

## Financial Services Guide (FSG)

The Financial Services covered by this guide are provided by:

### **Austbrokers SPT Pty Ltd**

This guide contains important information about:

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

If you are a retail client (an individual or small business as defined in the Corporations Act 2001) and we give you personal advice, we will provide you with a Statement of Advice. This will contain our advice, the basis of our advice, and information on any remuneration, associations or other interests, which might reasonably have influenced us in giving our advice.

If you are a retail client and we arrange an insurance policy for you, or we provide personal advice to you recommending that you buy a particular insurance policy, we will give you a Product Disclosure Statement when required. It is prepared by the insurer and is designed to give you important information about the policy.

### What services can we provide?

We are licensed to provide financial product advice and deal in general insurance products.. We usually act on your behalf. However in some cases, we may act on behalf of an insurer, or their representative, or on our own behalf (e.g. as a referrer to another service provider). We tell you if this is the case as this means we do not act for you when we provide the service.

### *Arranging insurance for you*

This is where we arrange for the issue, variation, renewal or cancellation of an insurance policy for you. The process differs depending on the type of insurance and we explain it to you when you apply for the insurance.

### *Providing advice to you*

There are two types of advice we may provide and it is important to understand the difference:

- **personal advice** – this is advice provided by us to you on the suitability of general insurance policies to meet your particular needs. We will agree with you when this service is to be provided and what the scope of our personal advice will be. For example, in some cases we may only provide personal advice on which of a selected list of products is appropriate for you. Before we provide any personal advice we will need to undertake a needs analysis so we can provide you with appropriate advice.
- **general advice** – this is where we provide a general recommendation or opinion to you on a general insurance policy which is not based on our consideration of your personal needs. We tell you when this is the case because if general

advice is given you need to consider if the general advice and any relevant product is right for your circumstances as we have not done this for you.

In some cases where we arrange more than one policy for you we may provide personal advice for one policy and general advice for another. We will tell you when this is the case.

### *Acting for insurers*

In some circumstances we may have an agreement with an insurer or their representative to arrange insurance policies on their behalf and not on your behalf. This means that we act for and in the interest of the insurer as our principal in providing the services, not yours. If we are given a "binding authority" from an insurer, this means we can enter into insurance policies and/or handle or settle claims on their behalf without reference to them, provided it is within the authority they have given us. We will tell you when we act for an Insurer and not for you.

### *Claims Assistance*

We can also assist you when you need to make a claim. If a claim occurs contact us and we can help you decide what to do. We do not do anything without your consent. We provide this assistance as part of our overall service for no separate charge unless we tell you otherwise. We don't provide this service if we no longer act for you. Any claims documentation, insurance company settlement cheques and other information received by us on your behalf will be provided to you as soon as reasonably practicable.

### *Premium Funding*

In some cases insurers require the full premium payment up front. Premium funding is one way of not having to pay your premium in one lump sum. You will, however, have to pay interest to the premium funder on the amount borrowed.

We and AUB Group Limited (ABN 60 000 000 715), have a preferred supplier arrangement with Hunter Premium Funding Pty Limited ("Hunter") for the arrangement of premium funding for commercial insurances. We also offer Premium Funding through other suppliers from time to time, including Premium Funding Pty Ltd. In arranging premium funding with any premium funder, we do not provide personal advice or represent that any of the funder's products and services are right for you or that they are the most appropriate. You need to make your own decision based on the information provided.

### *We may provide a variety of services and act in different roles.*

It is important to note that given the wide variety of general insurance products available and the need to remain competitive we may provide a variety of the above services to you and act in a variety of roles. For example, where you require a number of different covers we may provide personal advice for some products you need and act on your behalf in relation to them. For others we may only provide you with general advice and for others only act as agent of the insurer not you. We can provide a further explanation of why this is the case and we make sure we tell you what the service is and our role before or at the time we provide the service.

### Privacy Policy

#### *How can you give us instructions?*

Ask us if you need more detailed information or do not understand our explanation. You need to give us instructions in writing by letter or fax or by another method agreed by us. We will tell you what is possible when you contact us.

