

Financial Services Guide

The financial services covered by this Financial Services Guide (FSG) are provided by:

SGP Insurance Brokers Pty Ltd
Centric Park Central, Level 1, Suite 105
4 Hyde Parade, Campbelltown NSW 2560
Phone (02) 4626 5022 / Fax (02) 4628 3399

SGP Insurance Brokers Pty Ltd - ABN is 90 000 613 221 and its AFSL (Australian Financial Services Licence) Number is 246665.

This guide is designed to assist you in deciding whether to use the services offered by us. It contains important information about:

- the services we can offer you
- how we and our associates are remunerated
- how we manage conflicts of interest
- our internal and external dispute resolution procedures and how you can access them

It is an important document. Please read it carefully and keep it in a safe place.

If you are a client and we give you Personal Advice, we will provide you with a Statement of Advice (where required by law) or a record of our advice. Any Statement of Advice or record of advice we provide, will set out 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, then before we either 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 if we are required to do so. It is prepared by the Product Issuer / Insurer and is designed to give you important information on the features, benefits and risks of the policy - to assist you in making an informed decision about whether to buy the product or not. It may be more than one document.

A Guide to Our Relationship with You and Others

What Services Can We Provide?

Our Various Roles

SGP Insurance Brokers Pty Ltd is an Australian Financial Services Licensee and is licensed under the Corporations Act to advise and deal in relation to all general insurance products. We can act in a number of roles in providing our services. 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.

Our Services

Arranging Insurance for You

This is where we arrange for the application, acquisition, 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 service we 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 a selected list of products is appropriate for you. Before we provide any Personal Advice, we will need to undertake a *needs analysis* so that 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 tell you when this is the case.

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. Any claims documentation, insurance company settlement cheques and other information received by us on your behalf will be provided to you as soon as is reasonably practicable. We do not continue to provide a claims service if we no longer act for you.

Dated: 1st May 2009 - Version 4

Claims Assistance (continued):

This includes existing claims where we provided service to you prior to us no longer acting for you e.g., in the event that you appoint another Insurance Broker to act for you (any assistance we provided on an existing claim will cease accordingly).

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 Austbrokers Holdings Limited (ABN 60 000 000 715) have a preferred supplier arrangement with Pacific Premium Funding Pty Limited (Pacific) for the arrangement of premium funding. In arranging premium funding with Pacific or any other 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. Some insurers may offer payment by instalment without the need to enter into a contract with a Premium Funder however if you were to take up this option, we would require payment of our Fee and Commission upfront to maintain our services.

Risk Management Services

We have an association with a specialist and accredited consultant in respect to Workers Compensation and Occupational Health & Safety. These services are provided by an external consultant, independent of SGP Insurance Brokers Pty Ltd. We may receive a referral Fee for facilitating this service as part of our overall risk management program. Please refer to the section "Where there is a Referral" for further information.

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 accordingly. For other covers, we may only provide you with General Advice or provide dealing services only and for other covers, we may act as an agent of the insurer only and not therefore, act as an agent of you. We can provide a further explanation of why this is the case. We make sure that we tell you what the service is and our role, before or at the time, we provide the service. Please ask us if you need more detailed information or do not understand our explanation.

How Can You Give Us Instructions?

You need to give us instructions in writing by letter, fax or email or by another method agreed by us. We will tell you what is possible when you contact us. There may be some instances where we are unable to accept verbal instructions and must insist on written instructions from you. We will notify you of this requirement if and when such an occasion arises. Please also note that you cannot rely on instructions sent to us by letter, fax or email unless we have in turn specifically acknowledged and accepted those instructions.

What Information Do We Maintain About You And How Can You Access it?

We maintain a record of your personal profile. That record contains information about insurance policies that we have arranged for you. The record may also contain details of your objectives, financial situation and needs collected for the purpose of giving you Personal Advice. We also maintain records of any recommendations made 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 located on our website www.sgp.com.au. If you would prefer to have a copy mailed to you, please ask us. If you wish to access your file, please ask us.

How Are We Remunerated For Our Services?

When We Act for You in Advising on and/or Arranging Insurance

When we act on your behalf in advising on or arranging insurance, we can be remunerated 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 remunerated by (a) Commission from the Insurer; (b) Fees we charge you; (c) in limited cases only, remuneration from an insurer based on the profitability or volume of the business we place with them; or (d) a combination of the above. Details on each are provided below.

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, goods and services tax 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 rates also vary for each product type.

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. 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 if you cancel the policy and obtain a refund of premium – even where you exercise a Cooling-Off right. If we did not do this, we would not be properly paid for the services we provide you.

Other Remuneration Arrangements We have with Insurers

We are also a member of the Austbrokers Group of insurance brokers. Austbrokers Holdings Limited (ABN 60 000 000 715) (AHL) 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 the Austbrokers and IBNA Groups.

