



Financial Services Guide

Purpose and Content of this Statement

This Financial Services Guide (FSG) contains important information about the services provided by Capricorn Risk Services Pty Ltd (us, we or our).

The purpose of this FSG is to assist you in deciding whether and when to use the services we offer on behalf of Capricorn Mutual Ltd (Capricorn Mutual) and Capricorn Insurance Services Pty Ltd (Capricorn Insurance Services). It includes information about:

- Us and our corporate relationships
- The services we are authorised to provide
- How we (and any other relevant persons or entities) are remunerated for those services
- Our management of conflicts of interest
- Our professional indemnity insurance
- The available avenues and procedures for making an internal or external complaint against us
- Other important information

This FSG was prepared on 31 January 2018.

Capricorn Mutual and Capricorn Insurance Services have authorised us to distribute this FSG on their behalf.

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

Who are we?

Capricorn Risk Services Pty Ltd (ACN 111 632 789)

We are an authorised representative of Capricorn Mutual and Capricorn Insurance Services.

To contact us you can:

- Call us on 1800 007 022 (Australia) or 0800 555 303 (New Zealand)
- Visit our website at capricornrisk.com
- Email us at info@capricornrisk.com
- Write to us at
Capricorn Risk Services Australia
Locked Bag 3003, West Perth WA 6872
Capricorn Risk Services New Zealand
PO Box 91567, Victoria Street West, Auckland 1142
- Talk to your local Risk Account Manager

We are part of a group of companies ultimately owned by Capricorn Society Ltd (Capricorn Group). Other members of the Capricorn Group may be involved in the provision of financial services to you. How this might influence us in providing financial services to you is set out below in the section headed "What relationships or associations exist which might influence us in providing the financial services?"

Giving us instructions

You can give us instructions by using our contact details set out in this FSG.

We are authorised representatives of

We are an authorised representative (Authorised Representative No. 460893) of:

1. Capricorn Mutual Ltd (ACN 104 601 194) (AFSL No. 230038)
2. Capricorn Insurance Services Pty Ltd (ACN 154 801 377) (AFSL No. 435197)

Capricorn Risk Services

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Capricorn Mutual is authorised to deal in and provide financial product advice about its mutual risk products, commonly known as 'protections'. It issues these protections throughout Australia and New Zealand. Capricorn Mutual's contact details are:

Phone: 1800 007 022 (Australia)
0800 555 303 (New Zealand)

Website: capricornmutual.com

Email: info@capricornrisk.com

Mail: Capricorn Mutual
Locked Bag 3003
West Perth WA 6872

PO Box 91567
Victoria Street West
Auckland 1142

Capricorn Insurance Services is authorised as a general insurance broker and provides financial product advice, and deals in general insurance products for retail and wholesale clients in Australia only. Capricorn Insurance Services' contact details are:

Phone: 1800 007 022

Website: capricorninsurance.com.au

Email: info@capricorninsurance.com.au

Mail: Capricorn Insurance Services
PO Box 4958
Sydney NSW 2001

What services are we authorised to provide?

Services related to protections issued by Capricorn Mutual

We are authorised to offer advice, and deal in, mutual risk products, or 'protections.' These are issued by Capricorn Mutual.

We have an exclusive arrangement to deal on behalf of Capricorn Mutual. This includes membership of Capricorn Mutual and the following commercial and personal protections it issues:

1. Business Building
2. Business Contents
3. Burglary
4. Money
5. Engineering
6. Business Interruption
7. General Property
8. Goods In Transit
9. Public & Products Liability
10. Professional Protection
11. Legal Expenses
12. Tax Audit
13. Commercial Vehicles
14. Customer Vehicles
15. Stock Vehicles
16. Home Building
17. Home Contents
18. Private Motor Vehicles

When we provide you with advice about Capricorn Mutual and its protections, we will be providing you with general advice only. This means that the advice will not take into account your particular objectives, financial situation or needs. You need to make your own assessment of whether Capricorn Mutual and its protections are suitable for your needs in light of your own circumstances.

The protections offered by Capricorn Mutual are not contracts of insurance. The protection is provided by Capricorn Mutual on a discretionary basis. Details of what this means are contained in the Capricorn Mutual Product Disclosure Statement (PDS).

