

TERMS, CONDITIONS & IMPORTANT NOTICES

EFFECTIVE 1.6.2005



Australian Financial Services Licence 236499. ABN 45 001 366 847

If you ask us to arrange cover it is understood that you accept the following terms and conditions:

1. Your Agent

Eagle Insurance Brokers will be acting as your agent and not the agent of the insurer as provided for in the insurance Agents and Brokers Act 1984 for the period of the insurance contract (policy).

2. General Advice Warning

If we have not provide you with a Statement of Advice (SOA) then this advice has been prepared without taking into account your objectives, financial situation or needs. Because of this you should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation or needs. If the advice relates to the acquisition or possible acquisition of an insurance policy, you should consider obtaining a Product Disclosure Statement (PDS) relating to the product and consider that PDS before making any decisions about whether to acquire the policy.

3. Interim Cover

Cover will be interim cover only and based upon the Insurers standard policy wording - continued cover will be dependent on you providing a signed proposal form and it being accepted by the Insurer.

4. Policy Documentation

The policy document will be sent to you as soon as possible after issue by the insurer. Should our firm have the ability to issue the policy electronically we will issue this within one month of the policy being fully paid.

5. Explanation of Policy Conditions & Exclusions

- It is not feasible for us to explain to you every term, condition or exclusion that the policy contains - you accept responsibility to read the policy so as to be aware of the terms, conditions and exclusions it imposes.
- We will be pleased to explain any policy term, condition or exclusion that you don't understand but unless we hear from you within 30 days of sending the policy to you it will be taken that you accept the policy as meeting your requirements.

6. Insurer Security

- Eagle Insurance Brokers will endeavor to obtain sound cover with licensed Insurers but we cannot vouch for the financial stability or claim paying ability of any Insurer.
- Should cover be placed with an insurer domiciled overseas and referred to as an "Unauthorised Foreign Insurer" then we will provide written details of that insurer and their location and require your written consent accepting that insurer but we cannot vouch for the financial stability or claim paying ability of any insurer.

7. Premiums

- All Premiums will be invoiced by Eagle Insurance Brokers and are payable to Eagle Insurance Brokers.
- Premiums are not necessarily the lowest available since 'Best Insurance' does not always equate with the lowest premium.

We endeavor to find the best priced policy taking into consideration the insurer and their reputation for service beyond the contract.

- If you use 'Premium Funding' to pay the premium and the premium funder requests cancellation of the policy (as per your contract with the funder) we will act on that request and forward any premium refund to the premium funder.

8. Eagle Remuneration

- We will always show any fees payable by you on our invoice separate to the insurers' premium and any Government taxes and levies. Additionally, we will receive brokerage or commission from Insurers'.
- If we arrange premium funding for you we will also receive commission from the premium funder.
- If we refer you to another firm we may receive a fee from that firm.

9. Termination of Services

- Our services can be terminated at any time by either you or us giving written notice to the other.
- If services are terminated by Eagle Insurance Brokers then you will be entitled to a refund of a pro-rata portion of brokerage and fees paid or payable for the period of the insurance contract - any premiums held by Eagle Insurance Brokers will be remitted to Insurers.
- If services are terminated by you then Eagle Insurance Brokers will be entitled to retain all brokerage and fees paid or payable for the period of the insurance contract - any premiums held by Eagle Insurance Brokers will be remitted to the Insurers.

10. Collection and Use of Personal Information

- As an insurance broker and advisor it is necessary for us to collect 'Personal Information' as defined by the Privacy Act 1988 (Cmth) so that we can obtain insurance on your behalf or resolve claims or otherwise advise you in regard to insurance and risk management matters.
- This 'Personal Information' will need to be disclosed to third parties such as insurers, insurance agents, loss adjusters, lawyers, accountants and others depending on the task we are undertaking on your behalf.
- We take reasonable steps to ensure that the information is accurate, complete and up-to-date.
- When you provide us with 'Personal Information' about other persons, we rely on you to have made them aware that you are providing the information to us and the way in which we will use it.
- If you engage our services you will be confirming your understanding and agreement to the above use of 'Personal Information' on your own behalf and on behalf of those you represent.

11. Average

Where a contract includes the averaging provision we are required to draw your attention to the nature and effect of the provision. Average means that if you under insure you may not receive full compensation in the event of a loss occurring.

It puts you in a position where you proportionally share a loss.

