

# Apt.

WEALTH PARTNERS

## Insurance Guide



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**SYDNEY**  
Level 12, 8 Spring St  
Sydney NSW 2000  
02 8262 4000

**MELBOURNE**  
Level 8, 360 Collins Street  
Melbourne VIC 3000  
03 8779 5254

**GEELONG**  
24 Moorabool Street  
Geelong VIC 3220  
03 5221 7557

**NORTHERN BEACHES**  
Level 1, 2 Bungan Street  
Mona Vale NSW 2103  
1800 801 277

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## Insurance Guide

This guide is designed to assist you in understanding the personal and business risk insurance and how Apt Wealth Partners can assist you in determining the appropriate types and amount of insurance cover for your personal situation. This information is of a general nature only and does not take into account your individual objectives, financial situation or needs. You should obtain professional advice before making any decision in relation to your particular requirements or circumstances.

### About Apt Wealth Partners

Apt Wealth Partners is a privately-owned professional advice practice which holds an Australian Financial Services Licence Number 436121.

Our team of over 65 people are dedicated to providing you the right advice and support. In fact, we see our team as our greatest asset with years of combined experience in providing tailored financial solutions.

In the event that you need to make a claim, we are committed to providing you the support necessary to hopefully ease the emotional burden that can result at a time of grief or illness. In the past 3 years alone, we have successfully assisted a number of clients to receive claim payments in excess of \$10 million for either Life, Trauma and Total & Permanent Disablement. Additionally, Income Protection payments enabled our clients to meet their financial commitments whilst they were unable to earn a living due to an illness or injury.

### The Value of Insurance

Personal insurances are designed to ensure that both your family, your lifestyle and/or business are protected if something were to happen to you.

None of us know what tomorrow will bring. But we can relax knowing that, if organized correctly, you'll be taken care of if the unexpected happens.

### Our Insurance and Professional Services

Apt Wealth Partners provide the following personal and business insurance services:

- Life Insurance
- Total and Permanent Disability Insurance
- Trauma Insurance
- Income Protection Insurance
- Business Expenses Insurance
- Key Person Insurance
- Buy-sell insurance

### The Apt Wealth Partners Risk Insurance Professional Advice Services

**Our Expertise** - Our risk advisers have more than 50 years' combined experience in the insurance industry. By specialising in areas of risk protection, our advisers have grown their skills and expertise beyond the generalist financial planning market.

**Our Insurance Philosophy** - Established with the purpose of providing professional specialist wealth protection advice for individuals, families and businesses, we are committed to provide confidence in personal protection through the skillset of our specialist advisers taking the hard work out of your hands.

**Our Role** - We will work with you to identify your financial risks and deliver a clear, concise and tailored personal risk insurance plan that will provide you, your family or your business with the appropriate level of protection.

We will discuss your current financial position your assets, liabilities, existing insurance cover and investment or tax strategies and use this information to calculate the required sums insured and ownership structure. We will discuss any current medical conditions that may affect the outcome of your insurance application.

This stage serves as a foundation for developing your personal insurance plan. A suitable strategy will be formulated, products recommended, and we will answer any questions you have.

Once you're ready to go ahead, we will arrange a tele-underwriting interview with the insurer as part of the

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application process. Where appropriate, your risk adviser may work with other professionals, such as your GP, accountant and underwriter.

Your circumstances, lifestyle, financial goals and commitments are likely to change over time, so it is important that your wealth protection strategy is regularly reviewed, to make sure you are always adequately insured.

## **Our Annual Advice and Review Service**

### **Annual Advice Service**

The recommended financial strategy requires regular assessment and review to ensure you are in the best position to achieve your objectives over the long-term. As time passes, your financial strategy may require adjustment for a number of reasons including:

- Changes in the economic environment;
- Changes to your needs, objectives and personal circumstances;
- Changes in the legal and/or regulatory environment; and
- Specific investment performance.

It is these changes which create the need for timely and effective strategic personal risk insurance advice. This will enable you to keep abreast of any changes and allow us to promptly review your plans accordingly.

Apt Wealth Partners offers an annual review service which reviews your personal risk insurance needs and the continued appropriateness of our recommendations. As part of this review, we will evaluate your personal risk insurance plan and any other issue(s) that may affect your financial planning requirements. However, you can do this at any time if needed, please contact our office to arrange an appointment. This review may be charged at an hourly rate as disclosed in our Financial Services and Credit Guide.

