

FINANCIAL SERVICES GUIDE

VERSION 18

EFFECTIVE: 16/07/2020

BUSINESS WITHOUT BOUNDARIES



JOE VELLA
INSURANCE BROKERS

THE FINANCIAL SERVICES GUIDE

The Financial Services referred to in this Financial Services Guide (FSG) are offered by Joe Vella Insurance Brokers Pty Ltd ABN 91 074 970 540.

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).

WHO DO WE COMPARE POLICIES WITH?

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 all other policies available in the market, only with those available from the insurers we deal with regularly.

PRODUCT DISCLOSURE STATEMENT

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

FROM WHEN DOES THIS FSG APPLY?

This FSG applies from 16th July 2020 and remains valid unless a further FSG is issued to replace it. We may give you a supplementary FSG. It will not replace this FSG but will cover services not covered by this FSG.

HOW CAN I INSTRUCT YOU?

You can contact us to give us instructions by post, by phone, in person, by fax or by email on the contact number or details mentioned on the back cover of this FSG. It is our preference to always receive instructions from you in writing.

WHO IS RESPONSIBLE FOR THE FINANCIAL SERVICES PROVIDED?

Joe Vella Insurance Brokers Pty Ltd is responsible for the Financial Services that will be provided to you, or through you to your family members, including the distribution of this FSG.

Joe Vella Insurance Brokers Pty Ltd holds a current Australian Financial Services Licence no: 240035. The contact details for Joe Vella Insurance Brokers Pty Ltd are on the back cover of this FSG.

WHAT KINDS OF FINANCIAL SERVICES ARE YOU AUTHORISED TO PROVIDE TO ME AND WHAT KINDS OF FINANCIAL PRODUCT/S DO THOSE SERVICES RELATE TO?

Joe Vella Insurance Brokers Pty Ltd is authorised to advise on and deal in general insurance products to wholesale and/or retail clients. We will do this for you as your broker unless we tell you otherwise.

WILL I 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, 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.

CONTRACTUAL LIABILITY AND YOUR INSURANCE COVER (HOLD HARMLESS)

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.

OTHER PARTIES' INTEREST

The Insurance Contract only covers the interest in the property of the Named Insured and does not extend to cover the interest of any Third Party in any such property, unless such other party is nominated on the policy.

UNDER-INSURANCE

If you are under-insured, this will impact you in the event of a claim. Even if it is only a partial loss, it is likely that you will be deemed to be carrying a percentage of risk and you may not receive a complete pay out.

To show the impact of under-insurance, we have included the following example based on a policy with an 80% co-insurance / under-insurance clause:

$$\text{Adjusted Loss} = (\text{Declared} / \text{Value}) \times \text{Loss}$$

For example, you insure your building for \$500,000 and the true value of the risk is \$800,000. If you had a storm where the repair bill was \$200,000 your policy would respond as follows:

$$\text{Adjusted Loss} = (\$500,000 / \$800,000) \times \$200,000 = \$125,000$$

Therefore for the \$200,000 repair bill – the under-insured loss would result in a payout of only \$125,000 which would leave you \$75,000 out of pocket.

It is essential therefore that you ensure that the property is insured for its full and correct value at the time you enter into the Contract of Insurance.

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 and a copy is also available on our website (www.jvib.com.au).

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

Joe Vella Insurance Brokers protects your privacy in accordance with the Privacy Act 1998 (Cth) and the Australian Privacy Principles.

HOW WILL I PAY FOR THE SERVICES PROVIDED?

For each insurance product the insurer will charge a premium that includes any relevant taxes, charges and levies. We often receive a payment based on a percentage of this premium (excluding relevant taxes, charges and levies) called commission, which is paid to us by the insurers. However, in some cases we will also charge you a fee. We reserve the right to charge broker fees for all policy transactions. These will all be shown on the invoice that we send you. 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.

If there is a refund or reduction of your premium as a result of a cancellation or alteration to a policy, or based on a term of your policy (such as a premium adjustment provision), we will retain any fee we have charged you. We will also retain commission depending on our arrangements with the insurer, or charge you a cancellation fee equal to the reduction in our commission.

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.

HOW ARE ANY COMMISSIONS, FEES OR OTHER BENEFITS CALCULATED FOR PROVIDING THE FINANCIAL SERVICES?

Our commission will be calculated based on the following formula:

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

In this formula:

X = our commission.

Y% = the percentage commission paid to us by the insurer.

Our commission varies between 0% and 27%.

P = the amount you pay for any insurance policy

(less any government fees or charges included in that amount).

Any fees that we charge you will generally be in the range of 0% to 10% of the base premium.

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 70% of our commission or fees.

Our employees that will assist you with your insurance needs will be paid a market salary. Joe Vella Insurance Brokers employees may earn an incentive payment which may be paid on a monthly basis and it may be up to 30% of total commission and fee earned by Joe Vella Insurance Brokers.