#### *What information do we maintain about you & how can you access it?*

We are committed to protecting your privacy in accordance with the Privacy Act 1988 (Cth) (Privacy Act) and the Australian Privacy Principles (APPs). Where required, we will provide you with a Collection Notice which outlines how we collect, disclose and handle your personal information. You can also refer to our Privacy Policy available on our website or by contacting us for more information about our privacy practices including how we collect, use or disclose information, how to access or seek correction to your information or how to complain in relation to a breach of the Australian Privacy Principles and how such a complaint will be handled.

### How are we paid for our services?

When we act on your behalf in advising on or arranging insurance we can be paid in a number of ways. They can vary according to the service you require and/or our arrangements with the relevant insurer or their representative.

We are paid by:

- commission from the insurer;
- in limited cases only, remuneration from an insurer based on the profitability or volume of the business we or our member group place with them; or
- fees we charge you;
- a combination of the above.

Details are provided below on each.

#### *Commission paid by the insurer to us*

Unless we tell you in writing that we will provide our service on a "Fee Only - no commission" basis, we are remunerated by commission from the relevant insurer whenever you enter into an insurance policy arranged by us (including renewal and some variations which increase the premium payable). The commission is a percentage of the insurer's base premium (i.e. premium excluding stamp duty, fire services levy, GST or any other government charges, taxes, fees or levies). Different insurers can agree to pay us different commission rates for the same type of products. The commission rates also vary for each product type. In some cases the rate may be higher because of the role we play in performing certain distribution functions the insurer would otherwise have to perform.

The commission does not represent our profit margin as it also reimburses us for administrative and other expenses we incur in providing our services. The commission is included in the premium amount set out in your invoice and we receive it when you pay the premium or at a later time agreed with the insurer. By way of example, if you buy a policy and the base premium is \$400 and our commission is 10% excluding GST, we receive \$40 plus \$4 GST on this amount from the insurer.

If we provide you with personal advice we will tell you the amount of any commission for each financial product (or if it is not known the manner of calculation) in the Statement of Advice. If we act on your behalf and you cancel a policy and obtain a refund of premium, you agree that we can keep our commission (even when you exercise a cooling off right). If we didn't do this we would not be properly paid for the services we provide to you or the role we play in performing certain distribution functions the insurer would otherwise have to perform.

#### *Other remuneration arrangements we have with insurers*

We may from time to time enter into agreement which includes a profit share component. The amount of the profit share is variable and is determined by the amount of premium earned when compared with the claims experience in our total portfolio with an insurer. The profit share may be calculated and received on either a monthly, quarterly or annual basis.

We have an agreement with QBE Insurance (Australia) Limited (ABN 78 003 191 035) (QBE) under which we may receive an annual profit share in relation to agreed products, including the product recommended. To receive it we must meet eligibility criteria (eg. Deal with QBE as intermediary for the annual period) and meet an agreed profit target. The target is based on an agreed formula (it takes into account matters such as premium received, claims and expenses incurred etc) and the amount we received varies according to the level we exceed the target. The most we can receive is up to 5% of gross written premiums. We may receive nothing if we don't meet the relevant requirements. Please ask us if you need more information.

We have entered into an agreement with CGU Insurance Limited (ABN 27 004 478 371) ("CGU") under which we may, upon meeting GWP targets, receive an annual growth incentive payment calculated as a GWP in relation to Approved Products up to a maximum of 2%.

We are also a member of the Austbrokers Network of insurance brokers.

AUB Group Limited (ABN 60 000 000 715) (AUB) and IBNA Limited (ABN 43 086 563 055) (IBNA) are joint owners of A & I Member Services (AIMS) a company that provides marketing, distribution and training services to members of Austbrokers and IBNA Group. Some insurers pay a commission to AIMS on selected products arranged by Austbrokers member insurance brokers and IBNA members which is an agreed percentage of the base premium (Before government fees or charges). Different insurers may pay different commission rates to AIMS.

This money funds the provision of AIMS services to Austbrokers and IBNA members. We, other Austbrokers members and IBNA members benefit from this support and it helps ensure we can continue to provide you with our extensive range of services. Austbrokers and IBNA members may also be entitled to share in any excess of the commission received by AIMS in any one annual period (if any) after deduction of all relevant AIMS costs and expenses in providing its services in that period.

See below for soft dollar benefits we may receive from insurers and our policy on this.

### *Fees paid by you*

We may also charge you certain Fees. Unless we specifically agree in writing before providing our services to charge on a "Fee Only- no commission" basis, the Fees will be paid in addition to any commission.