### **Ongoing Engagement for Personal Risk Insurance**

Once your personal risk insurance is put in place through us, we will continue to advise and provide updates on your personal risk insurance policies as per the regulatory requirements. As a risk insurance client of Apt Wealth Partners, the services which we will provide include:

- An update on your personal risk insurance via email or phone.
- The offer of an annual review meeting to determine the continued appropriateness of insurance cover.
- Review of your current circumstances to confirm that your cover remains appropriate.
- The provision of an updated Statement of Advice (where required).
- The ability to engage us for assistance with claims management on a fee for service basis.

## **Making a binding Nomination**

**Benefits** - By nominating a beneficiary, the payment may bypass your estate and be paid to your beneficiaries faster and without encountering disputes.

**Considerations** - If no-one is nominated, payment will be made to your estate.

If the policy is owned by a super fund, in the event of a claim the benefit will be paid to the super fund. Under the Superannuation Industry Supervision (SIS) Act a condition of release must be met before the Trustees release the funds.

Generally, where insurance is held through super, only certain beneficiaries are eligible to receive the payment of your superannuation upon death. Eligible beneficiaries can include your spouse, any financial dependants, or your estate.

Tax is payable on the payment of your superannuation death benefit to children aged 18 or over who is not financially dependent upon you.

A validity of a superannuation death benefit nomination is only determined by the trustee at the time of your death.

## **Types of Insurance**

### *Life Insurance*

Life insurance provides a lump sum benefit upon the death of the life insured. The benefit is paid to the owner of the policy, the nominated beneficiary, or the insured's estate.

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In some cases, a benefit may also be payable upon diagnosis of a terminal illness resulting in a life expectancy of less than 12 or 24 months. Any payment made for terminal illness reduces the death benefit payable.

The lump sum benefit may be directed towards repaying any outstanding debts or be invested with a view towards providing an ongoing income for your family or other dependants.

Life cover may also be used to secure the transition of business ownership upon death of a partner and is sometimes used to cover capital gains tax liabilities in estate planning strategies prior to distributing assets to beneficiaries.

You may be able to hold life insurance inside your superannuation fund or hold it directly. When making a decision in relation to the appropriate ownership of your cover, consideration should be given to the tax treatment of any benefit paid, the cost-effectiveness of premiums as well as any underwriting concerns.

#### *Total and Permanent Disability Insurance*

TPD cover provides a lump sum benefit if the insured person is totally and permanently disabled. Typically, the benefit will be paid once the insured has been assessed as being unlikely to ever return to work.

TPD insurance is available with a number of different disability definitions (depending on the insurer and the cover sought). The main ones are:

- Own occupation – A benefit is provided in the event that an illness or disability affects your ability to ever work again in your own occupation. Some insurers classify own occupation as your occupation at time of application and others classify your own occupation as the occupation being performed immediately prior to submitting a claim.
- Any occupation – You are incapacitated to the extent that you are unlikely to work again in any occupation to which you are reasonably suited by education, training or experience.
- Home duties – You must be incapacitated to the extent that you are unlikely to ever be able to perform normal domestic duties, or work in any occupation to which you are reasonably suited by education, training or experience.

The 'own occupation' definition is generally the preferred option as it is occupation-specific and therefore maximises the chances of being eligible for a TPD benefit. However, it is not available for all occupations.

The lump sum benefit provided by this type of cover may be used for a variety of uses such as repaying debts, being invested to provide an ongoing income stream, used to renovate the family home to cater for the needs of the disabled individual or perhaps be used to cover ongoing medical expenses.

TPD cover may be acquired directly through an insurer or through some superannuation funds. Consideration should be given as to the accessibility of a lump sum benefit paid into a superannuation fund, the cost effectiveness of the premiums as well as the aforementioned occupational definition under which the benefit is payable.

#### *Trauma Insurance*

Trauma insurance (sometimes referred to as Critical Illness insurance) provides a lump sum benefit upon the insured being diagnosed with one of the defined major or 'critical' medical conditions listed in the insurance policy. The conditions covered vary slightly between providers, but generally cover such things as cancer, heart attack, stroke, paraplegia, major organ transplant, etc.

Trauma insurance proceeds are typically used to:

- Provide money for medical costs, lifestyle changes, and / or meet child care costs if you are the primary carer.
- Provide additional income to allow somebody to take time off to assist your recovery.
- Provide funds to enable you to take time off work to fully recover.