We do not search the market for any risk protection or insurance product that competes with, or is a substitute for, the protections offered by Capricorn Mutual unless:

1. You are not eligible to be a Member of Capricorn Mutual.
2. The product you require is not provided by Capricorn Mutual, which includes but is not limited to:
 - a. Workers Compensation
 - b. Management Liability
 - c. Professional Indemnity
 - d. Directors & Officers
 - e. Personal Accident & Illness



- f. Pleasure Craft
 - g. Landlord Cover
 - h. Travel Insurance
 - i. Marine Transit
3. The product you require is provided by Capricorn Mutual but:
- a. you do not fall within Capricorn Mutual's prescribed risk profile
 - b. you apply for protection and are declined.
4. You inform us prior to receiving a quotation for protection from Capricorn Mutual that you do not wish to receive protection.

Services related to insurance brokered through Capricorn Insurance Services

Where we may provide you with services outside of our exclusive arrangement to deal on behalf of Capricorn Mutual, we may provide you with information on general insurance products brokered by Capricorn Insurance Services.

We will only provide you with general advice, which means that the advice will not take into account your particular objectives, financial situation or needs. You need to make your own assessment of whether any general insurance products brokered through Capricorn Insurance Services are suitable for your needs depending on your own circumstances. While we cannot provide you with personal advice, it may be provided to you by Capricorn Insurance Services.

Capricorn Insurance Services has relationships with a range of insurers and only sources insurance alternatives from those insurers and does not compare all products in the market.

Other documents that may be provided to you in connection with services or products offered to you

Depending on the scope of services requested by you, when appropriate, we may be required to provide you with:

1. Product Disclosure Statement (PDS)

When you request a quotation or information about a protection or an insurance policy, if it is a retail product, a PDS will be provided to you. The PDS is prepared by the relevant product issuer and contains information to assist you to make a fully informed decision about whether or not to purchase the product, including features, benefits, risks and fees associated with the product.

2. Statement of Advice (SOA)

Sometimes it will be appropriate for you to be provided with personal advice that takes into account your individual objectives, financial situation or needs. You may request this as an additional service or Capricorn Insurance Services may be required to provide it to you in respect of a particular product, such as Personal Accident & Illness insurance. Personal advice may include recommendations about available cover, benefits, restrictions, exclusions and conditions.

Any personal advice will be provided by Capricorn Insurance Services only, and not by us. Such advice may be provided to you orally or in writing, depending on your requirements. You will be provided with a SOA where this is required by law, or where you requested it at any time within seven years of first being provided the personal advice.

We recommend that you carefully read and fully understand any PDS or SOA provided to you prior to purchasing any related product.

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We do not provide tax, accounting or legal services

It is not our role, or the role of either Capricorn Mutual or Capricorn Insurance Services, to provide you with tax, accounting or legal advice. If you want such advice you should consult a specialist in that field.

What relationships or associations exist which might influence us in providing the financial services?

The Capricorn Group

Other members of the Capricorn Group may be involved in the provision of financial services to you, including the following:

- Capricorn Society Ltd. The ultimate parent company of the Capricorn Group and a provider of trade credit that you may use to finance and pay for financial services we are involved in providing to you.
- Capricorn Insurance Services. A subsidiary of Capricorn Society Ltd that has appointed us as its authorised representative.
- Capricorn Mutual Management Pty Ltd. A subsidiary of Capricorn Society Ltd that provides outsourced services to us, Capricorn Insurance Services and Capricorn Mutual.

Arrangements within the Capricorn Group are kept separate and distinct and do not influence the services provided to you.

Capricorn Mutual

Capricorn Mutual, which has also appointed us as its authorised representative, is a related entity and subsidiary of Capricorn Society Ltd due to Capricorn Society Ltd being able to appoint the majority of Directors of Capricorn Mutual. A majority of the Directors of Capricorn Mutual are also Directors of Capricorn Society Ltd. Arrangements between Capricorn Mutual and the Capricorn Group include the exclusive arrangement described above, under the heading "Services related to protections issued by Capricorn Mutual".

Who do we act for when providing the financial services?

When providing services on behalf of Capricorn Mutual, relating to its membership and protections, we are acting on behalf of Capricorn Mutual. Neither we, nor Capricorn Mutual are acting for you.