Dated: 1st May 2009 - Version 4

Other Remuneration Arrangements We have with Insurers (continued):

Some Insurers pay a Commission to AIMS on selected products arranged by Austbrokers member insurance brokers 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 Group members and IBNA members, benefit from this support and it helps ensure we can continue to provide you with our extensive range of services. If you have any queries or want more information, please do not hesitate to contact us.

We also have an agreement with the QBE Intermediary Distribution division of QBE Insurance (Australia) Ltd ("QBE"), ABN 78 003 191 035 under which we may receive annually, an agreed percentage of any net profit (as determined by QBE) for all policies placed by us with them in the prior two year period. In addition, depending on the percentage of our clients who hold and/or renew certain policies with QBE in that two year period, we may also receive an additional agreed percentage of the net profit.

Please see below for soft dollar benefits we may receive from Insurers and our policy on this.

Fees Paid by You

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 receive.

We may charge you:

- a Broker Fee – this is an administration Fee payable when you enter into an insurance policy;
- a pre agreed set amount for specific services;
- 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

All Fees are payable on providing the service and will be noted in the invoice that we send you. The Fees are not refundable - even where you exercise a Cooling-Off right.

Where We Act For The Insurer

Where we act for an Insurer, not you, we receive Commission from the Insurer as our principal and may also charge you an administration Fee. The amount of the Fee will vary depending on the complexity and type of services that we provide you with. We will tell you how much the Fee is before we provide you with the service. 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 - even where you exercise a Cooling-Off right.

Where There Is A Referral

Where a third party has referred you to us, we may pay them an agreed percentage of our remuneration or an agreed amount for the referral as a Commission or Fee. This amount will be paid after we provide services to you / after we have arranged insurance for you. A Commission or an agreed Fee may also be paid on renewal and in some cases, on variation to the policy. If we refer you to another service provider, we will be remunerated by them by way of a Commission or Fee for doing this, unless we tell you we are not. The amount is generally a percentage of their remuneration – the amount of which generally depends on the circumstances. Where applicable, a Commission or an agreed Fee may also be paid on renewal and in some cases on variation. In making any referral, we do not advise or represent that their products and/or services are right for you and we take no responsibility for the products and/or services they may provide to you. You need to make your own decision based on the information they provide.

Our Staff's Remuneration

Our staff receive an annual salary or are paid on a Commission only basis. An annual salary 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.

Receipt Of Soft Dollar Benefits Policy

From time to time, we and our representatives, may also receive what are commonly referred to as 'soft dollar benefits' from Insurers, product issuers and other financial service providers we deal with. These can include entertainment (e.g. lunches, sporting events, movies etc), conferences (e.g. attendance at an Insurer or product issuer conference or sponsorship of our Austbrokers Group Annual conference by an Insurer or product issuer), accommodation, travel, business tools (e.g. software), gifts (e.g. Insurer or product issuer or service provider branded promotional items and other occasional small gifts such as bottles of wine or hampers in special occasions etc). These benefits are provided by a wide range of Insurers, product issuers and service providers. In most cases, they relate to our development of an understanding of the Insurer, product issuer or service provider and their product ranges and practices etc. Ultimately, this assists us in better servicing and representing you. Our policy is that any of the above benefits received by us or our representatives that exceed \$ 300 per item or transaction in estimated value are potentially material. This means they must be disclosed in writing to our General Manager who manages our Conflicts of Interest policy. The Manager determines if appropriate procedures are in place to manage or avoid any potential conflict of interest which might arise. Benefits are only approved where this is the case and we retain a record of this which you can access on request. 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.

Premium Funding

If we refer you to a premium funder and you enter into premium funding arrangements with them, we may receive Commission 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.

Premium Funding (continued)

If you use Pacific Premium Funding Pty Limited (Pacific), we receive (a) a Commission which is a percentage of the amount of funding provided to you; (b) a payment based on a percentage of all loans arranged each month; (c) a payment based on a percentage of certain Fees and interest received by Pacific on the total amount of outstanding loans less certain expenses; and (d) a proportion of certain upfront payments received by Austbrokers Holdings Limited from Pacific based on the value of the loans arranged with Pacific in an agreed period when compared with those arranged by other Austbrokers members. Given that we are owned partly by Austbrokers Holdings Limited, we benefit from any profit made by this entity due to this arrangement.

If you use Hunter Premium Funding Pty Ltd ("Hunter"), we receive: (a) a commission which is a percentage of the amount of funding provided to you and; (b) a payment based on a percentage of all loans arranged each month.

If we refer you to a Premium Funder (other than Pacific or Hunter) and you enter into premium funding arrangements with them, we may receive Commission of between 0% and 3% excluding GST of the amount funded. The amount of Commission varies depending on our arrangement with the Premium Funder we refer you to. We may receive soft dollar benefits from them too. If you need more information or explanation of the above, please ask us.