While other types of personal risk insurance may provide a benefit upon death or total and permanent disablement, Trauma cover actually provides funds during a period of recovery or rehabilitation.

You should be aware that unless a condition is covered by a policy, no benefit is payable.

Trauma insurance cover is generally not held within super. However, this insurance type may be connected with other insurances that are held in super, which can reduce the administration and costs of implementing the insurances via separate policies.

#### *Income Protection Insurance*

Income Protection cover provides a regular benefit if you are temporarily disabled (and unable to work) due to illness or injury. Most policies will generally allow you to insure up to 70% of your regular pre-tax earnings (possibly reducing in later years of the policy), which may include base salary, superannuation contributions and certain other benefits and allowances.

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## Waiting period and Benefit period

The waiting period is an agreed amount of time after you suffer from a disabling sickness or injury before you become eligible to make a claim. If you recover during this time, you will not be eligible to receive any payments. After a 'waiting period' has expired, the benefit will be paid for the length of the 'benefit period', or as long as the insured person is still 'disabled'. The benefit period describes the maximum amount of time for which you could receive benefit payouts as part of your insurance policy. The most common benefit periods are 'to age 65' or '2 years' and waiting periods can range from 14 days to 2 years.

Income Protection claims are paid monthly in arrears. For example, if you have a 4 week waiting period, your waiting period would start on 1st of April and end on 28th of April. Your first payment would be paid one month later, on the 28th of May.

Generally, the longer the waiting period/the shorter the benefit period you select, the lower your premiums will be.

## Agreed, endorsed agreed or indemnity value

Benefit amounts are assessed by the insurer depending on whether the claim is made on agreed, endorsed agreed or indemnity value policy. (Please note that agreed and endorsed agreed value income protection policies are no longer available on new policies from 1 April 2020.)

- An indemnity value policy means you are insured for what you nominate that you earn at the time you apply for the policy. This is generally selected when your employment status and your income levels tend to remain relatively consistent and can be easily justified if a claim is ever made. No financial evidence of your salary is required when you sign up and is only required when you claim. However bear in mind that if your income reduces in the future, the policy will only pay 70% of your lower income level. This option tends to be cheaper than agreed value policies.
- An agreed value policy means you will be insured for a set amount agreed upon with the insurer at the time of applying for the policy. This is generally selected if you have fluctuating income so you can lock in an agreed amount of cover for the life of your policy. This type of policy is usually more expensive however it ensures you will be paid the agreed monthly benefit in the future, regardless of changes to your income. You will be required to provide evidence at the time of application to support your income level.
- An endorsed agreed value is a variation of an agreed value policy and is a guaranteed contract. Under this policy, you will need to provide financial evidence of your income at application stage and full financial underwriting will be conducted prior to the policy being issued. This means you will not have to provide financial evidence at claim time. In most cases, guaranteed contracts usually offer the monthly benefit guaranteed upfront.

## Our Approved Insurance Product Providers

### AIA Australia

AIA are independent life insurance specialists and not owned by a major bank. AIA Australia is backed by the vast experience and solid finances of one of the oldest and largest pan-Asian life insurers in the business. Locally, AIA Australia provides life insurance cover to over 3 million Australians.

AIA Australia has been operating for 45 years. It combines its international experience with local expertise to offer some of Australia's most comprehensive and flexible life cover options. Their products and services are constantly under review to ensure they meet the changing needs of the Australian population. They offer risk protection life insurance products to help you protect the things that matter most to you – your family, your health, your mortgage or your business.

AIA Australia takes pride in paying legitimate claims promptly and reliably. Their statistics demonstrate that this philosophy applies across their wide range of products year by year. Based on my experience, AIA are easy to work with and offer high levels of service both during the establishment of the cover and at claim time.

The strength and quality of their products and services have also been widely recognised.

### Financial Review Smart Investor Blue Ribbon



Winner - Life Company of the Year



Winner - Income Protection Insurance

### CANSTAR



Winner - Outstanding Value Life Insurance



Winner - Outstanding Value Income Protection Insurance

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 Winner - Outstanding Value Term Life Insurance

 Winner - Outstanding Value Packaged Life

## ClearView

ClearView started out as NRMA Life in 1976. After a few changes of shareholders, they emerged as ClearView, offering quality financial advice and a portfolio of insurance and investment solutions.

Clearview is dedicated to helping you build and protect your wealth. They offer life insurance solutions to help protect your wealth and your family.