We can receive, depending on the product and services to be provided:

A Broker Fee – this is an administration fee payable in addition to commission when you enter into an insurance policy. We generally charge between \$30 and \$250 including GST but we may charge a higher or lower amount depending on the circumstance. We will tell you what it is before the product is arranged and it is noted in the invoice we send you.

In the case that business is transacted on a "Fee Only- no commission" basis the broker fee will normally be substantially higher than the amounts stated above and will be clearly stated on your invoice. These fees could also include an allowance for disbursements paid on your behalf eg. Risk surveys.

Other Fees – these can be a pre agreed set amount for specific services, and/or an amount based on a pre agreed rate for the time we spend providing the service, or on some other basis agreed with you before we provide the service. Such fees are payable after we have provided the service or at such earlier time we agree with you in writing. The range of fees very much depends on the circumstances.

The actual amounts of the above fees can be higher or lower depending on the circumstances and we will tell you if this is the case. Any fee is noted in the invoice we send you and is not refundable even if you exercise your cooling off period.

### *Premium funding*

If we refer you to a premium funder and you enter in premium funding arrangements with them, we may receive commission from the premium funder which is a percentage of the amount funded excluding GST. The amount of commission varies depending on our arrangement with the premium funder we refer you to. In some cases we have a profit share arrangement with the premium funder where we receive a percentage of any profit the premium funder makes on the funds loaned by persons we refer to them. We may receive soft dollar benefits from them too.

If you use Hunter Premium Funding (Hunter) , we receive (a) a payment based on the interest earned on the premium funding by Hunter each month; (b) a commission which is a percentage of the amount of funding provided to you; (c) a payment based on a percentage of all outstanding loans less any cancelled or terminated loans; and (d) a payment based on a percentage on certain general insurance business placed by Austbrokers Network with a certain division of Allianz Insurance Limited. AUB Group Limited receives certain upfront payments from Hunter for entering into (or renewing) a preferred premium funding distribution arrangement with Hunter. We are owned partly by AUB Group Limited and benefit from any profit made by this entity due to this arrangement. If you need more information or explanation of the above, please ask us.

### **Other remuneration information**

#### *Where we act for the insurer under a "binding authority"*

Where we act for an insurer, not you, we receive commission from the insurer as our principal of up to 25% and may also charge you an administration fee. We generally charge between \$40 and \$500 including GST, but we may charge a higher or lower amount depending on the circumstances. We will tell you if this is the case. The fee is payable when you buy the policy or at such earlier time as we agree with you in writing. It is noted in the invoice we send you and is not refundable.

#### *Where there is a referral*

Where a third party has referred you to us, we may pay them an agreed amount for the referral as a commission or fee. This amount will be paid after we provide services to you. A commission or an agreed fee may also be paid on renewal and in some cases on variation.  
**Austbrokers SPT**

### *Our staff's remuneration*

Our staff receive an annual salary that may include bonuses based on performance criteria (including sales performance) and achievement of company goals. They may also receive certain soft dollar benefits described further below.

### *Soft dollar benefits*

From time to time we and our representatives may also receive what are commonly referred to as "soft dollar benefits" from product issuers and other financial service providers we deal with.

These can include entertainment (e.g. lunches or sporting events), conferences (e.g. attendance at a product issuer conference or sponsorship of our AUB Group Annual conference by a product issuer), business tools (e.g. software), gifts (e.g. product issuer or service provider branded promotional items and other occasional small gifts such as bottles of wine or hampers on special occasions etc).

Our policy is that any of the above received by us or our representatives that exceed \$300 per item or transaction in estimated value are potentially material and must be disclosed to our Conflicts Manager in writing. The Manager determines if appropriate procedures are in place to manage or avoid any potential conflict of interest which might arise. They only approve benefits where this is the case and retain a record of this which you can access on request. Any soft dollar benefits which are principally given because of the volume of business provided by the recipient to the product issuer or service provider giving the benefit are not permitted. The above restriction does not apply to conferences or functions, the principal purpose of which is professional development and where the right to attend is not based on sales volumes.

If we provide you with personal advice we may provide you with more details about the soft dollar benefits that we receive.

### *Money Handling Arrangements*

We handle all money received from you or the insurer in relation to insurance in accordance with the requirements set out by the Corporations Act 2001 (Cth). We keep any interest earned on any amounts held by us on your behalf or on behalf of the insurer. The length of time we hold any money can vary according to the type of insurance and the different arrangements we have in place with insurers.

