

Northern Insurance and Finance Brokers (Cairns) Pty Ltd

also trading as

Hospitality Insurance

Financial Services Guide

Who is responsible for the Financial Services provided?

The financial services described in this FSG are provided by Northern Insurance and Finance Brokers (Cairns) Pty Limited (ABN 62 088 648 971) (Trading as Hospitality Insurance) through our employees and directors. References in this FSG to 'we', 'our' or 'us' are references to Northern Insurance and Finance Brokers (Cairns) Pty Limited, including our employees and directors. We hold an Australian Financial Services License (AFSL) (No.245456). Our office is located at 258 Mulgrave Road, Cairns Qld 4870.

You can contact us:

by phone on (07) 4041 5611
by post at PO Box 5944, Cairns Qld 4870
by email at info@nifb.com.au
by internet www.hospitalityinsurance.com.au

What is the purpose of this document?

This Financial Services Guide (FSG) is an important document, which we are required to give you if we provide certain financial services to you as a retail client. It is designed to assist you in deciding whether to use our services as a general insurance broker. This FSG contains information about:

- who we are and how we can be contacted;
- the service we offer you;
- how we and our associates are paid in relation to the services we offer;
- any potential conflict of interest we may have; and
- our internal and external dispute resolution procedures and how you can access them.

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

This FSG was prepared on the 30th May, 2006, and remains valid unless a further FSG is issued to replace it.

What other documents will you receive?

If you are a retail client and we arrange an insurance policy for you, or if we recommend you buy a particular insurance policy, we will generally be required to give you a Product Disclosure Statement (PDS) in relation to the policy. The PDS is prepared by the insurer and is designed to give you important information on the policy, such as the features, costs and risks associated with it.

If you are a retail client and we give you 'personal advice', we will also provide you with a Statement of Advice. 'Personal advice' is advice that takes into account one or more of your objectives, financial situation and needs. The Statement of Advice will contain the advice that we have given you, the basis of our advice and information and on any remuneration, associations or other interests which might reasonably have influenced us in giving our advice. Before we provide any personal advice we will need to undertake a needs analysis so we can provide you with appropriate advice.

What financial services are we authorized to provide?

We are authorized to deal in, and provide financial product advice (general and personal) in relation to, all general insurance products. Dealing includes arranging insurance policies, whether on your behalf or the insurer's behalf. General advice is advice on an insurance product which is not based on our consideration of your personal needs. As noted above, 'personal advice' is advice that takes into account one or more of your objectives, financial situation and needs. We will do this for you as your broker unless we tell you otherwise.

Who do we act for?

As a general insurance broker we normally act on your behalf. In some cases, we may enter into an agreement with an insurer to distribute their products and arrange insurance policies on their behalf, rather than your behalf. If we are given a binding authority from the insurer, this means we can enter into insurance policies and/or handle or settle claims on their behalf. We will inform you when we act for the insurer and not for you.

Will I receive tailored advice?

Maybe not in all cases. However, we may need information about your personal objectives, details of your current financial situation and any relevant information, so that we can arrange insurance policies for you, issue insurance policies to you or to give you advice about your insurance needs. We will ask you for the details that we need to know. In some cases we will not ask for any of this information. If we do not ask, or if you do not give us all of the information we ask for, any advice you receive may not be appropriate to your needs, objectives and financial situation. You should read the warnings contained in any SOA, or any other warnings that we give you, carefully before making any decision about an insurance policy.

How are we paid for our services?

We may be paid in a number of ways which vary according to the services you require and our arrangements with the relevant insurer, including commission, paid by the insurer and/or fees.

We may charge a broking fee of between 0-20% of the base premium, depending on the product and the time we spend arranging the insurance for you.

These will 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 in the invoice.