ClearView claim's philosophy is to pay all genuine claims as quickly as possible. This is backed with its 'Guarantee of Claims Accountability'. This means ClearView will undertake to:

- take the time to understand the client's position and claim as well as facilitate easy and open communication throughout the claims process
- advise of what to expect in relation to the assessment of your claim from the beginning
- keep the client advised of developments occurring in relation to a claim
- explain to you the impact of any information obtained in relation to a claim
- advise as soon as reasonably practicable in circumstances where additional information is required or needed to undertake certain investigations in order to carry out a complete assessment of a claim
- if ClearView do not accept a claim or make an adverse decision in relation to a claim, ClearView will give reasons in writing

## Integrity Life

Integrity was created out of a desire to fundamentally disrupt the industry and improve life insurance in Australia. By blending their expertise with technology, they are creating insurance products that are easy to understand and simple to use.

Integrity is a life insurer that is not only experienced and capable, but also one that can be trusted to bring new levels of service to the industry. They believe that the time has come to do things a little differently. They're a team of knowledgeable people who are genuinely here to help because when times get tough, that's what you need.

Claims time is when you need someone to make the process quick, simple and easy – and it's when you'll see how much Integrity is willing to do to help. They'll take charge of the process and do the heavy lifting so you can get on with your life. Integrity never treat claims as a transaction – they are given the care and respect they deserve.

### Key Features

- **Flexible products** – You get to choose the insurance you need, not the insurance you don't, ensuring practical and cost-effective cover.
- **You're kept in the loop** – Integrity will communicate openly at every stage, so you always know where you stand and what will happen next.
- **We make it simple** – You can apply for a policy, check or change cover, or find out about the status of the claim 24/7.
- **We make it easy** – We're always on hand to help you when you need it.

## Metlife

For over 150 years, MetLife has been protecting the hopes and dreams of over 90 million customers around the world. As a global leader in insurance, employee benefits and retirement solutions – you can trust us to take care of your future.

**Fast** – With fewer questions, online applications are quick and simple – and we'll get back to you same day with a pre-assessment response.

**Easy** – Choose a policy to suit your needs today, and easily adapt it with building blocks of flexible cover as your life changes.

**Caring** – We'll be there when you need us most, with extra support including mental health and grief counselling, financial wellbeing support and return-to-work services.

Metlife prides itself on delivering exceptional customer experiences and guiding customers through some of the most difficult moments in their lives. It's what makes them different in the market and what drives them to keep improving the claims service we provide.

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Their claims teams have the authority, training and experience to manage claims efficiently – so customers can start receiving their benefits as soon as possible. But they also aim to deal with every customer with empathy and care – supporting them through a difficult time.

### MLC Life Insurance

MLC Life Insurance is part of Nippon Life Insurance Group, one of the world's leading providers of life insurance solutions. With over 130 years of experience, MLC's aim is to provide innovative, flexible and affordable life insurance products to suit the needs of a wide variety of customers.

Until recently, MLC Limited (MLC Life Insurance) was wholly owned by NAB. However, NAB sold 80% of its ownership share to Nippon Life on 3 October 2016 and retained the other 20% stake.

MLC Life Insurance has 1.4 million customers, while Nippon Life Group has 11 million customers around the world.

MLC Insurance is an insurance package that can help you and/or your family maintain your current lifestyle by providing money to repay the mortgage and service other debts, enabling you to concentrate on getting better, or by relieving your family of future financial worries.

With an eligible policy from MLC Life Insurance, you and your family can access Best Doctors – a service which connects you with a network of more than 50,000 leading medical specialists from Australia and around the world for a second medical opinion when you need it most, helping to ensure you have the right diagnosis and treatment plan. You don't need to be on claim to access the service and can use Best Doctors at anytime, anywhere, as often as you need for no extra cost.

Based on my experience, MLC are easy to work with and offer high levels of service both during the establishment of the cover and at claim time.

The MLC Life insurance products have received multiple awards in recognition of their quality.

