisfactorily resolved within 24 hours, please contact the Complaints Officer at BMS at au.complaints@bmsgroup.com or call 02 9165 3500.

Our aim to resolve all complaints quickly and fairly. BMS 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. AFCA can be contacted at:

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

Code of Practice

BMS is a member of the National Insurance Brokers Association (NIBA) and a proud subscriber to the Insurance Brokers Code of Practice. We are committed to fair and timely resolution of issues, and the promotion of informed and effective relationships between us, our clients, insurers and others involved in the insurance industry. A copy of the Insurance Brokers Code of Practice can be found on NIBA's website www.niba.com.au

Important Notices

For your protection, we draw your attention to the following important information.

Utmost good faith

Every contract of insurance is subject to the doctrine of utmost good faith which requires that the parties to the contract should act toward each other with the utmost good faith. Failure to do so on your part may prejudice any claim or the continuation of cover provided by Insurers.

Under-insurance

Reviewing the sums insured and declared values in your policies on a regular basis and at each renewal will help you to ensure that you have maximum protection under your policies.

Consider whether you require cover for replacement on a 'new for old' basis and other costs such as removal of debris. The value of the property/assets insured may need to be updated if you change locations, renovate or expand your premises, or purchase new property/assets.

If you don't check these values and advise us of changes you require, you could be underinsured as the insurer may apply an Average or Co-insurance clause.

Average or co-insurance

Some policies contain an Average/Co-Insurance clause which means that you must insure for the full insurable value of the property insured. If you under-insure, your claim may be reduced in

proportion to the amount of the under-insurance.

A simple example, illustrating the basic principle, application and effect of the Average/ Co Insurance clause is as follows:

Full replacement value - \$100,000

Sum insured - \$50,000

Therefore you would be self-insured for 50% of the value

Amount of claim, say \$60,000

Amount payable by insurer as a result of the application of the Average/Co-insurance (being 50% of the \$100,000) - \$30,000.

Average/co-insurance – business interruption policies

Some policies contain an Average/Co-Insurance clause which is fully set out in the "Basis of Cover" or "Policy Specification" of the policy. For the types of cover most usually provided, the Average/Co-Insurance calculation is arrived at by applying the Rate of Gross Profit, Revenue or Rentals (as applicable) to the Annual Turnover, Revenue or Rentals (as applicable); these factors first being appropriately adjusted as provided for in the "Trend of Business" or "Other Circumstances" clauses.

If you are in any doubt regarding this clause insofar as it applies to your policy, please contact your Account Manager for assistance.



Subrogation and/or hold harmless agreements

You may prejudice your rights with regard to a claim if, without prior agreement from your Insurers, you make any agreement with a third party that will prevent the Insurer from recovering the loss from that, or another party who would be otherwise liable. This can occur when you sign a contract containing an indemnity clause, “hold harmless” clause or release.

Some policies contain provisions that either exclude the Insurer from liability, or reduce its’ liability, if you have entered into any agreements that exclude or limit your rights to recover damages from another party in relation to any loss, damage or destruction that is the subject of a claim under the policy or where you assume liability under a contract which is different to your liability at law. This is known as a ‘contractual liability exclusion’ and often appears in public and products liability, broadform liability and professional indemnity policies.

Examples of such agreements are the “hold harmless” clauses which are often found in leases, in property management contracts, in maintenance or supply contracts from burglar alarm or fire protection installers and in repair contracts. Other contracts you sign from time to time relating to your business operations (e.g. supply agreements, equipment hire contracts, event hire contracts, labour hire contracts, subcontracts, design and construct contracts, consultancy agreements etc.) may contain indemnity clauses and releases which may trigger the operation of policy exclusions or breach the conditions of your insurance.

Do not sign a contract or lease without contacting your broker and/or taking legal advice as to whether the contract terms will prejudice your insurance protection under your policies. If you are in doubt or require further assistance, please consult your Account Manager.