12. Duty of disclosure

- a. Before you enter into a contract of general insurance with an insurer you have a duty, under the Insurance Contracts Act 1984 to disclose to the insurer every matter that you know, or could be reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so on what terms.
- b. You have the same duty to disclose these matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance. Your duty however does not require disclosure of matter that diminishes the risk to be undertaken by the insurer:
 - that is of common knowledge:
 - that your insurer knows or, in the ordinary course of his business, ought to know:
 - as to which compliance with your duty is waived by the insurer.

13. Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce his liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

14. Hold harmless agreements, contracting out, and removal of subrogation rights

You will prejudice your rights of a claim, if, without prior agreement from your insurer, you make any agreement that will prevent the insurer from recovering the loss from a third party. These "hold harmless" clauses are often found in leases, in maintenance or supply contracts from burglar alarm or fire protection installers and in building repair contracts – If you are in doubt please consult with us. This notification requirement applies to all property covers and also to Liability insurances. It also has a special connotation in Products Liability where you must not (without the insurer's prior agreement) hold a supplier "harmless".

15. Insuring the interest of other parties

If you require the interest of a party other than the names insured to be covered, you MUST request this. Most policy conditions will exclude indemnity to other parties (e.g. mortgagees, lessors, principles etc.) unless their interest is properly noted on the policy.

16. Change of risk or circumstance

It is imperative that you advise us of location changes, of new business activities, new products or any radical departure from your normal form of business. For example, an insurer may well accept an engineering risk but no longer give cover if a woodworking activity is entered into. In Liability Insurance, underwriters may be aware of the nature of your business changes and specifically in Products Liability if your product range changes you are involved in products not previously referred to underwriters. In Personal Accident insurance a change in occupation or sporting activities could prejudice your cover.

17. Utmost good faith

Insurance contracts are subject to the doctrine of utmost good faith and this is part of the law. Utmost good faith must be strictly adhered to by both parties and if you fail to do so you may prejudice any claim.

18. Insurance Brokers Dispute Ltd

The Insurance Brokers Dispute organisation (IBD) is a free consumer service designed to handle complaints and help resolve problems

concerning a general or life insurance policy. If you have a query about whether your complaint can be handled by the IBD, call the Consumer Relations Manager on 1800 064 169.

19. Claims made policies

Professional Indemnity, Directors and Officers Liability, Trustees Liability, Product Tamper, Legal Expenses and some General and Products Liability policies are issued on a "claims made" basis.

This means that the policy only covers you for claims which are made against you and notified to the insurer during the period of cover. The policy will not respond to:

- events or circumstances that occurred prior to the retroactive date stated in the policy:
- claims or circumstances known or notified prior to inception of the policy: or
- claims or circumstances notified after the expiry irrespective of the date of the occurrence involved.

Where you become aware of facts or circumstances that might give rise to a claim against you, it is important that you give notice in writing as soon as possible and before expiry of the period of cover.

20. Terrorism Insurance Act 2003

The legislation provides replacement terrorism insurance coverage for commercial property and business interruption at affordable premiums. The legislation will have the effect of nullifying any terrorism exclusion clauses included in eligible insurance contracts in force at, or after 1 July 2003. The result will be that the holders of eligible insurance contracts will receive the same cover for eligible terrorism losses as that which the contract provides for in relation to losses from other causes. For example, if a terrorist act caused a fire to a commercial building, then the policy holder would receive the same amount of compensation as the contract may provide in relation to a fire resulting from a different cause.

21. Year 2000 / Cyber Exclusion

It is also not widely known that most policies may also still have a Year 2000 or Cyber clause in them and you should be aware of the consequences of this exclusion.

22. Asbestos Exclusion

Some insurers are now including an Asbestos exclusion where the Liability section of your policy may exclude cover "resulting from the existence, mining, handling, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products and/or products containing asbestos". You should check your policy should a clause like this affect your business, please let your account broker know so we can act accordingly.

23. Cooling Off Period

During the cooling off period you can return your policy or provide us a written instruction that you do not wish to proceed with your policy and obtain a refund. There are certain terms and conditions applying to the cooling off clause and these differ from each insurer that we use. Normally the cooling off period is 14 days but some insurers may provide longer time periods. Please ask us for more details if you require them.

If you have any further questions about the financial services we provide, please don't hesitate to contact us.

Please retain this document for your reference and any future dealings with us.

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