-  **2017 Winner, Term and TPD Products - Adviser Choice Risk Awards**
-  **2011 Winner Number one platform MLC Wrap and MLC Navigator - Investment Trends Annual Platform Benchmarking Report**
-  **2011 5 Heron Quality Stars for MLC Employer Super, MLC MasterKey Business Super, MLC MasterKey Super, MLC MasterKey Super Fundamentals, and MLC Navigator Retirement Plan**
-  **2010 Winner Life Insurance Company of the Year - Australian Banking + Finance Magazine Awards**
-  **2010 Winner Innovation Excellence Award for Best Doctors - Canstar Cannex**
-  **2009 Life Insurance Company of the Year - Australia and New Zealand Insurance Industry (ANZIIF) Awards**
-  **2009 Winner Major Financial Advice Group of the Year (3rd year in a row) - CoreData**
-  **2010 Industry Excellence Award - Financial Services Council**

### NEOS Life

NEOS Life (NEOS) is a specialist Australian life insurance business that offers a comprehensive suite of retail life insurance products which are only available through financial advisers.

100% of NEOS is owned by the founders.

NEOS Protection was launched in June 2018, however the product is issued and insured by NobleOak, one of the longest standing life insurance companies in Australia that has been insuring Australians for over 140 years.

Since its launch, NEOS has established a strong reputation for outstanding service due to the ease and simplicity of doing its business. As the distributor, NEOS aims to set a new standard for Australian life insurance with faster decision making, responsive service and value for money cover.

### TAL Australia

TAL is one of Australia's leading life insurance specialists and has been operating for 150 years. In 1999 TAL acquired one of the most prominent life insurance companies on the market, FAI Life, establishing itself as a major life insurance company in the Australian and New Zealand markets. Currently TAL protects more than 4 million Australians.





TAL's objectives are to deliver the right products, service and information to all its customers to help them make informed decisions regarding the risk they carry as well as their superannuation needs. TAL efficiently delivers these services to clients mainly through its network of insurance consultants.

TAL offers customers certainty of cover, clearer communication, and convenient access online and over the phone.

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Based on my experience, TAL are easy to work with and offer high levels of service both during the establishment of the cover and at claim time.

TAL products and services have received multiple awards in recognition of their quality.

-  **2019 Best of the Best** - Money Magazine Awards
-  **2018 Winner Life Insurance Company of the Year** - Australian Insurance Industry Awards
-  **2018 Winner Employer of the Year** - Women in Financial Services Awards, Money Management SuperReview
-  **2018 Winner Overall Platinum Award Life Company of the Year** - AFA Strategic Insight
-  **2018 Winner Innovation Award** - Direct Life Insurance Excellence Awards, Strategic Insight

### Zurich Australia

Zurich Australia is the Australian arm of Zurich Insurance Group (Zurich) – a leading multi-line insurer that serves its customers in global and local markets.

Zurich was founded in the city of Zurich, Switzerland in 1872, where their headquarters remain today. In Australia, Zurich operates under two brands across the following lines of business – general insurance, life insurance, and savings and investments products.

On 1 June 2019 ANZ's life and consumer credit insurance business (OnePath Life) was formally acquired by Zurich Australia. This created one of Australia's largest life insurers, with a combined Australian heritage of more than 200 years, serving more than two million customers and paying more than \$1 billion per annum in claims.

Zurich applies global strength to solving local needs and are passionate about helping customers understand and protect themselves against risk. Based on my experience, Zurich are easy to work with and offer high levels of service both during the establishment of the cover and at claim time.

Zurich products and services have received multiple awards in recognition of their quality.

-  **2015 Service Quality Award** - AFA and Plan for Life
-  **2015 Best of the Best Awards** - Money Magazine
-  **2015 Big Thinking Award** - Financial Services Council
-  **2014 Direct Life Insurance Excellence Award** - PFL Research
-  **2014 General Insurer of the Year** - NIBA
-  **2014 Insurer of the Year** - Insurance Business *"Brokers on Insurers Survey"*

### PPS Mutual

PPS Mutual aims to provide exceptional insurance benefits to Members (an exclusive group of professionals who own the business), their families and associates.

PPS Mutual is new in Australia but their partner company PPS South Africa providing insurance cover since 1941. In 2016 PPS South Africa's business model was introduced in Australia and PPS South Africa became a founding member of PPS Mutual.

PPS Mutual has been established on a mutual model, the PPS Mutual product also offers a profit-sharing arrangement with members. PPS Mutual provides members with access to insurance offering death, total and permanent disability and disability income insurance benefits. It does not provide members with access to an accumulation account.

PPS Mutual is only available to individuals who are eligible to practice in one of 24 professions including doctors, lawyers, accountants and engineers. The insurance cover is tailored to meet the needs of professionals and designed to be flexible to the member's changing needs.

NobleOak is the Insurer of PPS Mutual Professionals Choice. NobleOak is an Australian friendly society that was established in 1877. They are regulated by the Australian Prudential Regulation Authority (APRA) and hold an Australian Financial Services Licence issued by the Australian Securities and Investment Commission (ASIC).