Unnamed parties and other policy requirements

If you require a person to be named as a co-insured, joint insured, insured person or if you require the interest of a party to be covered by your policy, you **MUST** request this. Most policy conditions will exclude indemnity to other parties (eg, mortgagees, lessors, principals etc) unless their interest is properly noted on the policy. Please note, we cannot guarantee that an insurer will accommodate a request to include a further party as an insured under your policy or to note the interests of another party on your policy.

If this is a requirement under a contract or agreement, do not sign the contract without checking with us as to whether the insurer is prepared to include the other party as an insured or note that party’s interests. You should be aware that it may not be in your best interests to make arrangements to have someone else insured under the terms of your policy.

If you would like assistance or guidance with the insurance requirements under a contract, please consult your Account Manager.



Claims made during the period of insurance

Your attention is drawn to the fact that some policies (for example, professional indemnity insurance) provide cover on a “claims made” basis which means that claims first advised to you (or made against you) and reported to your insurer during the Period of Insurance are recoverable irrespective of when the incident causing the claim occurred, subject to the provisions of any clause relating to a “retroactive date”.

You should also note that, in terms of the provisions of Section 40(3) of the Insurance Contracts Act 1984, where you give notice in writing to the Insurer of facts that might give rise to a claim against you as soon as is reasonably practicable after you become aware of those facts (but before the insurance cover provided by the contract expires) then the Insurer is not relieved of liability under the contract in respect of the claim, when made, by reason only that it was made after the expiration of the Period of Insurance cover provided by the contract.

In order to ensure that any entitlement under the policy is protected, you must therefore report all incidents that may give rise to a claim against you to the Insurers without delay after such incidents come to your attention and prior to the expiration of the policy period.

Claims occurring prior to commencement

Your attention is drawn to the fact that your policies do not provide indemnity in respect of events that occurred PRIOR to commencement of the contract.

Not a renewable contract

Cover under your policies terminates on the date indicated in the BMS tax invoice or adjustment note.

Some policies are not renewable contracts. If you wish to effect similar insurance for any subsequent period, it will be necessary for you to complete a new proposal prior to the termination of the current policy so that terms of insurance and quotations can then be developed for your consideration.

Leasing, hiring and borrowing property

When you lease, hire or borrow property, make sure that the contract clearly identifies who is responsible to insure the property. This will help avoid arguments after a loss and ensure that any claims are efficiently processed.

(Where relevant) your Industrial Special Risks policy automatically covers property you are responsible to insure, subject to the policy deductible. The decision as to who should insure the property is not left to your discretion. You may have other insurance (for example, public liability) which may assist you meet claims relating to property damage or personal injury caused to or by property which you lease or hire. Please note, there is usually a sub-limit on the amount of claims that can be made for damage to property in your temporary care, custody or control.

If the responsibility to insure lies with the owner, we recommend you try to ensure the lease or hire conditions waive any rights of recovery against you, even when the damage is due to your negligence. This will prevent the owner’s Insurer making a recovery against you. If there are no lease or hire conditions, you should write to the owner asking who is to insure the property.

Application and amount of GST on insurance policies

Most insurance is deemed a taxable supply (ie, it is not GST-free), although there are some classes of insurance that do not attract GST.

For the majority of insurance policies issued, the Insurer has a liability to pay GST. This liability can be passed on to you. If you are registered for GST, you may be able to claim any GST back from the Australian Taxation Office as an Input Tax Credit ("ITC").

The consideration paid for an insurance policy consists of premium plus fire service levies (where applicable) and stamp duty.

GST is applied to that part of the amount to be paid net of stamp duty but including any fire services levy.

Declaration of sums insured

If you are registered for GST, you should consider the net amount (after all ITCs have been taken into account) which is to be insured and advise the sums insured or asset values or turnover on a GST Exclusive basis.

If you are not registered for GST (so wholly input taxed) or are registered but only partially input taxed, you will need to advise the sums insured or asset values or turnover on a GST Inclusive basis in addition to your precise taxable status.

insurance claims and the application of the policy excess or deductible

Payment of an excess is not treated as consideration for a taxable supply and is therefore not subject to GST.