### ***Relationships or associations with issuers or related bodies corporate that might influence our service or advice***

We are a member of the Austbrokers Network of general insurance brokers. In some cases we may refer you to or advise you to use the service of one of our related bodies corporate. They may act as agent of the insurer and you will be told when this is the case. As a member of the same corporate group we may indirectly benefit from any such referral or advice if it improves the group performance. Please refer to our remuneration section for the normal benefits we can receive under such arrangements.

### ***Conflicts of Interest***

We have a Conflict of Interest Policy which we comply with and have a number of procedures in place to manage any potential conflict of interest.

For example, where we arrange a policy, an insurer may pay us commission. This could create a potential conflict of interest because it may be in our interest to recommend the insurer or service provider that pays us the most. However, if we provide you with personal advice we have a legal duty as a professional to put your interests ahead of our own and can only provide you with advice that is appropriate for you. The documentation that we will give you if we provide you with personal advice also confirms the remuneration received. We and our representatives are trained in this important duty and compliance with it is monitored regularly. If you have any questions make sure you ask us.

### ***Cooling Off Period***

A cooling off period may apply to an insurance policy issued to you as a retail client. During the period you may return the policy. Details of your cooling off rights are included in the relevant Product Disclosure Statement document. In some cases an insurer can deduct certain amounts from any refund. Ask us if you do not understand the right.

### ***Important Information about your insurance***

You must read the Important Information about your insurance document we give you (tell us if you have not received it) and ask us if you have any questions or do not understand anything we have set out in that document. It will help you understand some important matters about your insurance.

### ***Misstatement of Premium***

We try to tell you the correct amounts of premium and statutory and other charges that apply to your insurance. In the event that we misstate that amount (either because we have made an unintentional error or because a third party has misstated the amount), we reserve the right to correct the amount. Where permitted by law, you shall not hold us responsible for any loss that you may suffer as a result of any such misstatement.

### ***Professional indemnity insurance arrangements***

We and our representatives are covered under professional indemnity insurance that complies with the requirements of section 912B of the Corporations Act.

The insurance (subject to its terms and conditions) will continue to cover claims in relation to our representatives/employees who no longer work for us (but who did at the time of the relevant conduct).

### ***NIBA Code of Conduct & Code of Practice***

We also subscribe to the Insurance Brokers Code of Practice (the Code). The Code sets out standards for Brokers to follow when dealing with clients including requirements to inform client of remuneration arrangement and any conflict of interest.

A copy of The Code is available from [www.niba.com.au](http://www.niba.com.au) or by contacting our office.

### ***Complaints & Disputes Handling***

If you have any complaints about the service we provide you, you should take the following steps:

1. Contact us and tell us about your complaint
2. If your complaint is not satisfactorily resolved within 24 hours, please contact our Complaints Manager, Brian Salisbury, on telephone number (02) 9525 9311 or put your complain in writing and send it to the Complaints Officer at: Austbrokers SPT PO Box 500, MIRANDA, NSW 1490 Please mark the envelope 'Notice of Complaint'. We will try to resolve your complaint quickly and fairly.

3. If the complaint can't be resolved to your satisfaction within 45 days, you have the right to refer the matter to the Financial Ombudsman Service Australia (FOS). They can be contacted on 1800 367 287 or you can write to them at: Financial Ombudsman Service Australia  
GPO Box 3, Melbourne VIC 3001

If you have any further questions about the financial services we provide, please do not hesitate to contact us.

## Privacy Collection Notice

**At Austbrokers SPT Pty Ltd, ABN 80 077 797 034, we are committed to protecting your privacy in accordance with the Privacy Act 1988 (Cth) (Privacy Act) and the Australian Privacy Principles (APPs). This Privacy Notice outlines how we collect, disclose and handle your personal information (including sensitive information) as defined in the Act.**

### 1. Why we collect your personal information

We collect your personal information (including sensitive information) so we can:

- identify you and conduct necessary checks (including where required by the anti-Money Laundering and Counter-Terrorism Financing Act 2006 and other legislation);
- determine what service or products we can provide to you e.g our insurance broking services, insurance intermediary services, funding services, claims management services, risk management and other consulting services.
- issue, manage and administer services and products provided to you or others, including claims investigation, handling and settlement;
- improve our services and products e.g training and development of our representatives, product and service research and data analysis and business strategy development; and
- provide you with information and to tell you about our products, services or events or any other direct marketing activity (including third party products, services and events which we consider may be of interest to you).