Further Information About Remuneration Received By Us Or Others

Where we do not provide you with Personal Advice as a Retail client, you can ask us to give you more particulars of our remuneration (including Commission) or other benefits within a reasonable period after receiving this FSG and before we provide you with the financial service to which this FSG relates, unless we agree otherwise. If we provide you with Personal Advice as a Retail client, then at the time the advice is provided to you, or as soon as practicable afterwards, we will tell you either:

- the amount of any remuneration (including Commission) or other benefits we or other persons receive, that might reasonably be expected to be, or have been capable of, influencing us in providing the advice; or
- if the amount is not known, the manner of calculation.

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.

Do We Have Any Relationships Or Associations With Issuers Or Related Bodies Corporate That Might Influence Our Service Or Advice?

SGP Insurance Brokers Pty Ltd is a member of the Austbrokers group of insurance brokers. In some cases, we may refer you to or advise you to use the services of one of our related body corporates. 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.

How Do We Manage Conflicts Of Interest?

We take any potential conflicts of interest seriously and have a Conflict of Interest Policy which we and our representatives must comply with and you can access by contacting us. Compliance is audited on a regular basis. Conflicts of interest are circumstances where some or all of your interests as our client, are or may be inconsistent with, or diverge from, some or all of our interests. Our procedures and training are all designed to properly manage any conflict of interest and it is important to note that we have legal duties we owe you when we act as your professional adviser. We treat these very seriously. A key conflict faced when we act on your behalf is where we receive benefits from someone other than you – this can potentially influence us to act in their or our interests, rather than yours. Where we arrange a policy an Insurer can pay us Commission (see above for details). It is the major form of insurance broker remuneration and can create a potential conflict of interest because it may be in our interest to recommend the product issuer or service provider that pays us the most because it increases our remuneration. This may not be in your interest in certain circumstances.

Another key conflict is where we may be seen to favour the interest of one client or group of clients over another because it is in our interests to do so. Due to our extensive number of clients and their varied requirements, we have a variety of procedures in place to manage these potential conflicts of interest. For example, we tell you about our remuneration arrangements in this Guide and you can ask for more detailed information if you need it before you proceed. 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. This obligation also extends to circumstances whereby we represent the interests of one or more clients involved in a transaction. We and our representatives are trained in this important duty and compliance with it, is monitored regularly. Should you have any questions, please ensure you ask us.

Cooling-Off Period

A 'Cooling-Off' period may apply to an insurance policy issued to you as a Retail client. During this period, a Retail client 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. Please ask us if you do not understand this right.

Other Terms Of Our Service

Important Information About Your Insurance

You must read the back of your invoice entitled 'Some Important Things You Need to Know' about the 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.

Protecting Your Interests

In the event that we are unable to contact you prior to expiry of your cover(s), we will automatically renew the policy(ies) and issue an invoice for payment, unless we agree otherwise with you. This will ensure that cover is maintained beyond expiry, which subject to your cover requirements continuing to be the same as they were prior to expiry, will ensure that your interests are protected. However, in the case of 'claims made and notified' policies – this is not possible. You will be required to complete a proposal to maintain cover beyond the expiry date of such policies. If cover can not be maintained beyond expiry, we will always inform you. If a Cooling-Off period applies to the policy that we have automatically renewed for you, then during this period, you may return the policy for a refund. Please refer to the section "Cooling-Off Period" for further information. If there is no Cooling-Off period or any Cooling-Off period has expired, you may still cancel your policy and have part of your premium refunded.

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. This insurance (subject to its terms, conditions & exclusions) 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).

Terms Of Payment

Our terms of payment are 14 days from the invoice date. You need to tell us how you intend to pay and whether you require premium funding (subject to availability). If we do not receive payment within credit terms, you will no longer be covered.

Complaints And Disputes

If you have any complaints about the service provided to 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 Officer (General Manager) on telephone number (02) 4626 5022 or put your complaint in writing and send it to the Complaints Officer at:
SGP Insurance Brokers Pty Ltd, PO Box 942 Campbelltown NSW 2560
(Centric Park Central, Level 1, Suite 105, 4 Hyde Parade Campbelltown NSW 2560).
3. Please mark the envelope "Notice of Complaint".

We will try to resolve your complaint quickly and fairly. If your complaint can not be resolved to your satisfaction within 20 business days, you have the right to refer the matter to the Financial Ombudsman Services (FOS). We will provide you with further details about FOS upon lodging your dispute with us, or at any time upon your request.

If you have any questions about this Financial Services Guide, please feel free to contact us on:

Phone: (02) 4626 5022 / Fax: (02) 4628 3399 / Mail: Po Box 942 Campbelltown NSW 2560

Please keep this document for your reference and any future dealings with SGP Insurance Brokers Pty Ltd