### Encompass Protection

Encompass Protection is a new retail life insurance offering from MLC Life Insurance and NEOS, bringing together the financial strength and claims management expertise of MLC Life Insurance and the service and administration excellence of NEOS. Encompass Protection is issued by MLC Limited and administered by NEOS Life.



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Encompass Protection vision is to set a new standard in Australian life insurance:

- Passionate people – who understand the needs of Australians
- Quality products – helping families protect what’s important to them
- Flexible protection – provided by a combination of cover types and ownership options
- Competitive pricing – for regular Australians with everyday needs
- Faster decisions – at time of application and claim
- Australian-based business – with an Australian-based service centre
- Personal service – provided by a highly trained and experienced team
- Backed by leading insurer, MLC Life Insurance – to help give confidence at claim time

In addition to the benefits and features specific to each cover type, all Encompass Protection policies have the valuable features including worldwide cover, continuity of cover and guaranteed upgrade.

Encompass Protection has a dedicated claims team based in Australia and in the past five years, their claims payouts have grown from \$850 million to \$1.1 billion in 2020. Encompass Protection clients have access to Vivo at no extra cost, which is a holistic health, wellness and recovery program. Vivo connects with a global network of services and experts to help clients improve everyday health and wellness, deal with a medical concern or require recovery support.

## Some Important Insurance Considerations

### Cancellable or Non-Cancellable policy?

Insurance companies generally offer cancellable or non-cancellable terms. Cancellable policies allow the insurance company to withdraw the cover at any time but usually will occur at policy renewal time. Cancellable policies are sometimes offered to clients who may not be able to purchase a non-cancellable policy due to factors such as a prior condition or illness, a high-risk occupation or pastime or for being in an occupation for less than 1 year.

### Insurance ownership

Personal insurance policies can generally be owned in the following ways:

- Self-ownership
- Cross ownership (owned by a spouse or other third party individual)
- Joint ownership (e.g. owned by a husband and wife in joint names)
- Inside a superannuation fund or by the trustee of a superannuation fund
- Business
- Trust
- Lending Institutions

The choice of owner important to ensure funds are paid to the right person for the purpose it was intended, and it affects the tax treatment.

Where insurance is held via a superannuation fund or superannuation trust, the insurance proceeds are paid directly to the superannuation fund. To access these proceeds, you must meet a condition of release.

It is important to note, if TPD insurance is held in superannuation, you must not only meet the insurer’s definition of disablement, but also the permanent incapacity condition of release to access your insured benefit. If this is not met, the proceeds must be preserved in the superannuation fund until you meet another condition of release.

### Stepped vs Level Premiums

A stepped premium structure is where the price of the policy increases at each policy anniversary in line with your age until expiry. Level premiums, however, are fixed at the start of your policy and remain the same until the policy ends – usually only increasing for inflation.

Stepped premiums are initially a lower cost premium option; but over time as the premium increases, the more stable level premium will gradually reach parity and then become more cost effective over the longer term.

### Insurance underwriting and premiums

Once you submit your application, the insurance company will then go through a process known as ‘underwriting’.

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This is used by the insurer to assess the risk that each applicant represents and the likelihood that they will claim on their insurance. During the underwriting process the insurer may ask for additional medical or financial information to make their assessment. They will then decide whether to offer cover, defer cover, decline cover or offer cover with exclusions or premium loadings.

It is important that you disclose all information that would be relevant to the insurance company in assessing your application. Failure to do so may see a future claim rejected. The common factors that will affect whether your cover is accepted, the premium paid and whether any exclusion will apply are:

- Your age and gender
- Occupation and duties
- Height, weight and current health status
- Personal and family medical history
- Any activities, sports or pastimes that you undertake which are deemed as risky

#### Additional Factors to Consider

- You should make sure you have an adequate level of cover for your needs. Under-insurance can present a serious problem.
- Changes in your personal circumstances (ie taking on additional debt) often necessitate the need for higher insurance levels.

## 1. Services

1.1 We will provide to you financial planning, wealth management and incidental services we are permitted to provide in accordance with our Australian financial services licence (AFSL) as reasonably requested by you from time to time (**Services**).

1.2 We will perform the Services in a diligent and competent manner and in accordance with our AFSL and applicable law.

1.3 If, at any time, we consider we cannot perform particular Services, we will advise you and those Services will be excluded from the Services to be performed under this agreement.

