

Terms of Business

➤ Introduction

1. Rural Affinity Insurance Agency Pty Ltd ("**Rural Affinity**") ABN 72 119 838 854 AFS Licence No. 302182 is an underwriting agent. Rural Affinity arranges policies for and on behalf of the Insurer(s) listed in the applicable policy wording and/or Product Disclosure Statement ("**Insurers**"). Rural Affinity acts under a binding authority given to it by the Insurers to administer and issue policies, alterations and renewals.
2. Clients are those individuals and/or businesses who have bound or have sought terms to consider binding insurance with Rural Affinity ("**Clients**").
3. Intermediaries ("**Intermediary**") are those individuals or businesses appointed by Clients to act on their behalf in binding, or seeking terms to consider binding, insurance with Rural Affinity.
4. Authorised Representative(s) ("**Authorised Representative**") are persons or companies authorised to provide financial services on behalf of the Intermediary.

➤ Terms of business

These Terms of Business record the procedures and basis for transactions relating to contracts of insurance arranged on behalf of Clients by the Intermediary or their Authorised Representative(s) with the Insurers through Rural Affinity.

1. Compliance

- 1.1 Rural Affinity, Intermediaries and Authorised Representatives ("**the Parties**") agree to comply with all the legislation, regulations, and codes of practice that regulate or affect obligations for transactions relating to contracts of insurance arranged on behalf of Clients by the Intermediary or their Authorised Representative(s) with the Insurers through Rural Affinity.

2. Interim Cover

- 2.1 Rural Affinity is authorised to issue interim contracts on behalf of Insurers under certain circumstances. Any Interim Contract issued will be subject to receipt and acceptance of any documentation requested from the Intermediary or their Authorised Representative(s).

3. Surveys

- 3.1 Rural Affinity reserves the right to survey any risk. If the survey reveals that the Client has breached the duty of disclosure or unreasonably misrepresented the risk, the Insurers may be entitled to avoid the policy or reduce their liability in respect of a claim pursuant to section 28 of the Insurance Contracts Act 1984.
- 3.2 No conditions imposed or recommendations made by Rural Affinity or Insurers, whether following survey or otherwise, shall constitute a representation that the risk is safe, fit for its purpose or compliant with any law, regulation, code or the like.



4. Acceptance

- 4.1 All business will be transacted on an offer and acceptance basis, i.e. Rural Affinity is under no obligation to agree to insure a proposed risk, regardless of whether a quotation has been provided or interim cover has been granted in respect of that risk.

5. Commissions

- 5.1 Rural Affinity will pay the Intermediary or their Authorised Representative the Commission set out in Appendix 1 or as otherwise agreed in writing.
- 5.2 Subject to Section 985B of the Corporations Act 2001, if payment for any risk bound is not received within the period referred to in Appendix 2 and it becomes necessary for Rural Affinity to appoint a debt collection agency, any Commission payable for the risk bound will be forfeited by the Intermediary or their Authorised Representative.

6. Payment

- 6.1 Rural Affinity will invoice the Intermediary or their Authorised Representative for each risk bound but is under no obligation to provide statements.
- 6.2 The Intermediary or their Authorised Representative will forward the full amount of premium and charges (less any Commission payable and GST on Commission).
- 6.3 Subject to Section 985B of the Corporations Act 2001, if payment is not received by Rural Affinity within the period referred to in Appendix 2, the Insurers and Rural Affinity may cancel the contract of insurance in accordance with the Insurance Contracts Act 1984 and may charge a premium for the period during which the Insurers provided cover.
- 6.4 The Intermediary or their Authorised Representative will not action any request to amend Rural Affinity bank account details until changes have been confirmed verbally by the Rural Affinity Finance Manager or a Rural Affinity Director.

7. Short Term Premiums

- 7.1 The Insurers and Rural Affinity may charge a premium for the period during which the Insurers provided cover under any interim contract of insurance.
- 7.2 Where cover for a risk is cancelled, the Insurers and Rural Affinity may charge a pro rata premium for any period where cover for the risk was in force. Special conditions may apply for some items, and where applicable, these will be detailed in the relevant policy wording or Product Disclosure Statement.

8. Renewals

- 8.1 At least 14 days prior to expiry of any renewable contract of insurance, Rural Affinity will advise the Intermediary or their Authorised Representative whether or not they are willing to renew the contract and, if so, on what terms.
- 8.2 The Intermediary or their Authorised Representative must confirm acceptance of any offer of renewal in writing (by letter, email or facsimile) no later than 4.00 p.m. AEST on the day of expiry of the original contract of insurance.