When providing services on behalf of Capricorn Insurance Services, relating to advising on and placing insurance brokered through it, we are acting on behalf of Capricorn Insurance Services and Capricorn Insurance Services normally acts for you as your agent.

We will tell you before, or at the time, if we are not acting for you in providing insurance related services.

Dealing with conflicts of interest

When providing services on behalf of Capricorn Insurance Services, relating to insurance brokered through it, Capricorn Insurance Services normally acts for you. A conflict may arise when your interests are inconsistent with the interests of Capricorn Insurance Services.

Capricorn Insurance Services has a Conflict of Interests Policy, and monitoring and training procedures to ensure that it identifies and manages any actual or potential conflicts. Where a conflict is unavoidable, you will be consulted with to avoid any prejudice to your interests.

What commissions, fees or other benefits do we receive for providing financial services?

Commissions, fees or benefits related to protections issued by Capricorn Mutual

We receive no commissions, fees or benefits from Capricorn Mutual for any specific membership or protection arranged for you.



We receive a fixed monthly management fee from Capricorn Mutual in relation to the services we provide it. The fee is not attributable to any specific financial services provided. The amount of the fee may be changed by agreement between us and Capricorn Mutual.

Commissions, fees or benefits related to insurance brokered through Capricorn Insurance Services

We do not receive any of the commission received by Capricorn Insurance Services in respect of services referred by us.

Commission from Insurers

Capricorn Insurance Services is usually paid a commission by the insurer for arranging or renewing an insurance policy. This is typically a percentage of the premium less stamp duty, fire services levy, GST and any other government charges, taxes, fees or levies. Capricorn Insurance Services is also a member of Insurance Brokers Network Australia Limited (IBNA), Australia's largest network of insurance brokers. Some insurers may pay IBNA a commission for any insurance policy arranged or renewed through Capricorn Insurance Services. In turn, IBNA may pay some or all of this commission to Capricorn Insurance Services. The rate of commission depends on the policy and may range from 0% to 30% (inclusive of any commission via IBNA). The commission is included in the premium charged to you.

Broker fee or administration fee

Capricorn Insurance Services may charge you a broker fee or administration fee or both for arrangement and ongoing maintenance of an insurance policy. We will advise you of the amount of any fee when we provide you with the insurance quote.

Commission from premium funders

We may arrange premium funding to help spread costs of your insurance premiums over the year. The premium funder may be a third party that we have an arrangement with, including Premium Funding Pty Ltd, or it may be a member of the Capricorn Group. We arrange premium funding as an agent for the premium funder and not as your credit provider

or credit broker. We or Capricorn Insurance Services may act as the premium funder's agent in cancelling insurance if you have failed to meet your premium funding obligations. Any premium funding arrangements will be contained in a separate agreement between you and the premium funder. Premium funders may pay us or Capricorn Insurance Services a commission for arranging premium funding (usually between 0% – 5% of the premiums funded). Prior to receiving services from us you can request particulars of the remuneration we may receive on those services.

Commissions, fees or benefits received by employees

Our employees and employees of Capricorn Insurance Services receive an annual salary. They may also receive performance based monetary incentives or bonuses.

Incentives and bonuses relating to protections issued by Capricorn Mutual are weighted towards general overall performance and may include individual, team and company components such as performance of the portfolio, compliance measures, number of visits and calls to current and prospective users of our services, ongoing training and development, and budget targets.

Incentives and bonuses relating to general insurance brokered through Capricorn Insurance Services may include all the above components and, in addition, strike rates and value of insurance policies sold.

Our employees and employees of Capricorn Insurance Services may also receive non-monetary benefits such as gifts, entertainment and other incidental benefits. These benefits are provided at no additional cost to you. You can request to see the register of these non-monetary benefits at any time.



Commissions, fees or benefits received by the Capricorn Group

Other parts of the Capricorn Group may earn remuneration in connection with financial services we provide as described below.

Management fees for outsourced services

Capricorn Mutual Management Pty Ltd provides outsourced services to us, Capricorn Insurance Services and Capricorn Mutual. It receives a fee for providing these services. These fees are not attributable to any specific financial services provided.

