

# Financial Services Guide



Effective Date: 31 October 2022

This Financial Services Guide (FSG) contains information on:

- the services we are authorised to provide to you;
- our remuneration;
- our internal and external dispute resolution procedures; and
- how we manage potential conflicts of interest and other important information.

If you appoint us as your general insurance broker, we will act in accordance with the terms set out below.

This is an important document. Please read it carefully and keep it in a safe place.

## Who is Avatar?

Avatar holds an Australian Financial Services Licence - Number 453267.

The licence authorises us to carry on a financial services business to Retail and Wholesale Clients to:

- provide financial product advice for the following classes of financial products:
  - general insurance products; and
- deal in a financial product by:
  - applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:  
  
general insurance products

## How do you contact us?

Avatar Brokers Pty Ltd (ABN 17 166 369 446)

Melbourne

Level 2, 179 Queen Street  
Melbourne VIC 3000  
Australia

Phone: +61 3 9123 1850

Email: [avatar@avatarbrokers.com](mailto:avatar@avatarbrokers.com)

Web: [www.avatarbrokers.com](http://www.avatarbrokers.com)

Sydney

Level 5, 1 Margaret Street  
Sydney NSW 2000  
Australia

Phone: +61 2 8377 9150

## How can you instruct us about your insurance?

You may instruct us about your insurance by telephone, in person, or email, or by other means as we agree with you.

## Who do we act for?

As an insurance broker we normally act for you as your agent.

We will tell you if we are not acting for you in providing any of the financial services. For example, for some insurance products, insurers may grant us a binding authority or similar facility to accept business on their behalf. When we place your insurance under a binding authority or similar facility, we act for you when we provide you with advice or product recommendation, but we act for the insurer when we issue the insurance contract.

We may also be granted an authority by insurers, for example under a binding authority, to settle claims on your insurance. We act for the insurer when we settle claims within the terms and conditions of the authority granted.

It is our policy to refer claims to insurers for a settlement decision where we are unable to settle the claim on a 100% basis.

### Lack of independence

We receive commissions from the underwriters that we place your insurance with and we retain that commission to operate our business.

## Insurance Brokers Code of Practice

We subscribe to the Insurance Brokers Code of Practice. The Insurance Brokers Code of Practice (the Code) sets out standards of conduct for all Members of the National Insurance Brokers Association (NIBA) and non-members who have subscribed to the Code.

The Code is independently monitored and enforced by a Code Compliance Committee.

The Code provides additional safeguards for clients that are not set out in the law. In some areas, the Code sets higher standards than those required by law. No part of the Code limits, or is intended to limit, a client's rights under the law.

For more information about the Code of Practice, please ask us for a copy or you can view the Code [here](#).

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## Retail Clients

Under the Corporations Act 2001 (The Act) Retail Clients are provided with additional protection relative to 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.

In most cases we only provide General Advice to our Retail Clients. General Advice does not take into account your particular needs and requirements and you should consider the appropriateness of this advice to your circumstances prior to acting upon it.

When you ask us to recommend an insurance policy, we will usually only consider the policies offered by the insurance providers that we regularly deal with.

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 insurance providers we regularly deal with. If we recommend the purchase of a particular financial product, we will also give you a Product Disclosure Statement (PDS) at that time. The PDS is prepared by the Insurer and contains information about the recommended product, to help you make a more informed decision about whether or not to purchase the product.

## What if we have a conflict of interest?

Circumstances may arise where we find we have a conflict of interest in, or otherwise have a material interest in or related to, a matter in which we are acting. For example, we may be asked to act on behalf of an insurer in the appointment of a loss adjuster; or we may find that the interests of two of the clients for whom we act are in conflict.

We have conflict management procedures and we seek to avoid conflicts of interest. Where a conflict is unavoidable we will explain the position fully and manage the situation in such a way as to avoid prejudice to any party. The insurance market is complex and there could be other relationships not described here which might create conflicts of interest. Whatever the circumstances, we will act in your best interests and, if a conflict arises for which there is no practicable solution, we will withdraw unless

you wish us to continue to act for you and provide us with your written consent to that effect.

## Compensation

We hold a Professional Indemnity Policy. This policy is designed to pay claims by Third Parties (including our clients) arising out of our professional negligence. The policy extends to cover us for work done for us by representatives / employees after they cease to work for us and satisfies the requirements for compensation arrangements under Section 912B of The Act.

