

Important Notices

Please read the following notices carefully.

If you do not understand them or require clarification, contact Bellrock.

Utmost Good Faith

Section 13 of the Insurance Contracts Act 1984 (Cth) and the common law generally imposes a requirement that every contract of insurance is based on the principle of utmost good faith. This is a higher standard of the duty of good faith implied into to standard commercial contracting.

It means that each party (which means both you and the insurer) to act towards the other party in respect of any matter arising under the contract, with the utmost good faith.

If you fail to act in “utmost good faith” we will not be able to properly place your insurances and you will most likely prejudice your rights under any policies placed by us.

Bellrock Advisory Pty Ltd “Bellrock” clients and our underwriters take this duty very seriously and always endeavour to discharge these obligations.

Your Policy Wording

Your policy wordings are issued as soon as they are received from your insurers. It is absolutely essential that you read these documents and advise Bellrock in writing of any aspects which are not clear or where the cover does not meet with your requirements.

Duty Of Disclosure

In accordance with the provisions of the Insurance Contracts Act 1984 (Cth), you and everyone who is an insured under your policy and/or everyone who arranges insurance on behalf of a business entity and/or body corporate, must comply with the Duty of Disclosure.

Make sure that you explain the duty to any other insureds you apply on behalf of and/or to others involved in arranging insurance.

The duty requires you to tell an insurer certain matters which will help it decide whether to offer insurance and, if so, on what terms.

The duty applies at the first application for a policy and on any renewal, variation, extension or replacement of the policy.

The type of duty that applies can vary according to the type of policy.

To assist Bellrock arrange cover for you, it is important that you tell us every matter that:

- you know

- a reasonable person in your circumstances could be expected to know, or
- is relevant to the insurer’s decision as to offer insurance and, if so, on what terms

We can then assist you in determining whether certain information needs to be disclosed to the insurer in order to properly discharge your duty.

Examples of matters that should be disclosed are:

- any claims made in recent years for the particular type of insurance
- refusal by an insurer to renew a policy
- any unusual feature of the insured risk that may increase the likelihood of a claim.

Failure to comply with the duty may give the insurer the right to cancel the policy or reduce the amount it pays in the event of a claim. If the failure to comply with the duty is fraudulent, the insurer may treat the policy as if it never existed and pay nothing for a claim that you make.

Even if Bellrock is managing claims for you, you must disclose these matters on your proposal form or via appendix to your proposal form.

Bellrock does not and cannot complete or add to your proposal in any way.

The Duty of Disclosure must be taken seriously as it may affect your right to indemnity for a claim. The history of losses suffered and claims made by the party seeking insurance, or any person, firm or company closely associated with that party, is one of the principal matters to be disclosed.

It is therefore imperative that you maintain an up-to-date record of all such losses and claims. Whilst Bellrock will maintain records of all losses reported to us during the term of our appointment as your advisor, we do not accept responsibility for obtaining details of prior losses or for checking in any particular instance that you have made proper and complete disclosure.

We recommend you:

- supply all management and senior staff with a copy of the Duty of Disclosure Notice
- emphasise to them that the Duty of Disclosure applies not only at inception of the insurance, but also when

- policies are altered or renewed
- point out to them that disclosure is most important in matters touching upon past claims, cancellation of insurance covers, premium penalties and any other matters which may influence an underwriter's acceptance of the risk such as criminal convictions or insolvency of previous companies; and
 - have a system in place which ensures that all relevant matters come to their attention.

Claims Made Policies

Directors' and officers' liability, comprehensive crime, professional indemnity, cyber liability and superannuation trustees' liability policies (and some other liability policies) are written on a "claims made" basis.

This means that they cover only those claims made against you during the period of insurance. In some cases, you must also notify the insurer of the claim during the period of insurance.

A claims made policy does not provide cover in relation to:

- claims made after the expiry of the period of insurance even though the event giving rise to the claim may have occurred during the period of insurance;
- claims notified or arising out of circumstances notified under any previous policy;
- claims made against you prior to the commencement of the period of insurance;
- claims arising out of circumstances noted on the proposal form for the current period of insurance or on any previous proposal form; and
- events that occurred prior to the retroactive date of the policy (if such a date is specified).

However, where you give notice in writing to the insurer of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts, but before the expiry of the period of insurance, the policy will, subject to its terms and conditions, provide cover even if that claim is made after the expiry of the period of insurance. For this reason, you must send Bellrock written notice during the policy period of any facts or events that might give rise to a future claim. If you do not, you may not have cover if a claim arises later.

Upon expiry of a claim's made policy, no further claims can be made and the need to maintain insurance or the arrangement of run-off cover is essential in order to report claims arising from past events.

Claims Occurring Policies

Combined general liability, industrial special risks, travel, aviation, contract works, marine policies and some other policies are written on an occurrence basis. This means when there is an incident / occurrence giving rise to a claim, the policy that responds is the policy that was in force at the time of the incident/occurrence.