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. See below for information on our other associations and related commission.

WHAT ARE MY PAYMENT OPTIONS?

Upon issue of an invoice by us, you are required to pay the invoice within 30 days of the commencement date of cover, unless we advise you of some other period or, in the case of renewals, before the expiry date of the current contract.

We have established a variety of payment methods so there is sure to be a method to suit you.

- **Direct credit**

Should you wish to pay your account via Direct Credit, our bank details can be found on your invoice or by contacting us. The contact details for Joe Vella Insurance Brokers Pty Ltd are on the back cover of this FSG.

We ask that you advise us the date paid, amount paid and invoice number. This can be done by phone, fax, or email (jvib@jvib.com.au). We ask this, as on occasion our bank statements will only show a deposit amount, and no other reference.

- **Credit cards**

We are able to accept the following credit cards:

- MasterCard • Visa • American Express

As you may be aware, the Credit Card Companies charge us a Merchant Fee for each transaction. This fee applies to the total premium, not just our brokerage portion. As the insurers do not reimburse us their portion of the fee, we are compelled to add the merchant fee to your payments, where the total amount paid is over a certain limit. For information regarding this payment limit, please contact our office. We will issue you a receipt to show the amount of this fee.

- **Cash, cheque or money order**

Of course, you can still come into our office and pay cash, or post a cheque or Australia Post money order to us.

- **Premium funding**

For commercial policies, we may be able to offer this option for the payment. This particular service provides a program for insurance premiums to be paid on a monthly facility arrangement with specialist Premium Funders. This offers benefits as outlined hereunder:

CONSERVE YOUR CASH FLOW:

Premium Funding allows you to eliminate an advance outlay of 100% cash, enabling you to spread payment over a period of time and utilise liquid funds for income generating activities.

ADDITIONAL LINE OF CREDIT:

Premium Funding acts as an additional line of credit as it does not interfere with your established financial arrangements and may even reduce your current line of credit.

NO ADDITIONAL GUARANTEES:

No additional financial guarantees are required as security is absorbed over the insurance policies and funding enables you to utilise assets for your other business interests.

TAX DEDUCTIBILITY:

In addition to commercial insurance premiums being tax deductible, so is the interest charged on Premium Funding.

Refer to the previous page for additional information.

DO YOU HAVE ANY RELATIONSHIPS OR ASSOCIATIONS WITH THE INSURERS WHO ISSUE THE INSURANCE POLICIES OR ANY OTHER MATERIAL RELATIONSHIPS?

Joe Vella Insurance Brokers Pty Ltd is a Steadfast Group Limited (Steadfast) Equity Broker. Steadfast has exclusive arrangements with some insurers and Premium Funders (Partners) under which Steadfast will receive between 0.5 – 3.0% commission for each product arranged by us with those Partners. Steadfast is a shareholder in a number of Steadfast Equity Brokers. Steadfast is also a shareholder of some Partners.

We may receive a proportion of that commission from Steadfast at the end of each financial year (or other agreed period).

As a Steadfast Equity Broker we have access to member services including model operating and compliance tools, procedures, manuals and training, legal, technical, banking and recruitment advice and assistance, group insurance arrangements, product comparison and placement support, claims support and group purchasing arrangements. These member services are either funded by Steadfast, subsidised by Steadfast or available exclusively to Steadfast Equity Brokers for a fee.

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

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% to 4% of funded premium. When we arrange premium funding for you, you can ask us what commission rates we are paid for that funding arrangement compared to the other arrangements that were available to you. The amount of our commission and any fee that we charge will be set out in the premium funding contract.

Effective from 20th March 2019, Steadfast Group signed a contract to acquire the remaining 50% interest in Macquarie Premium Funding (MPF) from Macquarie Bank, which takes Steadfast's total ownership to 100%. MPF has now been rebranded to IQumulate Premium Funding. If we arrange premium funding with IQumulate Premium Funding for you, under its agreement with IQumulate Premium Funding, Steadfast will receive 0.5% of your insurance premium (including government fees or charges). As an equity shareholder of IQumulate Premium Funding, Steadfast may also receive dividends from profits of IQumulate Premium Funding. The amount of the Steadfast dividend is based on the share of profit attributable to funding arranged by Steadfast brokers. The payments (commission and dividends) that Steadfast receives from IQumulate Premium Funding are used to operate Steadfast. Depending on the operating costs of Steadfast and the amount of total business we place with IQumulate Premium Funding in any financial year, we may receive a portion of those amounts at the end of each financial year.