1.4 You must provide proper instructions and do everything reasonably requested by us to enable us to perform Services. If you do not provide proper instructions or provide inadequate instructions, we may refuse to perform Services or limit the scope of Services performed and our obligations to you.

1.5 You may request us to perform Services that are limited in scope. If you request us to perform Services that are limited in scope, we may refuse to perform Services. If we perform those Services, our obligations to you will be strictly limited to the requested scope of Services and will not include any obligation to advise on other matters (even if we would otherwise have a duty to you to do so).

## 2. Our Staff

2.1 We will usually nominate a supervising adviser to be responsible for performing the Services. The supervising adviser will be a representative or an authorised representative under our AFSL.

2.2 At any time, you may request a change of supervising adviser. We will do our best to accommodate your request. At any time, we may change the supervising adviser if we consider it appropriate.

2.3 Our other staff will assist the supervising adviser to perform the Services as required from time to time.

## 3. Fees

3.1 We will charge you fees, expenses and disbursements for work associated with performing the Services (**fees**).

3.2 Our fees will be calculated on a basis agreed with you and set out in a Statement of Advice, Record of Advice or another document (**disclosure document**) to be given to you from time to time.

3.3 The disclosure document will, where practicable,

include an estimate of our fees or an estimated range of fees and a separate project fee may be quoted and invoiced above the estimated annual service fee.

3.4 The disclosure document will include disclosure of any benefits we, a staff member or any associated person may receive that might reasonably be expected to be capable or have been capable of influencing the Services we provide to you or which might otherwise be benefits received in connection with any fiduciary duty we owe to you (**associated benefits**). To the maximum extent permissible, you authorise us to receive and retain for our own benefit all associated benefits.

3.5 If we are to charge fees by hourly rates, different rates will apply depending on a staff member's area of services, expertise and experience.

## 4. Expenses and disbursements

4.1 We may charge you for expenses we incur, at the cost to us.

4.2 We may (but are not obliged to) pay, or become liable to pay, money to others on your behalf. If so, we will charge you at the cost to us. Examples of such disbursements are amounts associated with obtaining advice from experts and other entities.

4.3 If we ask you to pay us an amount for expenses or disbursements we reasonably expect to incur, you must pay the estimated amount to us within 14 days of the date of our request.

## 5. GST (Goods and Services Tax)

5.1 Our fees are inclusive of GST. The amount of GST payable on any fees will be displayed on your invoice.

## 6. Payment of fees

6.1 You authorise us and the financial institution that provides or operates any of your investments (**your financial institution**) to pay from your investments our fees and the fees of any other group entity. You must give your financial institution valid instructions, and do everything reasonably requested by us, to facilitate such payment.

6.2 If we invoice you for our fees, we may send our invoice to you electronically. You must pay our invoices within 14 days of the date of our invoice.

6.3 If you do not pay our fees within 14 days of the date of our invoice, we may charge you interest on the unpaid amount at the default interest rate charged from time to time by National Australia Bank on small business loans of less than \$50,000.

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## 7. Engagement of other advisers

7.1 In performing the Services, we may engage, on your behalf, the services of another adviser, including, without limitation, a specialist in a particular field of financial services, a tax adviser, an accountant or a lawyer. We will consult you about the terms of the other adviser's engagement.

7.2 Instead of engaging another adviser, we may require you to enter into an agreement directly with the other adviser.

7.3 If a person outside Apt Wealth Partners Pty Ltd or its authorised representatives does any work in respect of the Services, we may rely on their work without considering whether that work has been completed properly. For example, if a tax adviser is appointed by us, or you have another person advising on tax, we are not obliged to consider whether they have completed their work properly.

## 8. Control of your materials

8.1 Your file in respect of the Services consists of some materials that belong to you and some materials that belong to us. Until all group entities have paid all our fees, we are entitled to keep your materials.

8.2 If we are forced by law to deliver any of your materials to an authority or another person, or we return your materials to you, we may keep copies of your materials. We will charge you at our than usual rates for copying or reproducing your materials.

8.3 If we are forced by law to give information or evidence in respect of the Services to an authority or another person, we will charge you fees at our than usual rates for the time spent by us giving that information or evidence.

8.4 We will retain your file for 7 years after the completion of the Services. You authorise us, at our option, to keep your file in electronic form and destroy all hard copies of your file. At our option, after 7 years, we may destroy your file in whatever form it then exists.