9. Hold Covered

- 9.1 The Insurers are not obliged to hold any risk covered after expiry of any contract of insurance, interim or otherwise.

10. Claims

- 10.1 As Rural Affinity is authorised to manage and settle claims on behalf of the Insurers, all claims must be notified to Rural Affinity, all documentation in connection with the claim must be forwarded to Rural Affinity, and all negotiations must be conducted with Rural Affinity.



11. Rural Affinity's Contact With Client

- 11.1 Rural Affinity will not initiate direct contact with the Client in relation to any contract of insurance arranged by the Intermediary or their Authorised Representative with Rural Affinity without the consent of the Intermediary or their Authorised Representative except in relation to cancellation of the contract of insurance or claims. This clause does not apply where:
- the Intermediary or their Authorised Representative is in liquidation;
 - the Intermediary or their Authorised Representative has confirmed in writing to Rural Affinity that they have resigned as Intermediary for the Client; or
 - Rural Affinity has ceased to arrange insurance business.

12. Licence Warranty

- 12.1 The Intermediary has and will at all times hold an Australian financial services licence.
- 12.2 The Intermediary must notify Rural Affinity in writing within 24 hours of having its Australian financial services licence suspended or revoked.
- 12.3 The Intermediary must notify Rural Affinity in writing within 24 hours of revoking any appointment as an Authorised Representative under the Intermediaries Australian financial services licence.

13. Indemnity

- 13.1 The Intermediary will indemnify Rural Affinity for any loss, damage, liability, costs or expenses incurred or sustained by Rural Affinity as a result of any failure on the part of the Intermediary or their Authorised Representative to comply with Appendix 2 (only where the premium has been paid to the Intermediary or their Authorised Representative by the Client).

14. Dispute Resolution

- 14.1 The Parties must attempt in good faith to resolve any dispute between them in connection with these Terms of Business by negotiation.
- 14.2 If any dispute cannot be resolved by negotiation between the Parties within 10 days or such further period as the Parties agree is appropriate, then within the following 10 days, the Parties must seek to agree on the procedural rules and a timetable for resolving the dispute through mediation by a mediator agreed upon by, or if the Parties cannot agree, a mediator appointed by the Australian Disputes Centre or any body which replaces it.
- 14.3 A party may not commence court proceedings or arbitration (other than an urgent interlocutory application) relating to any dispute arising from these Terms of Business unless that party has complied with clauses 14.1 and 14.2.

15. Goods and Services Tax

- 15.1 Where the Intermediary or the Authorised Representative makes a taxable supply to Rural Affinity under these Terms of Business, Rural Affinity shall pay the Intermediary or their Authorised Representative an amount equal to the GST on that taxable supply.
- 15.2 The Intermediary or their Authorised Representative shall supply to Rural Affinity, within 28 days of making the taxable supply, a tax invoice.



> Appendices

Appendix 1 – Commission

Class(es) of Business	State(s)	Summary of Terms	Commission
Cotton Crop	All	Non-renewable contract	10.0%
Olive Crop	All	Non-renewable contract	10.0%
Nut Crop	All	Non-renewable contract	10.0%
Horticulture Crop	All	Non-renewable contract	10.0%
Viticulture Crop	All	Non-renewable contract	10.0%
Forestry	All	Renewable contract	10.0% (for SI to \$5m)
Fruiting Tree & Vine	All	Renewable contract	10.0%
Broadacre Crop	All	Non-renewable contract	15.0%
Livestock – Stud Stock	All	Renewable contract	20.0%
Livestock – Herd cover / Feedlots	All	Renewable contract	10.0%
Farm Pack & Small Farm	All	Renewable Contract	Motor - 10.0% All other Classes - 20.0%

Appendix 2 – Payment of Premiums to Rural Affinity

Product	Premium
Cotton / Viticulture / Horticulture / Forestry	All premium due 45 days after Invoice date
Livestock	All premium due 30 days after Invoice date
Broadacre (Winter)	All premiums due by 15 February or 45 days after Invoice date, whichever is later
Broadacre (Summer)	All premiums due by 15 April or 45 days after Invoice date, whichever is later
Farm Pack	All premiums due 90 days after Effective Date/Renewal Date