

TERMS OF BUSINESS

We take this opportunity, for our mutual benefit, to detail the terms of any direction made in relation to the appointment of CRM Brokers as your insurance broker.

New Business

If you need cover for property or a risk not currently insured, you will need to advise CRM Brokers as soon as practical.

If you want immediate cover, we will endeavour to arrange interim cover under a cover note, but in order to do so we will, in all instances, need to have details of the property or risk (e.g. nature of risk, location, sums insured, etc.) and all information to be disclosed to the insurer. We will then send you a proposal for completion, which we ask you to return to us as soon as possible. Interim cover is provided for a limited period (e.g. one month or sometimes less) and will lapse unless the proposal is submitted to the insurer during its currency. The insurer should issue the policy within approximately two months.

Renewals

We will attempt to give you at least fourteen days' notice of expiry of any cover arranged or last renewed by us on your behalf. This is obviously dependant on receiving all information from you and the insurance company.

We do not accept liability for giving you notice of expiry of any cover arranged or last renewed direct with the insurer or through another broker. Our invoice for renewal of the cover will include all details of the cover as expiring. In order for us to secure the renewal on your behalf, we must receive before the expiry date your instructions in writing to renew the cover. If you want the cover to be altered in any way, please contact us immediately.

We do not accept responsibility for following you up to check whether you wish to renew. If we do not receive payment of our invoice or written renewal instructions by the expiry date, cover will not be renewed.

Variations

If you want to vary any cover (e.g. by increasing the sums insured, or adding another location, etc.) please contact us. You will need to give us not only the details of the variation you are seeking, but also details of relevant matters to be disclosed to the insurer that have not been previously disclosed. We will then confirm the variation we have effected with the insurer.

Advice

If you need advice on your insurance covers or rationalisation of your insurance arrangements or if you have any other query please contact your Account Manager (and not one of our junior staff). The Account Manager will be happy to answer minor queries, over the telephone, but written advice or confirmation should be sought in relation to any matter on which you propose to rely. We accept responsibility for written advice, but we accept no responsibility for verbal advice.

We do charge for the service of providing advice if the matter requires a significant amount of time. We shall discuss the charge with you at the time.

Direct Offshore Foreign Insurers (DOFI)

From time to time, we may use DOFI's to underwrite a risk. This is not a course that we actively pursue as there are obviously risks involved. We may use DOFI's in three scenarios:

- Where no Australian authorised insurer will insure the risk.
- Where the terms (including price) on which any Australian authorised insurer will insure the risk are substantially less favourable to the insured than the terms on which the DOFI will insure the risk.
- There are other circumstances that mean that insurance with an authorised insurer is substantially less favourable to the insured than with the DOFI.

Where we make a placement into these markets you will be asked to complete a declaration stating that you are aware that the insurer is not authorised under the Insurance Act 1973 to conduct insurance business in Australia and is not subject to the provisions of that Act, which establishes a system of financial supervision of general insurers in Australia that is monitored by the Australian Prudential Regulation Authority (APRA).

Broker Fee

CRM Brokers, at your request will arrange, renew or vary cover on your behalf. Our fees are determined on an individual basis. Key factors affecting this are:

- Complexity of account in broking and claims management and if applicable, overseas placements.
- The needs (both immediate and ongoing) of our client.
- The depth of advice required and given throughout the term of insurance, in particular, areas such as contract vetting and risk management.
- Where the exact amount is not known, then we will provide the narrowest range possible. As a general rule (unless otherwise specified) our fees start at 10% + GST of the insurer's gross premium.

Terms of Payment

When we arrange, renew or vary a cover on your behalf, we will invoice you for the premium, statutory charges (e.g. stamp duty, fire services levies etc.) and our brokerage and/or fees.

In the case of renewal, if you wish to instruct renewal by payment of our invoice, we must receive payment in full before the expiry date.

In all other cases, our invoices are payable by you within thirty days of the date of the invoice (notwithstanding that the invoice may be addressed to some other party at your request). The full amount is payable by you to us, including the premium and statutory charges and/or brokerage and/or fees.

If a cover is cancelled before the expiry of the period of insurance we will refund to you only the nett return premium we receive from the insurer that is nett of any commission and fees. We will not refund any part of the commission or fees we received for arranging the cover.

Some insurers have a minimum premium. In these circumstances, any refund will be based on the refundable amount as advised by the insurer and subject to the same limitations as detailed above.

Notices

In accordance with normal business procedures, we will direct all notices and correspondence in relation to covers we arrange or renew on your behalf to your address.

If you wish to change this address, or utilise a postal address please advise us in writing of the new address. Unless you do so, our records will not be altered and notices and correspondence will continue to go to the existing address.

We do not accept responsibility for following up responses from you to correspondence or notices sent to your address.

Insurers are not required to give notices to insureds when covers are arranged through a registered insurance broker. Thus you will not receive them from the insurer for covers arranged by our company on your behalf. You will always be supplied with the original policy document. If you do not receive the document within a reasonable time after completing all necessary documentation and payment in full has been made, you should contact this office immediately.

It is imperative that you check all your insurance certificates and policy wordings to ensure that they provide the cover you require and that you fully understand their limitations. In all cases, the documentation provided by CRM Brokers should be cross checked against any proposal form that you have completed to ensure that all disclosable details have been supplied to the insurer. If you have not retained a copy of the proposals, they are available on request from our office. We again stress that you should feel free to contact us if you have any query.

Signed on behalf of:

.....
(Your Name or Company Name)

.....
(Your signature; authorised to sign on behalf of your Company)

Date:

Please return the signed document to crm@crmbrokers.com.au