Payment by the insurer

Unless we tell you otherwise, we are remunerated by commission from the relevant insurer whenever you enter into an insurance policy arranged by us (including renewal and some variations). The commission is a percentage of the insurer's base premium (ie premium excluding stamp duty, fire services levy, GST or any other government charges, taxes, fees or levies). The rate ranges between 0% and 25% of the base premium. For example, if the commission rate is 15% and the base premium is \$500, we will receive a commission payment from the relevant insurer of \$75 when the policy is first taken out and each time it is renewed. The commission rate does not represent our profit margin as it also reimburses us for administrative and other expenses we incur in providing our services. It also covers the cost of performing the distribution functions of the insurer such as data entry, marketing, annual renewal marketing and underwriting. The commission paid to us is included in the premium charged. We retain the commission from the premium you pay us and remit the balance to the insurer. In addition, some insurers with whom we arrange a large amount of business pay us a commission based on the volume or profitability of the insurance portfolio we place with them. These payments do not increase the amount you are required to pay for your insurance.

Other remuneration information

Our staff receive an annual salary that may include bonuses based on performance criteria established by us (including volume of sales).

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.

Where we provide personal advice to you as a retail client, our Statement of Advice will tell you the actual amount of any commission, remuneration or other payments that we and our associates will receive in relation to the specific products that are the subject of the advice (or the manner in which such amounts will be calculated).

If there is a refund of premium as a result of the cancellation or adjustment of the policy, we reserve the right to retain our remuneration earned prior to the cancellation or adjustment.

Northern Insurance and Finance Brokers (Cairns) Pty Ltd receives a commission of up to 3% from Premium Funding companies where premium funding is arranged.

You should also note the following:

- a) Goods and services tax and other government charges will be payable on any insurance premium. The government charges can account for up to forty percent of the total cost of the product. All taxes, charges and the broker or administration fee will be disclosed on the invoice.
- b) A credit card fee will apply if you pay via credit card and is non-refundable if the policy is subsequently cancelled, as we collect premiums on behalf of the insurer we do not carry the charges.

If you need further explanation, please ask us.

Other Relationships

Northern Insurance & Finance Brokers (Cairns) Pty Ltd is a shareholder of Steadfast Group Limited (Steadfast). Steadfast has exclusive arrangements with some insurers under which Steadfast will receive between 0.5 – 1.0% commissions for each policy arranged by us with those insurers. This is used to operate Steadfast. Depending on the operating costs of Steadfast and the amount of total premium we place with the participating insurers in any financial year, we may receive a proportion of that commission for all products arranged with the participating insurers in each financial year, 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

Do we pay remuneration or other benefits to third parties for referring business to us?

Where a third party has referred you to us, we may share part of our commission or fees with them or pay them an agreed referral fee.

Giving us instructions

You can give us instructions by telephone, personal meeting, mail or via e-mail – our details can be found in this FSG. Before insurance is placed on your behalf, we may require you to complete a proposal form.

What information do we maintain on your file?

We maintain a record of your insurance requirements and instructions. We also may maintain records of any recommendations made to you, Statements of Advice, letters and other correspondence.

Please contact our Privacy Officer on (07) 4041 5611 if you have any queries or would like a copy of our Privacy Policy, or view it on our website at www.hospitalityinsurance.com.au.

Cooling off period

A cooling off period may apply to an insurance policy issued to you as a retail client. During that period you may return the policy. Details of your cooling off rights will be included in the Product Disclosure Statement for the particular policy.

What to do if you have a complaint

If you have any complaint about the service provided to you, you should take the following steps:

- a) Contact us and tell us about your complaint.
- b) If your complaint is not satisfactorily resolved within 20 days, you should contact our Complaints Manager on (07) 4041 5611 or put your complaint in writing and send it to us at:
Complaints Manager
Northern Insurance and Finance Brokers (Cairns) Pty Ltd
PO Box 5944
Cairns Qld 4870
- c) We are a member of the Insurance Broker Disputes Limited (IBD). If your complaint cannot be resolved to your satisfaction by us, you have the right to refer the matter to IBD. IBD can be contacted on 1300 780 808.

Further queries

If you have any further questions about our financial services, please contact us.
Please retain this document for your reference and any future dealings with us.