Insurance claims and GST

The treatment of settlements for GST purposes depends on whether or not you are registered for GST and your entitlement to claim a full or partial ITC on the premium paid.

Registered for GST

Where you are registered for GST, you are entitled to an ITC on a premium to the extent that it is acquired for a taxable purpose. If you are entitled to an ITC in respect of the premium, you must notify the Insurer of the percentage that you are entitled to claim. This must be done on or before making the claim.

So long as the percentage notified to the Insurer is correct, you will have no GST liability on a settlement received under the policy.

Settlements where a registered business can claim a partial ITC will be for an amount somewhere between the GST-exclusive and the GST inclusive price (depending on the entitlement).





Unregistered for GST

Where you are not registered for GST, you are not entitled to claim an ITC on the premium and have no liability to pay GST on the settlement.

Settlements to non registered entities will be for the “GST-inclusive price” of the insured item.

It is important to note that an Insured is not liable to pay GST on claim payments, provided they have informed their Insurer as to their entitlement to an ITC on the premium paid on the policy (or their tax status). This must be done at (or before) the time of a claim.

The tax status is the percentage you are entitled to claim as an ITC for the GST on the premium paid on any policy. If you are registered for GST, it is a requirement under the GST legislation for you to advise your Insurer(s) of your ABN and tax status. Failure to do so may result in you having a GST liability on any claim settlement made under any policy.

The level of your tax status is a matter to be determined by a professional tax adviser.

Our advice to you regarding the application of GST on general insurance policies is offered in our capacity as Insurance Brokers. The level of your Tax Status as a business registered for GST is a matter to be assessed by your professional taxation adviser. We cannot and do not accept liability for the consequences of any information provided to your Insurer regarding your entitlements to Input Tax Credits on the premiums paid on your insurance policies.

Essential reading of policy wording

The original of your policy wordings have been provided to you or will be passed to you as soon as they are received from Insurers. It is in your own interests to read these documents without delay and advise BMS in writing of any aspects which are not clear to you or where any aspect of the cover does not meet with your requirements.

General

If at any time you are unsure of any aspect of your insurances, please contact us to discuss the matter.



Our privacy policy

This privacy policy is provided by BMS Risk Solutions Pty Ltd (BMS), ABN 45 161 187 980, AFSL 461594.

At BMS, we are committed to protecting your privacy in accordance with the Privacy Act 1988 (Cth) and the Australian Privacy Principles. This Privacy Policy describes our current policies and practices in relation to the collection, handling, use and disclosure of personal information. It also deals with how you can complain about a breach of the privacy laws and how you can access the personal information we hold and how to have that information corrected.

What information do we collect and how do we use it?

When we arrange insurance on your behalf, we ask you for the information we need to advise you about your insurance needs and management of your risks. This can include a broad range of information ranging from your name, address, contact details, age to other information about your personal affairs including your assets, personal belongings, financial situation, health and wellbeing. We provide any information that the insurers or intermediaries who we ask to quote for your insurances and premium funding require to enable them to decide whether to insure you and on what terms or to fund your premium and on what terms.

Insurers may in turn pass on this information to their reinsurers. Some of these companies are located outside Australia. For example, if we seek insurance terms from an overseas insurer (eg Lloyd's of

London), your personal information may be disclosed to the insurer. If this is likely to happen, we inform you of where the insurer is located, if it is possible to do so.

When you make a claim under your policy, we assist you by collecting information about your claim. Sometimes we also need to collect information about you from others. We provide this information to your insurer (or anyone your insurer has appointed to assist it to consider your claim, eg loss adjusters, medical brokers etc) to enable it to consider your claim. Again this information may be passed on to reinsurers.

From time to time, we will use your contact details to send you direct marketing communications including offers, updates and newsletters that are relevant to the services we provide. We always give you the option of electing not to receive these communications in the future. You can unsubscribe by notifying us and we will no longer send this information to you.

What if you don't provide some information to us?

We can only fully advise you and assist in arranging your insurance or with a claim if we have all relevant information. The insurance laws also require you to provide your insurers with the information they need in order to be able to decide whether to insure you and on what terms. You have a duty to disclose the information which is relevant to the insurer's decision to insure you.