Waiver of Insurers' Rights, Indemnities and Hold Harmless Provisions

Most policies contain a clause that limits or excludes claims where the insured has limited its rights to recover a loss from another party in circumstances where that other party is responsible for the loss, or indemnifies or holds harmless a party.

For example, where you have entered into a contract limiting the liability of your client (the other contracting party) for loss who would have been liable for such loss in the absence of the contract.

If you have entered into, or propose to enter into a contract which might limit rights, indemnify or hold harmless another contracting party, please let Bellrock know so that we may advise you as to how the agreement affects, or will affect, your cover.

Underinsurance

Many policies, principally Industrial Special Risks (Material Damage and Business Interruption), Fire and Perils, General Property, Computer and Machinery Breakdown, contain an "average" (otherwise called "co-insurance" or "underinsurance") clause.

This type of clause requires you to bear a proportion of each loss or claim if the sum insured is inadequate to cover the full potential loss. In effect, you are treated as if you self-insured a proportion of the risk because you did not insure the full value of the risk.

In order to avoid the application of average to a claim it is essential to ensure that the level of insurance is adequate whenever you arrange a new policy or renew an existing one. If insurance is on a "reinstatement and replacement" basis (i.e. "new for old"), the sum insured must be for the full cost of replacing the insured property with new property.

By way of example, under Co-insurance (average) clause you are required to insure for at least 80% of the full replacement value of all assets at each location on the day of commencement of the period of insurance. If you fail to do so you risk the application of this clause - consider the following example:

Bellrock does not calculate or approve the sums insured that you notify to us. We have access to experts that offer insurance valuation services. If you would like to know more about this service, please contact us.

GST

It is customary for insurers to establish an insured's GST status upon receiving a claim and to arrange settlement on a GST neutral basis.

Changes To Your Business

The duty of utmost good faith continues through the policy period and as such, any material alterations to the nature of your business or the risk insured must be immediately

disclosed. The change in risk could mean that your policy requires endorsement or no longer is effective because of such material development.

Your insurers have assessed and accepted your risks at an agreed premium on the basis of information provided during the placement and/or subsequent renewals of your insurance policies. Any variation of those details, if not advised to them, could prejudice the insurance cover.

The following list may be used as a guide to activities that should be notified to Bellrock when they are being proposed or when they occur so that action can be taken to ensure your interests are adequately protected. It is by no means a complete list so, when in doubt, contact Bellrock for guidance:

- Contractual liabilities (i.e. leases, hiring agreements), particularly any contracts which impose greater than usual liabilities.
- Granting of indemnities or hold harmless agreements e.g. lease agreements, contracts for supply or maintenance of fire protection and/or burglary protection equipment
- Changes in processes, property occupancy, products or extension of business operations, including new products or processes or change in material nature of professional services provided.
- Issuance of any shares, debentures, ADRs; issuance of a prospectus or Information Memorandum; listing on a stock exchange; issuance of public or private offerings
- Acquisition of new companies and/or mergers and/or joint ventures (including sale or disposal of subsidiary companies).
- Purchase, construction or occupancy of new premises, alteration, vacation, temporary un-occupancy, extension or demolition of existing premises. Details of any new building or alteration work should be advised during the planning stage.
- Proposed installation of significant items of plant, machinery or equipment.
- Increase in value in excess of insured limits for buildings, plant and stock.
- Substantial removal of stock or equipment to other locations.
- Alteration, amendment to or disconnection of fire or burglary protection systems.
- Charter or operation of aircraft or waterborne craft, other than ordinary commercial passenger travel
- Developments involving establishment or extension of overseas operations or export of products
- If Fidelity Guarantee (or Employee Theft) is insured, any alteration to the system of checks, supervision, audits and the like must be advised to insurers immediately
- Advice of other activities which could affect the nature of the risk originally accepted by insurers
- Early notification of construction projects at the planning stage which will enable Bellrock to further

assist you developing a sound and economical approach to construction insurance, reviewing indemnity and insurance clauses of contracts to ensure they are drafted in your best interests and do not prejudice your insurance program and analysing your exposure to financial loss if the project is delayed, to determine your need for Advanced Business Interruption Insurance

Interests of Other Parties

Many policies exclude cover for an interest in the insured property held by someone other than the named insured, unless that interest is specifically noted on the policy. For example, if property is jointly owned, or subject to finance, the interest of the joint owner or financier may be excluded if it is not specifically noted on the policy. Generally, the safest course is to have all interests in all property insured noted on each policy.

Subcontractors and Consultants

It is advisable to check that all insurances held by subcontractors and consultants utilised, including Workers Compensation, Public Liability and Professional Indemnity are current and comply with any contractual requirements.

Leasing, Hiring and Borrowing Property

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

Confidentiality Notice

This report contains information, which is confidential. Accordingly, we trust you will understand that this report is given to you and your officers and employees in confidence and may not be reproduced in any form or communicated to any other person, firm or company without the prior approval of Bellrock.

