

Financial Services Guide for Retail Insurance Products

What is this document?

This guide sets out the services that we can offer you in *Motor Vehicle Policies; Home Building and/or Home Contents Policies; Travel Policies or Personal and Domestic Product Policies*.

What does this document do?

It sets out information designed to assist you to decide whether you wish to use any of the services set out in the Guide.

- The services we offer you
- How we and our associates, if any, are paid
- Any potential conflict of interest we may have
- Our internal and external dispute resolution procedures and how you can access them

Further Information about Our Advice

When you ask us to recommend an insurance policy for you, we will usually only consider the policies offered by the insurers that we deal with regularly. In giving you advice about the costs and terms of recommended policies we have **not** compared those policies to all other policies available, other than from those insurers we deal with regularly.

When we provide you with advice which takes into account of your objectives, financial situation and needs you will receive a **Statement of Advice (SOA)**. If our advice does not take into account your objectives, financial situation and needs, you will receive a **General Advice Warning (GAW)**.

If you proceed to acquire a product from us, you should receive a **Product Disclosure Statement (PDS)** from the insurer before you acquire the product. The PDS contains information about the particular policy which will enable you to make an informed decision about purchasing that policy.

Date	For the duration of our being your broker, this FSG applies from the date you appoint us as your broker and remains valid unless a further FSG is issued to replace it or after we resign from being your broker whichever is the earlier. If there are services not covered by this FSG we shall give you a supplementary FSG.
You can instruct us by	Phone , Email, Fax or Letter
Financial Services	Australasia Insurance Brokers Pty Ltd is authorised (AFS Licence No. 229568) to advise and deal in general insurance products. We will do this for you as your broker unless we tell you otherwise.
Nature of Advice	<p>We may not be able to give you personal advice in all cases. If we do not ask, or if you do not give us all the information we ask for, any advice you receive may not be appropriate to your needs, objectives and financial situation.</p> <p>You should read carefully the warnings contained in any SOA, or any other warnings that we give you before making any decision about any insurance policy we recommend to you.</p>
Whom do we serve?	As an insurance broker we normally work for you. We will inform you when we act for the Insurer and not for you.
How AAiB is remunerated	<p>For our time and effort to assist you we charge a broker's fee. This fee covers our expenses in finding, negotiating, arranging and assisting you in managing your insurance and to provide advice to you.</p> <p>To place and maintain your insurance with the insurers we also perform administrative and distributive duties for which we are paid by the insurers in the form of a commission based on a percentage of the base premium. This percentage varies from 0 to 25% depending on the type of insurance you require. This commission is NOT our profit.</p> <p>If we give you a SOA, we will list in that document any fees, commission or other payments which we will receive in relation to the policies that are subject of the advice.</p> <p>In some cases with some insurer(s), AAiB may also be remunerated under a profit share arrangement, if certain types of business achieve a certain level of profitability to the insurer(s) at some time in the future.</p> <p>When you pay your premium it will be banked into our Trust Account. We shall retain the commission and any interest generated in the Trust Account and remit the balance to the insurer. Our employee who will assist you in managing your insurance will be paid a market salary.</p> <p>If you require us to help you organise premium funding, we shall receive a commission of 2% of the total amount you wish to be funded by the premium funder. There is no variation of this % among the premium funders we use. When we arrange premium funding for you, you can ask us what commission rates we are paid for that funding arrangement compared to the other arrangements that were available to you.</p> <p>The commission that we are paid by the premium funder is usually calculated as a percentage of your insurance premium (including government fees or changes). If you instruct us to arrange or issue a product, this is when we become entitled to the commission. If you can afford to pay the premium upfront, we strongly encourage you to do so.</p>

If you cancel your policy...

In the event of your cancelling your policies before they are due, any premium refunded by the insurer will be returned to you after deduction of part or all of the commission we received from the insurer. Broker fees will not be refunded.

How are any commissions, fees or other benefits calculated for providing the financial services.

On top of every **\$1,000** "Net" Premium you paid to the insurer, you will have to pay duties and levies to the government (in example below: NSW of Nov 2007) and our fees¹. The insurer gives us a commission² from the Premium they received:

EXAMPLES	Motor	Home Building & Contents
Net Premium (Prem)	\$1,000.00	\$1,000.00
Fire Services Levy (FSL)	(1%) \$ 10.00	(20%) \$200.00
GST (% of Prem+FSL)	(10%) \$101.00	(10%) \$120.00
Stamp Duty (% of sum of above)	(5%) \$ 55.55	(9%) \$118.80
GST on our fees	(10%) \$ 6.00	(10%) \$ 6.00
TOTAL to GOVERNMENT	\$172.55	\$444.80
Our commission (% of Prem) <i>(deducted from Prem insurer rec'd)</i>	(5%) \$ 50.00	(20%) \$200.00
Our fees ¹	\$60.00	\$60.00
TOTAL you pay	\$1,232.55	\$1,504.80

Details of any associations or relationships which may influence AAiB

AAiB is a shareholder of Steadfast Group Limited (**Steadfast**). Steadfast has exclusive arrangements with some insurers under which Steadfast will receive between 0.5 - 1% commission for each product arranged by us with those insurers. These payments are used to operate Steadfast.

Depending on the operating costs of Steadfast (including the costs of member services provided by Steadfast to us and other Steadfast shareholders) and the amount of total business we place with the participating insurers in any financial year, we may receive a proportion of that commission at the end of each financial year.

As a shareholder of Steadfast we have access to member services including model operating and compliance tools, procedures, manuals and training, legal, technical, banking and recruitment advice and assistance, group insurance arrangements, product comparison and placement support, claims support and group purchasing arrangements. These member services are either funded by Steadfast, subsidised by Steadfast or available exclusively to shareholders for a fee.

You can obtain a copy of Steadfast's FSG at www.steadfast.com.au

What information do we maintain in you file and can you examine your file?

We maintain a record of your personal profile, including details of insurance policies that we arrange. We also maintain records of any recommendations or advice given to you. We will retain this FSG and any other FSG given to you as well as any SOA or PDS that we give or pass on to you.

We are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. A copy of our privacy policy is available on request.

If you wish to look at your file please ask us. We will make arrangements for you to do so.

Details of the complaint resolution process

Let us know what you are not happy about. All complaints will be personally handled by our Managing Director immediately because we treasure you as our client. We will do our best to resolve it quickly.

If your complaint cannot be resolved to your satisfaction by us you have the right to refer the matter to Insurance Brokers Disputes Limited (1 300 780 808) of which we are a member.

Any questions?

If you have any further questions about the financial services AAiB provides, please contact us.

Please retain this document for your reference and any future dealings with AAiB.