When do we disclose your information overseas?

If you ask us to seek insurance terms and we recommend an overseas insurer, we may be required to disclose the information to the insurer located outside Australia. For example, if we recommend a policy provided by Lloyd's of London, your information may be given to the Lloyd's broker and underwriters at Lloyd's of London to make a decision about whether to insure you.

We will tell you at time of advising on your insurance if they are overseas and in which country the insurer is located. If the insurer is not regulated by laws which protects your information in a way that is similar to the Privacy Act, we will seek your consent before disclosing your information to that insurer.

Australian and overseas insurers acquire reinsurance from reinsurance companies that are located throughout the world so in some cases your information may be disclosed to them for assessment of risks and in order to provide reinsurance to your insurer. We do not make this disclosure. This is made by the insurer (if necessary) for the placement for their reinsurance program.

We may also disclose information we collect to the providers of our policy administration and broking systems that help us to provide our products and services to you. These policy administration providers and broking systems may be supported and maintained by organisations located overseas and your information may be disclosed to those organisations. Please note that the Privacy Act and Australian Privacy Principles may not apply to these organisations.

How do we hold and protect your information?

We strive to maintain the reliability, accuracy, completeness, and currency of the personal information we hold and to protect its privacy and security. We keep personal information only for as long as is reasonably necessary for the purpose for which it was collected or to comply with any applicable legal or ethical reporting or document retention requirements.

The information you give us may be stored physically and in electronic format, including in Cloud storage. We will always do our best to ensure your information is securely stored.

We may hold the information we collect from you initially in a working file, which when completed is electronically imaged and stored. After which any paper is destroyed in our onsite shredder. In some cases, your file is archived and sent to an external data storage provider for a period of time. We only use storage providers located in Australia who are also regulated by the Privacy Act.

We ensure that your information is safe by protecting it from unauthorised access, modification, and disclosure. We maintain physical security over our paper and electronic data and premises, by using locks and security systems. We also maintain computer and network security; for example, we use firewalls (security measures for the Internet) and other security systems such as user identifiers and passwords to control access to computer systems where your information is stored.





Will we disclose the information we collect to anyone?

We do not sell, trade, or rent your personal information to others.

We may need to provide your information to contractors who supply services to us, e.g. to handle mailings on our behalf, external data storage providers or to other companies in the event of a corporate sale, merger, re-organisation, dissolution, or similar event. We may also disclose information we collect to the providers of our policy administration and broking systems that help us to provide our products and services to you. However, we will take reasonable measures to ensure that they protect your information as required under the Privacy Act.

We may provide your information to others if we are required to do so by law, you consent to the disclosure or under some unusual other circumstances which the Privacy Act permits.

How can you check, update or change the information we are holding?

Upon receipt of your written request and sufficient information to allow us to identify the information, we will disclose to you the personal information we hold about you. We will also correct, amend, or delete any personal information that we agree is inaccurate, irrelevant, out of date or incomplete.

If you wish to access or correct your personal information, please write to our Privacy Officer at BMS Risk Solutions Pty Ltd (BMS Risk Solutions)

Address Level 3, 222 Clarence Street, Sydney NSW 2000

Phone 1800 931 070

Email bmsaus@bmsgroup.com

Website www.bmsgroup.com/australia

We do not charge for receiving a request for access to personal information or for complying with a correction request. Where the information requested is not a straightforward issue and will involve a considerable amount of time then a charge will need to be confirmed for responding to the request for the information.

In some limited cases, we may need to refuse access to your information or refuse a request for correction. We will advise you as soon as possible after your request if this is the case and the reasons for our refusal.

What happens if you want to complain?

If you have concerns about whether we have complied with the Privacy Act or this Privacy Policy when collecting or handling your personal information, please write to our Privacy Officer at BMS:

Address Level 3, 222 Clarence Street, Sydney NSW 2000

Phone 1800 931 070

Email bmsaus@bmsgroup.com

Website www.bmsgroup.com/australia

Your complaint will be considered by us through our Internal Complaints Resolution Process. We will acknowledge your complaint within 24 hours and we will respond with a decision within 30 days of you making the complaint. If we need to investigate your complaint and require further time, we will work with you to agree to an appropriate timeframe to investigate.

