

Financial Services Guide

The financial services referred to in this financial services guide (FSG) are offered by:

AustralAsia Insurance Brokers Pty Ltd
 AFS License No. 229568
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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
- Arrangements we have in place to compensate clients for losses

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.

Usually our advice does not take into account your objectives, financial situation and needs and you will receive a **General Advice Warning (GAW)**. If 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 we offer to arrange the issue of an insurance policy to you, we will also provide you with, or pass on to you, a **product disclosure statement (PDS)**, unless you already have an up to date PDS. The PDS will contain information about the particular policy which will enable you to make an informed decision about purchasing that policy.

From when does this FSG apply?

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 responsible for the financial services that will be provided to you, or through you to your family members, including the distribution of this FSG. 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. Our contact details are on the top of this page.

Nature of Advice

We opt not to give you personal advice in all cases. Any advice you receive may not be appropriate to your personal needs, objectives and financial situation.

You should read carefully the warnings contained in any GAW, or any other warnings that we give you before making any decision about any insurance policy you wish us to arrange for you.

How will you pay for the services we provide?

For each insurance product the insurer will charge a premium that includes any relevant taxes, charges and levies. Unless we tell you otherwise, we shall receive a payment based on a percentage of this premium (excluding relevant taxes, charges and levies) called commission, which is paid to us by the insurers. However, in some cases we will also charge you a fee. These will all be shown on the invoice that we send you. You can choose to pay by any of the payment methods set out in the invoice. You are required to pay us within the time set out on the invoice.

If there is a refund of premium owed to you as a result of a cancellation or alteration to a policy, we will retain any fee we have charged you. We may also retain commission depending on our arrangements with the insurer.

When you pay us your premium it will be banked into our trust account. We retain the commission from the premium you pay us and remit the balance to the insurer in accordance with our arrangements with the insurer. We will earn interest on the premium while it is in our trust account or we may invest the premium and earn a return. We will retain any interest or return on investment earned on the premium.

How are such commissions, fees and other benefits calculated?

EXAMPLES	Motor	Home Building & Contents
To Insurer (P)		
	\$1,000.00	\$1,000.00
+ Fire Services Levy (FSL)	(1%) \$ 10.00	(23%) \$230.00
+ GST (% on P+FSL)	(10%) \$101.00	(10%) \$123.00
+ Stamp Duty (SD: % on P+FSL+GST)	(5%) \$ 55.55	(9%) \$121.77
+ GST on our fees	(10%) \$ 6.00	(10%) \$ 6.00
To Government (GST, SD, FSL)	\$172.55	\$480.77
To us from insurer (Commission (X))	(5%) \$ 50.00	(20%) \$200.00
+ To us from you (Fees)	\$ 60.00	\$60.00
TOTAL you pay	\$1,232.55	\$1,740.77

N.B. On top of every \$1,000 "Net" Premium (P) you paid to the insurer, you will have to pay duties and levies to the government (in example above: NSW of Nov 2011) and our fees.

The insurer pays us, from the premium P, a commission calculated as $X = Y\% \times P$

where

X = our commission

Y% = the percentage commission paid to us by the insurer to cover administrative and distributive duties for This percentage varies from 0 to 25% depending on the type of insurance you require. This commission is NOT our profit.

P = Premium - the amount you pay for any insurance policy (excluding any government levies, tax or charges).

Any fees that we charge you covers our expenses in finding, negotiating, arranging and assisting you in managing your insurance and to provide advice to you.

We do not pay any commissions, fees or benefits to others who refer you to us or refer us to an insurer.

Our employees that will assist you with your insurance needs will be paid a market salary. No commission is paid.

If we give you personal advice, we will inform you on a SOA of any fees, commission or other payments we, our associates or anyone referring you to us (or us to any insurer) will receive in relation to the policies that are the subject of the advice.

Do we have any relationships or associations with the insurers who issue the insurance policies or any other material relationships?

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.

Steadfast has a shareholding in Macquarie Premium Funding. If we arrange premium funding with Macquarie Premium Funding for you, under its agreement with Macquarie Premium Funding, Steadfast will receive 0.5% of your insurance premium (including government fees or charges). As an equity shareholder of Macquarie Premium Funding, Steadfast may also receive dividends from profits of Macquarie Premium Funding. The amount of the Steadfast dividend is based on the share of profit attributable to funding arranged by Steadfast shareholders. The payments (commission and dividends) that Steadfast receives from Macquarie Premium Funding are used to operate Steadfast. Depending on the operating costs of Steadfast and the amount of total business we place with Macquarie Premium Funding in any financial year, we may receive a portion of those amounts at the end of each financial year.]

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

If you require us to help you organise premium funding, we shall receive a commission of 0.5% to 2% of the total amount you wish to be funded by the premium funder. When we arrange premium funding for you, you can ask us what commission rates we are paid.

The commission that we are paid by the premium funder is usually calculated as a percentage of your insurance premium (excluding government fees or charges). 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 without funding, we strongly encourage you to do so.

In some cases with some insurers, AAIB may also be remunerated under a profit share arrangement, if certain insurance business achieve a certain level of profitability to the insurer at some time in the future. This 'profitability' is affected by claims and the insurer's expenses.

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.

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 and online at www.aaib.com.au

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. Because we treasure you as our client, all complaints are immediately notified and personally handled by our Managing Director. We will do our best to resolve it quickly.

If your complaint cannot be resolved within 7 days to your satisfaction, you have the right to refer the matter to Financial Ombudsman Service L12, 717 Bourke Street, Melbourne (GPO Box 3 Melbourne VIC 3000) (T: 1 300 780 808 www.fos.org.au) of which we are a member.

What arrangements do you have in place to compensate clients for losses?

We have a professional indemnity insurance policy (PI policy) in place.

The PI policy covers us and our employees for claims made against us and our employees by clients as a result of the conduct of us or our employees in the provision of financial services.

Contractual Liability and your insurance cover

Many commercial or business contracts contain clauses dealing with your liability (including indemnities or hold harmless clauses). Such clauses may entitle your insurers to reduce cover, or in some cases, refuse to indemnify you at all. You should seek legal advice before signing and accepting contracts. You should inform us of any clauses of this nature before you enter into them].

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.