### 2. What if you do not provide some personal information to us?

If the required personal information is not provided, we or any involved third parties may not be able to provide appropriate services or products. If you do not provide the required personal information we will explain what the impact will be.

### How we collect your personal information

Collection can take place by telephone email, or in writing and through websites (from data you input directly or through cookies and other web analytic tools).

Unless it is unreasonable or impracticable for us to do so, or as provided otherwise under this Privacy Notice or our Privacy Policy, we will collect your information directly from you or your agents.

We may obtain personal information indirectly and who it is from can depend on the circumstances. We will usually obtain it from another insured if they arrange a policy which also covers you, related bodies corporate, referrals, your previous insurers or insurance intermediaries, witnesses in relation to claims, health care workers, publicly available sources, premium funders and persons who we enter into business alliances with.

- 2.1 We attempt to limit the collection and use of sensitive information from you unless we are required to do so in order to carry out the services provided to you. However, we do not collect sensitive information without your consent.

If you provide us with personal information about another person you must only do so with their consent and agree to make them aware of this privacy notice.

### Who we disclose your personal information to

We share your personal information with third parties for the collection purposes noted above where it is reasonably necessary for, or directly related to, one or more of our functions or activities.

We do not use or disclose personal information for any purpose that is unrelated to our services and that you would not reasonably expect (except with your consent). We will only use your personal information for the primary purposes for which it was collected or as consented to.

We usually disclose personal information to third parties who assist us or are involved in the provision of our services and your personal information is disclosed to them only in connection with the services we provide to you or with your consent. We may also disclose it for direct marketing purposes.

These third parties can include our related companies, our agents or contractors, insurers, their agents and others they rely on to provide their services and products (e.g reinsurers), premium funders, other insurance intermediaries, insurance reference bureaus, loss adjusters or assessors, medical service providers, credit agencies, lawyers and accountants, prospective purchasers of our business and our alliance and other business partners.

These parties are prohibited from using your personal information except for the specific purpose for which we supply it to them and we take such steps as are reasonable to ensure that they are aware of the provisions of our Privacy Policy in relation to your personal information.

We also use personal information to develop, identify and offer products and services that may interest you, conduct market or customer satisfaction research. From time to time we may seek to develop arrangements with other organisations that may be of benefit to you in relation to promotion, administration and use of our respective products and services. We do not use sensitive information to send you direct marketing communications without your express consent.

Any personal information provided to us may be transferred to, and stored at, a destination outside Australia, including but not limited to New Zealand, Sri Lanka, Singapore, United Kingdom and the United States of America. Details of the countries we disclose to may change from time to time. You can contact us for details. Personal information may also be processed by staff or by other third parties operating outside Australia who work for us or for one of our suppliers, agents, partners or related companies.

When we send information overseas, in some cases we may not be able to take reasonable steps to ensure that overseas providers do not breach the Privacy Act and they may not be subject to the same level of protection or obligations that are offered by the Act. By proceeding to acquire our services and products you agree that you cannot seek redress under the Act or against us (to the extent permitted by law) and may not be able to seek redress overseas. If you do not agree to the transfer of your personal information outside Australia, please contact us.

### More information, access, correction or complaints

For more information about our privacy practices including how we collect, use or disclose information, how to access or seek correction to your information or how to complain in relation to a breach of the Australian Privacy Principles and how such a complaint will be handled, please refer to our Privacy Policy available at our website [www.sptinsurance.com.au](http://www.sptinsurance.com.au) or by contacting us (our contact details are below).

### 3. Your consent to the above, contacting us and opting out

By providing us with personal information you and any other person you provide personal information for, consent to this use and these disclosures unless you tell us otherwise. If you

wish to withdraw your consent, including for things such as receiving information on products and offers by us or persons we have an association with, please contact us.

By phone: (02) 9525 9311 or Toll Free: 1800 263 908

By email: [info@sptinsurance.com.au](mailto:info@sptinsurance.com.au)

In writing: PO Box 500 MIRANDA NSW 1490

Effective date: 12 March 2014