We will provide you with information concerning referring your complaint to the Australian Financial Complaints Authority if we cannot resolve your complaint.

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001.

If we do not resolve a privacy complaint to your satisfaction, you also have the right to complain to the Office of the Australian Information Commissioner (OAIC):

Email: enquiries@oaic.gov.au

GPO Box 5218 Sydney NSW 2001

Phone: 1300 363 992 406

Last updated: 6 27 July 2020

Website: www.oaic.gov.au



Your consent

By asking us to assist with your insurance needs, you consent to the collection and use of the information you have provided to us for the purposes described above.

If your website provides information only and has no capacity to collect visitor data, describe the manner in which the website collects anonymous personal information at the end of the section titled "How do we hold and protect your information. The following clauses may be useful but again, must be checked with your website developer:

Website information and content

The information provided on BMS websites does not cover all aspects of the law on the relevant subject matter. Professional advice should be sought before any action is taken based upon the matters described and discussed on this site.

To the extent permitted by law, we make no representations about the suitability of the content of this site for any purpose. All content is provided without any warranty of any kind. We disclaim all warranties and conditions with regard to the content, including but not limited to all implied warranties and conditions of fitness for a particular purpose, title and non-infringement.

We will not be liable for any damages or injury caused by, including but not limited to, any failure of performance, error, omission, interruption, defect, delay in operation of transmission, computer virus, or line failure. To the extent permitted by law we will not be liable for any damages or injury, including but not limited to, special or consequential damages that result from the use of, or the inability to use, the materials in this site.

We believe the content of BMS sites to be accurate, complete and current, however there are no warranties as to the accuracy, completeness or currency of the content. It is your responsibility to verify any information before relying on it. The content of this site may include technical inaccuracies or typographical errors.

We reserve the right to modify the content of BMS websites from time to time.

Anonymous data – We use technology to collect anonymous information about the use of our website, for example when you browse our website our service provider logs your server address, the date and time of your visit, the pages and links accessed and the type of browser used. It does not identify you personally and we only use this information for statistical purposes and to improve the content and functionality of our website, to better understand our clients and markets and to improve our services.

Cookies – In order to collect this anonymous data we may use “cookies”. Cookies are small pieces of information which are sent to your browser and stored on your computer’s hard drive. Sometimes they identify users where the website requires information to be retained from one page to the next. This is purely to increase the functionality of the site. Cookies by themselves cannot be used to discover the identity of the user. Cookies do not damage your computer and you can set your browser to notify you when you receive a cookie so that you can decide if you want to accept it. Once you leave the site, the cookie is destroyed and no personal or other information about you is stored.

Forms – Our websites may allow visitors to submit information via Self-Service forms (Claim Forms, Employment and Contact request). The information submitted via the Forms is not encrypted.