Service fees associated with Capricorn Society Ltd provided trade credit account

Capricorn Society Ltd provides Trade Credit Accounts to its Members which allow Members to make purchases on credit from various Preferred Suppliers. It receives a service fee from each Preferred Supplier, which is generally a percentage of the amount payable by the Member. Both Capricorn Mutual and Capricorn Insurance Services are Preferred Suppliers of Capricorn Society Ltd. This means that Capricorn Society Ltd will receive a service fee for any protection provided by Capricorn Mutual or insurance brokered through Capricorn Insurance Services that is paid for using a Capricorn Society Ltd provided Trade Credit Account. Capricorn Society Ltd may reallocate some or all of this service fee to members within the Capricorn Group involved in the provision of services to Preferred Suppliers including us, Capricorn Insurance Services and Capricorn Mutual Management Pty Ltd.

Referral arrangements

We may pay a referral fee to any person that refers you to us, including employees of the Capricorn Group. The referral fee may be a flat rate or a percentage of the value of the protection issued by Capricorn Mutual or a percentage of the commission paid by the insurer in respect of any insurance brokered through Capricorn Insurance Services. There is no additional charge to you where we pay a referral fee.

What is our Privacy Statement?

Why we collect your personal information

We collect personal information from you, including sensitive information like health details, to provide you with services, including financial services.

We may also use your information to comply with legislative or regulatory requirements, prevent fraud, crime or other activity that may cause harm in relation to our services, and to help us run our business.

If you do not provide some or all of the information we request:

- We may not be able to provide you any services
- In respect of any Capricorn Mutual protections you hold, you may also breach your duty of disclosure under the Capricorn Mutual Rules
- In respect of any general insurance you hold, you may also breach your duty of disclosure under the Insurance Contracts Act 1984 (Cth).

Disclosing your personal information

Consistent with the purposes described above, we will provide your information to Capricorn Mutual, Capricorn Insurance Services, Capricorn Mutual Management Pty Ltd and general insurers.

We may also provide your information to other members of the Capricorn Group so that the Capricorn Group can manage its relationship with you on an integrated basis.

Marketing Communications

Unless you tell us not to, from time to time we will use your information to send you direct marketing communications including on new or existing products, offers, updates and newsletters that are relevant to the services that we provide or which are offered by our related parties. We always give you the option of electing not to receive these communications and you can unsubscribe at any time by notifying us that you wish to do so, including by using the unsubscribe function associated with any email communications.



More information

Our Privacy Policy contains information about how you can access the information we hold about you, ask us to correct it, or make a privacy related complaint. You can obtain a copy by contacting the Privacy Officer for the Capricorn Group on 1800 327 437 (Australia) or 0800 555 303 (New Zealand) or by email privacy@capricorn.coop

Compensation and Professional Indemnity Insurance

We are insured under a Professional Indemnity Insurance Policy which satisfies the requirements of the 912B of the Corporations Act 2001 (Cth). This same policy covers other relevant members of the Capricorn Group, including Capricorn Society Ltd, Capricorn Insurance Services and Capricorn Mutual Management Pty Ltd. The same policy also includes Capricorn Mutual.

The cover provided by this insurance, subject to its terms and conditions, extends to claims in relation to the conduct of Capricorn Mutual and Capricorn Insurance Services as Australian Financial Services licence holders and of us as their authorised representative and of all our respective employees both past and present.

You do not have a direct right to claim under this insurance, which is taken out to provide resources towards meeting claims against us.

What should you do if you have a complaint?

We actively encourage your honest feedback and the raising of any concerns where our services or products available through us have not met your expectations.

If you have a complaint that cannot be resolved through talking to your Risk Account Manager, then:

1. Contact us:

Phone: 1800 007 022

Email: complaints@capricornrisk.com

Mail: Capricorn Risk Services Complaints
Locked Bag 3003 PO Box 91567
West Perth WA 6872 Victoria Street West
Auckland 1142

2. If you are still unsatisfied, you can contact the Financial Ombudsman Service (FOS), an independent dispute-resolution process for financial services complaints.

Phone: 1800 367 287

Website: www.fos.org.au

Email: info@fos.org.au

Mail: Financial Ombudsman Service
GPO Box 3,
Melbourne VIC 3001

In dealing with any complaints, we may involve Capricorn Mutual and Capricorn Insurance Services.