Bellrock Privacy Policy

Bellrock is committed to protecting your personal information in accordance with the Australian Privacy Principles under the Privacy Act 1988 (Cth). We collect, use and disclose personal information to offer, promote, provide, manage and administer the many financial services and products we and our group of companies are involved in as set out in the Bellrock Privacy Notice. In order to do this, we may also share your information with other persons or entities who assist us in providing or promoting our services as set out in the Bellrock Privacy Notice.

Further information about our privacy practices can be located in the Bellrock Privacy Policy Statement which can be viewed on our website at www.bellrock.com.au or a copy can be sent to you on request by your Bellrock representative.

You may also gain access to your personal information, or modify your privacy preferences, by contacting our Privacy Officer.

Collection and Use of Corporate Client Information

Bellrock gathers data containing information about its corporate clients and their insurance placements, including, but not limited to: names, industry codes, policy types, and policy expiration dates, as well as information about the insurance companies that provide coverage to its clients or compete for its clients' insurance placements.

This information is maintained in one or more databases. In addition to being used for the benefit of Bellrock's clients, these databases also may be accessed by other Bellrock Group of companies for other purposes.

Unauthorised Foreign Insurers

If one or more of the insurance companies concerned with a particular policy is an unauthorised foreign insurer, Bellrock will notify you of this fact. An unauthorised foreign insurer is an insurer that is not located in Australia or authorised under the Insurance Act 1973 (Cth) to conduct insurance business in Australia.

Such insurers are not subject to the provisions of the Act, which establishes a system of financial supervision of general insurers in Australia that is monitored by the Australian Prudential Regulation Authority (APRA).

Bellrock can only place a policy with an unauthorised foreign insurer if the policy qualifies for limited exemptions that are available under the Act. In all other cases we can only place insurance with APRA-authorised insurers.

Please note that at Bellrock we do not propose insurers to our clients unless we believe that they are reputable and have an acceptable level of financial security.

You should note the following in relation to unauthorised foreign insurers:

- In no case does Bellrock warrant or guarantee the current or ongoing solvency of an insurer when you buy insurance. We cannot accept responsibility for the financial viability of any insurer because this is beyond our area of expertise and we have no control of the insurer's performance, which can be affected by many complex commercial and economic factors. The solvency of an insurer can change significantly between the time an insurance contract is entered into and the time a claim may be made.
- Your policy will identify if it and the insurer are to be subject to Australian law and jurisdiction. Where they aren't subject to Australian law and jurisdiction, you may not have the protection of Australian legislation such as the Insurance Contracts Act 1984 and you may have to resolve any dispute in a foreign Jurisdiction.

Even where they are subject to Australian law and jurisdiction, we do not warrant or guarantee that this will be the case and there is a risk that the insurer will not meet its obligations and you may need to seek to enforce your rights against it in a foreign jurisdiction.

In order to make your decision you can obtain further

information from Bellrock on the insurer such as:

- where it is incorporated
- its paid up capital
- whether it is subject to financial regulation
- its rating by credit rating agencies, and
- its financial reports.

Complaints

Please contact your representative at Bellrock if you have a concern about our services or any product we have provided. If you are not satisfied with the resolution of your complaint or the manner in which it has been handled, please contact Bellrock's Complaints Manager who will attempt to resolve it in accordance with our Complaints Procedures. You may obtain a copy of these procedures from Bellrock's Complaints Manager or from our website at www.bellrock.com.au

Bellrock is also a member of an external dispute resolution body approved by ASIC, the Australian Financial Complaints Authority ("AFCA"). If you are not satisfied with the outcome determined by Bellrock, you may refer your complaint to the Insurance Division of AFCA.

Alternatively, if your concern is with the Insurer, you may contact the Insurance Division of AFCA. AFCA can be contacted by calling 1300 780 808 or by email at info@adca.org.au. Further information regarding AFCA can also be found at www.afca.org.au.

Terrorism Insurance Act 2003

The Terrorism Insurance Act 2003 deems terrorism cover into certain commercial insurance policies - eligible insurance contracts - covering eligible property in Australia.

In broad terms, this Act applies to non-residential buildings, structures, other works and their contents. Business Interruption covers which relate to the ownership or occupation of such property, and liability policies, to the extent that the liability arises from the ownership or occupation of such property, are also embraced by the legislation.

To qualify as an eligible insurance contract, a policy must be subject to a terrorism exclusion. Upon an event being deemed a declared terrorism incident by the Government, the Act renders terrorism exclusions inoperative and insureds may lodge claims with their insurers for losses caused by the terrorist incident. Apart from the terrorism exclusion, all other terms and conditions of policies deemed to be eligible insurance contracts remain the same.

Policies which contain an Act of Terrorism exclusion and which are designated an eligible insurance contract in terms of the Terrorism Insurance Act, are generally identified accordingly. Subject to all other terms and conditions of policies so designated, coverage is amended to the extent provided by the Terrorism Insurance Act 2003.