DETAILS OF OTHER RELATIONSHIPS THAT MIGHT INFLUENCE OUR ADVICE:

- Kerry Farquharson and Indalia Australia Pty Ltd trading as Sage Financial Advice

Kerry Farquharson and Indalia Australia Pty Ltd trading as Sage Financial Advice are Authorised Representative Numbers 1002608 and 1282558 (respectively) acting under authority from Synchronised Business Services Pty Ltd trading as Synchron,

AFSL 243313 Life Insurance Broker. If we believe that you could benefit from the services offered by Kerry Farquharson and Sage Financial Advice, we will, with your permission, pass your details onto Kerry Farquharson and Sage Financial Advice.

Joe Vella Insurance Brokers does not receive any commission for this referral.

On occasion, individual staff from Joe Vella Insurance Brokers may receive an incentive bonus for referring clients to Authorised Representatives of Kerry Farquharson and Sage Financial Advice. You will be advised of any incentives Joe Vella Insurance Brokers staff receives at the time of your referral.

Neither Joe Vella or JVIB have any financial interest in Kerry Farquharson and Sage Financial Advice.

- **All Parks Insurance Pty Ltd**

All Parks Insurance Pty Ltd is an underwriting agency specialising in Caravan Park, Camping Ground, Holiday Village and Home Estate insurance.

All Parks Insurance Pty Ltd holds a current Australian Financial Services Licence Number: 494836, ABN: 25 151 703 525.

If we believe this product to best suit your insurance needs, we will, with your permission arrange cover for you accordingly. Joe Vella Insurance Brokers Pty Ltd will receive the benefits outlined under the heading 'How are any commissions, fees or other benefits calculated for providing the financial services' in this FSG.

The Managing Director of Joe Vella Insurance Brokers Pty Ltd, Mr Joe Vella, is also a director of All Parks Insurance Pty Ltd. Joe Vella Insurance Brokers is not a shareholder in All Parks Insurance Pty Ltd.

WHAT SHOULD I DO IF I HAVE A COMPLAINT?

- 1)** Contact us and tell us about your complaint. We will do our best to resolve it quickly.
- 2)** If your complaint is not satisfactorily resolved within 20 days, please contact The Complaints Officer on (07) 4040 4444 or put your complaint in writing and send it to The Complaints Officer at the Cairns office, the address is on the back cover of this FSG. We will try and resolve your complaint quickly and fairly.

- 3) Joe Vella Insurance Brokers Pty Ltd is a member of the Australian Financial Complaints Authority (AFCA) and uses AFCA as our External Dispute Resolution (EDR) process. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

If your complaint cannot be resolved to your satisfaction by us you have the right to refer the matter further.

The AFCA can be contacted at:

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

Mail: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

NIBA CODE OF PRACTICE

Joe Vella Insurance Brokers Pty Ltd is a member of the National Insurance Brokers Association (NIBA). NIBA is the national trade association for licensed Life and General Insurance Brokers in Australia. As a member of this association we abide by the NIBA Code of Practice.

- 1) We will comply with all relevant law
- 2) We will transparently manage any conflicts of interest that may arise
- 3) We will clearly tell you if we do not act for you
- 4) We will clearly tell you about the scope of our covered services
- 5) We will discharge our duties diligently, competently, fairly and with honesty and integrity
- 6) We will clearly tell you how our covered services are paid for before we provide them and answer any questions you have
- 7) We will handle any money received in accordance with relevant law and any agreement with you
- 8) We will ensure that we and our representatives are competent and adequately trained to provide the relevant services and will maintain this competence

- 9) We will respond to catastrophes and disasters in a timely, professional, practical and compassionate manner in conjunction with any industry-wide response
- 10) We will ensure that we have an internal complaints and disputes handling process that meets the Code Complaints and Dispute process standards
- 11) We will support NIBA in promoting the Code and make information on the Code (including how to make a complaint) and our Covered Services readily available to you
- 12) We will not engage in activity or inactivity that is reasonably likely to bring the insurance broking profession into disrepute

WHAT ARRANGEMENTS DO YOU HAVE IN PLACE TO COMPENSATE CLIENTS FOR LOSSES?

Joe Vella Insurance Brokers Pty Ltd has a professional indemnity insurance policy (PI policy) in place.

The PI policy covers us and our employees for claims made against us and our employees by clients as a result of our conduct, or our employees in the provision of Financial Services.

Our PI policy will cover us for claims relating to the conduct of representatives who no longer work for us.

ANY QUESTIONS?

If you have any further questions about the Financial Services Joe Vella Insurance Brokers Pty Ltd provides, please contact us.

Please retain this document for your reference and any future dealings with Joe Vella Insurance Brokers Pty Ltd.



JOE VELLA
INSURANCE BROKERS

CAIRNS

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For more information visit:

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PROUD MEMBERS OF THE STEADFAST GROUP AND
THE NATIONAL INSURANCE BROKERS ASSOCIATION