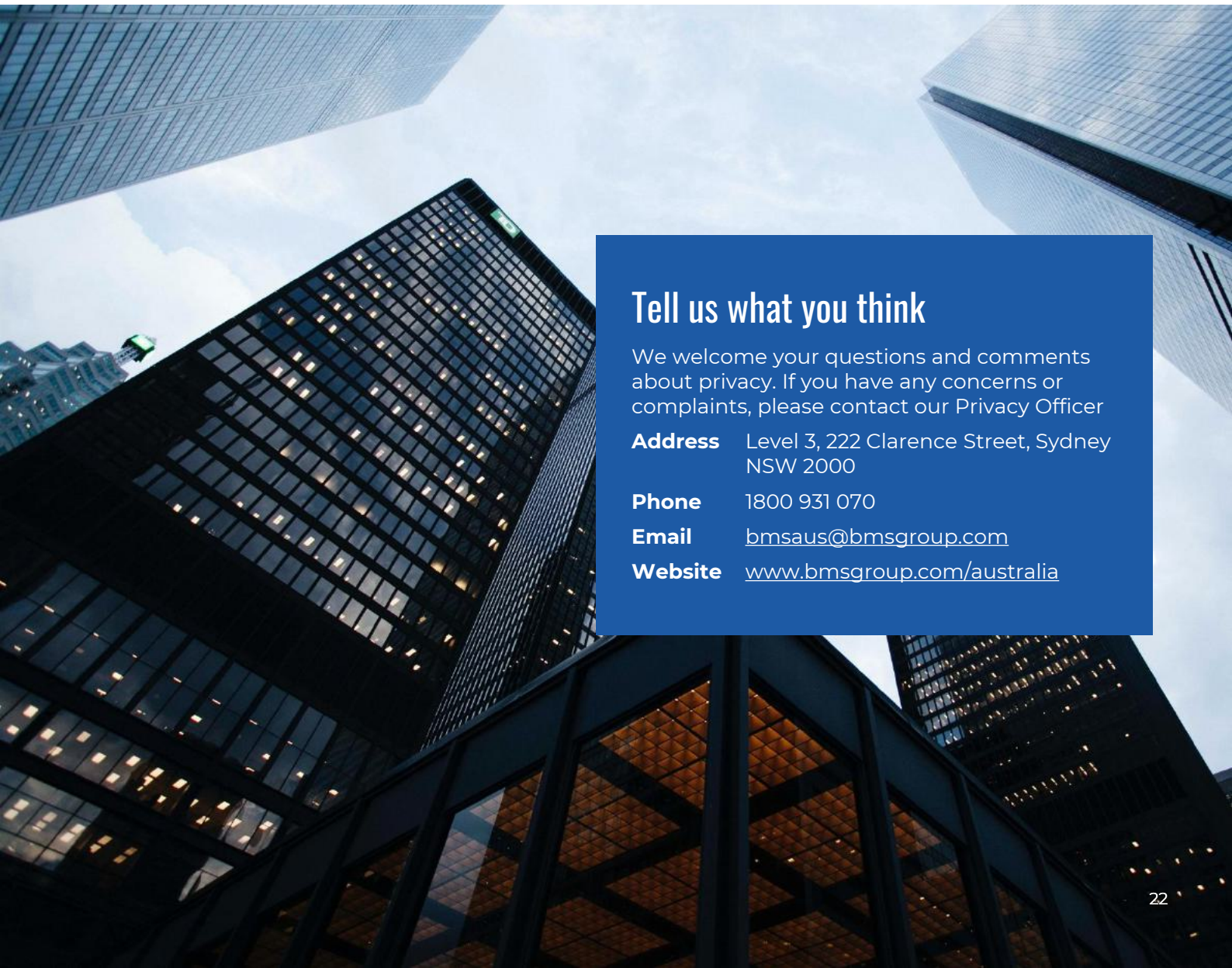
We also use your information to send you requested product information and promotional material and to enable us to manage your ongoing requirements, e.g. renewals, and our relationship with you, e.g. invoicing, client surveys etc.

We may occasionally notify you direct marketing about new services and special offers, events or articles we think will be of interest to you. We may send you regular updates by email or by post on insurance matters. If you would rather not receive this information or do not wish to receive it electronically, email or write to us.

We may use your information internally to help us improve our services and help resolve any problems.

Any personal information that you provide to obtain a quotation or purchase insurance products on a BMS website is collected and managed by BMS.

We have implemented an automated messaging system (chatbot) on some BMS websites. If you decide to communicate with us via the chatbot, it will collect your personal information and refer those details to us to enable us to respond to your enquiry. If you do not want to interact with our chatbot, you can communicate with us directly at bmsaus@bmsgroup.com



Tell us what you think

We welcome your questions and comments about privacy. If you have any concerns or complaints, please contact our Privacy Officer

Address Level 3, 222 Clarence Street, Sydney NSW 2000

Phone 1800 931 070

Email bmsaus@bmsgroup.com

Website www.bmsgroup.com/australia