## Contact Agreement

To ensure that we provide you with appropriate products and services, you agree to us calling you to discuss any new products and services. If you do not wish to receive such calls please advise us and we will place you on our Do Not Call Register.

## Electronic delivery of Disclosure Notices

Please note that where possible we prefer to provide all correspondence and disclosure notices (including Financial Services Guides and Product Disclosure Statements) to you electronically, via email attachments or email links to documents/websites etc. If you have provided your email address to us we will typically use that email address for all correspondence and disclosure notices. Should you not wish to be sent disclosure documents electronically please advise us and we will update our records accordingly.

## What should you do if you have a complaint?

Clients not satisfied with our services should contact our Complaints Officer, on +61 3 9123 1850. We will acknowledge your complaint within 5 business days of receipt and advise you of the person dealing with it.

We are members of the Australian Financial Complaints Authority (AFCA), a free consumer service. If you are unhappy with our response to your complaint you have the right to refer the complaint to AFCA.

AFCA can be contacted as follows:-

<http://www.afca.org.au/>

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Australia

9am - 5pm Melbourne time weekdays

Telephone +61 1800 931 678

Email [info@afca.org.au](mailto:info@afca.org.au)

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## Privacy considerations

The Privacy Act 1988 sets out standards for the collection and management of personal information. With your consent, we will only use your personal information for general insurance services.

You can check the information we hold about you at any time. For more information about our Privacy Policy, please ask us for a copy.

To ensure that we provide you with appropriate products and services, you agree to us calling you to discuss any new products and services. If you do not wish to receive such calls, please advise us and we will place you on our Do Not Call Register.

## What if there is a change in your circumstances?

You must advise us as soon as reasonably practicable of any change in your circumstances that may affect the services to be provided by us or the cover provided under your insurance policy. We may need to give you advice as to the suitability of the insurance for your changed circumstances to ensure it remains appropriate for your needs, objectives and financial situation.

## How do you pay for our services?

Our remuneration will be either commission, which is a percentage of the insurance premium paid by you and allowed to us by the insurer, a service fee as agreed with you, or a combination of fee and commission.

The amount of commission varies between 0% and 25% of the base premium you pay.

A policy administration fee (on a per invoice basis) may also apply. We will advise you of the amount of the policy administration fee when we provide you with the insurance quote.

Service fees will be calculated and disclosed to you at the time that we advise you on your insurance requirements. Fees may be calculated as a percentage of the premium quoted to you.

Where a policy is cancelled before the period of insurance has ended we will retain the commission due on any return premium and any broker fees relating to the policy.

Commission and / or broker fees are not refundable should you elect to cancel our appointment as broker.

## What remuneration is received by our employees?

Our employees receive an annual salary that may include discretionary annual bonuses based on pre-determined business performance criteria such as client service standards and business profitability. They may also from time to time be eligible to receive incentives or bonuses based on business retention or generation.

## What other remuneration do we receive?

### Insurers

We may receive a volume bonus, profit share or other form of financial assistance from certain insurers.

None of these arrangements oblige us to direct business to a particular insurer.

### Premium Funding

You may choose to use a premium funding finance company in connection with the insurance we place for you or the services we provide.

Premium funding products enable you to pay your premiums by instalments. Premium funders do charge interest. 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 if you ask us.

### Interest

In the ordinary course of business we may also receive interest on client and insurer monies from the date when we receive funds until the date we settle with those due to receive them. We confirm that we shall retain that interest rather than pay it to you or the insurer (as the case may be).

### Credit Card Payments

If you pay by credit card then a credit card fee may be charged by the card supplier at the time of payment.

These charges range from 1.2% - 4.8% and are charged to cover handling costs & bank charges associated with such facilities.

### Referrals

If you have been referred to us by someone else, we may pay the referrer a share of our fee or brokerage in relation to that referral. Referral fees will range from a minimum of 1% to a maximum of 50% of annual gross revenue from your program.

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## Related Service Providers

It may, at times, be appropriate for us to use other Related Service Providers such as wholesale brokers, surplus lines brokers, underwriter managers, managing general agents or reinsurance intermediaries. These parties may earn and retain commissions or fees for their role in providing products and services for you. We may also receive a percentage share of their commission or fee in relation to that referral.

## Non-monetary Remuneration

During the course of our business we may receive non-monetary remuneration from insurers, underwriters or other third parties. This may include but is not limited to; access to technology platforms and IT support, education and training, event sponsorship, and marketing assistance. We will not accept any non-monetary remuneration where doing so could reasonably be expected to influence the advice we provide to you.