## 9. Reservation of ownership of copyright

9.1 All copyright in documents we produce for you is retained by us.

9.2 We grant you an unrestricted licence to use those documents for the purposes for which you have instructed us to produce them.

## 10. Termination

10.1 You may terminate your appointment of us by giving us not less than 7 days prior written notice.

10.2 Fees paid for the month you notified us of the termination of our appointment will cover the services for that month and will not be refunded.

10.3 You may terminate your appointment of us immediately by executing a new Annual Service Agreement. The execution of a new Agreement commences a new service period and automatically terminates any previous arrangements.

10.4 We may terminate your appointment of us by giving you not less than 7 days prior written notice.

10.5 If your appointment of us is terminated by you or by us:

(a) we will not incur any liability as a result.

(b) we will give you a final invoice that includes all outstanding fees to the date of termination.

(c) if our fees are on a lump sum basis or at fixed rates, the final invoice will include our reasonable estimate of the proportion of work done up to the date of termination.

(d) you must pay our final invoice within 14 days of the date of our invoice: and

(e) we retain the right to keep your materials until we are paid or security for our fees satisfactory to us is provided.

## 11. Privacy & Confidentiality

11.1 You acknowledge that we may be forced by law to collect or disclose your information (including personal information and confidential information). You must provide all information the law requires us to collect or that is necessary for us to perform the Services.

11.2 We will collect your information only if the law requires us to do so, it is necessary for us to perform the Services or for any other purpose we tell you at the time of collection.

11.3 We will collect personal information lawfully, fairly and in compliance with applicable privacy laws.

11.4 We will limit access to your personal information and confidential information and store it securely.

11.5 You authorise us to disclose information (including personal information and confidential information) as necessary to perform the Services, for the purpose of transferring our business or a part of our business to another person and any other purposes agreed by you.

## 12. Claims

12.1 You acknowledge that you have to fulfil every obligation on your insurance contract and if you violate the terms of your insurance policy, the insurer might have grounds to reject a claim. We do not guarantee or assure a claim will be paid as the insurer needs to assess each claim on an individual basis. To the maximum extent permissible, you release us from all claims, losses and expenses you might have against us or our staff members in respect of a rejected claim due to lack of disclosure and non-provision of documents requested by the insurer.

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12.2 You may only make claims against us and must not make any claim against any of our staff members personally. Our staff members may enforce this provision.

12.3 If we become liable to you for a loss, and you or any other person contributes to the loss, to the maximum extent permissible, our liability to you is limited to the amount attributable to us after allocating a just proportion of the liability for the loss to each person who contributed to the loss.

### **13. Communications**

13.1 If any of your personal details change, you must advise us in writing. If you do not advise us in writing of the change of details and we address a communication to an old address, we will not be responsible for any loss you suffer from not receiving the communication.

13.2 You authorise us to send and receive electronic communications (including email). You acknowledge that electronic communications are not secure and may be copied, recorded, read or interfered with by third parties while in transit.

13.3 You release us from any claims you may have in respect of any unauthorised copying, recording, reading or interference with any document after transmission, for any delay or non-delivery of any document and for any damage caused to your systems or files.

13.4 We may rely on electronic communications that appear to us to have been sent by a person (including you) as being authentic and within the authorisation of the person unless it is obvious, without further enquiry, that the actual sender is another person or the communication is sent without proper authority.

### **14. Assistance to your estate**

14.1 If you die or lose the capacity to manage your own affairs:

- (a) your appointment of us continues until terminated by the person appointed to manage your estate and affairs.
- (b) we will continue to provide the Services for the benefit of your estate and to assist the person who is appointed to manage your estate and affairs; and
- (c) we will continue to be entitled to charge our fees to your estate in accordance with this agreement on the same basis as before you died or lost the capacity to manage your own affairs.

### **15. Applicable law**

15.1 The law of New South Wales applies to this agreement. The courts and registries of courts in New South Wales have non-exclusive jurisdiction to decide disputes in respect of this agreement.

15.2 Despite any other provision of this agreement nor any law of any jurisdiction, a party must not commence proceedings (including, without limitation, any original proceeding or any third-party claim, cross claim or counterclaim) in any court nor registry of a court (nor any other dispute resolution authority or entity) located outside Australia (foreign court or authority). This clause 15.2 is an absolute bar on any such proceedings in any foreign court or authority. No party may enforce in Australia any judgment or order of any foreign court or authority.