



Financial Services Guide

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

Citycover (Aust) Pty Ltd
 Level 2, 29 Amelia Street
FORTITUDE VALLEY QLD 4006

Our ABN number is 99 010 699 537 and our Financial Services License No. is 241087.

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 in a safe place.

If you are a retail client and we agree to give you personal advice we will provide you with a Statement of Advice or Statement of Additional Advice. In these we provide 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 if we recommend 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 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	
<p>What services can we provide?</p>	<p>Our various roles</p> <p>We are an Australian Financial Services Licensee and are licensed under the Corporations Act to advise and deal in relation to all general insurance products.</p> <p>We can act in a number of roles in providing our services.</p> <p>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.</p> <p>Our Services</p> <p><i>Arranging insurance for you</i></p> <p>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.</p> <p><i>Providing advice to you</i></p> <p>There are two types of advice service we provide and it is important to understand the difference:</p> <ul style="list-style-type: none"> • <i>personal advice</i> – 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. • Where we provide you with personal advice on Sickness and Accident and/or Consumer Credit Insurance products we will give you a Statement of Advice except in limited circumstance where we are giving you further advice and your relevant personal circumstances or the basis of the advice are not significantly different from those set out in the previous advice. In such cases you can ask us to give you a record of the further advice for up to 7 years after the advice is provided by contacting us using any method set out in this FSG.

	<ul style="list-style-type: none"> • For all other general insurance products, we will provide you with a document setting out our advice, the details of our remuneration (including commission) and information on any associations or other interests which might reasonably have influenced us in giving our advice. • <i>general advice</i> – this is where we provide a general recommendation or opinion to you on a general insurance product 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 <p>In some cases where we arrange more than one policy for you we may provide personal advice for one policy and general for another. We tell you when this is the case.</p> <p><i>Claims Assistance</i></p> <p>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.</p> <p>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.</p> <p><i>Acting for insurers</i></p> <p>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.</p> <p>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 without reference to them, provided it is within the authority they have given us. We will tell you when we act for the Insurer and not for you.</p> <p><i>Premium Funding</i></p> <p>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.</p> <p>We and Austbrokers Holdings Limited (ABN 60 000 000 715), have a preferred supplier arrangement with Pacific Premium Funding Pty Ltd ("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 up your own decision based on the information provided.</p> <p><i>We may provide a variety of services and act in different roles.</i></p> <p>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.</p> <p>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.</p> <p>Ask us if you need more detailed information or do not understand our explanation.</p>
How can you give us instructions?	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 and how can you access it?	<p>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.</p> <p>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 will be mailed to you.</p> <p>If you wish to access your file, please ask us.</p>
How are we remunerated for our services?	<p>When we act for you in advising on and/or arranging insurance.</p> <p>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.</p>

We are remunerated by:

- commission from the insurer plus a broker fee we charge you.
- "Fee Only – No Commission";
- a combination of the above. For example, in some cases we may be remunerated by commission for the arrangement of some products and "fee only – no commission" for other products or services we provide.

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 rate 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 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. If we do not do this we would not be properly paid for the services we provided you.

Other remuneration arrangements we have with insurers

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

We are also a member of the Austbrokers Group of insurance brokers. Some insurers contribute a commission to Austbrokers Holdings Limited ABN 60 000 000 715 (AHL) of 1% excluding GST of the base premium (before government fees or charges) on selected products arranged by Austbroker member insurance brokers. AHL uses this money to fund the provision of services to members. These include compliance services, training, product development initiatives and IT system maintenance and support. We and other Austbrokers Group members benefit from this support and it helps ensure we can continue to provide you with our extensive range of services.

Citycover (Aust) Pty Ltd are participants in the Zenith Program 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 Business Insurance Portfolio with Zurich Insurance Limited. ABN 13 000 296 640. The Profit share is calculated and received on an annual basis. It is possible that the underwriting profit of policies arranged with us will not reach the required amount in which case we would receive no profit share. As part of the program, we are entitled to \$7,000 annually from Zurich Insurance Limited that must be spent on training and development initiatives.

We have an agreement with Allianz Australia Insurance Limited (ACN 000 122 850) (Allianz) under which we may receive annually, a percentage of the net earned premium for all policies placed by us with them except for Public & Products Liability, Professional Indemnity, CCI, Crop, Terrorism Pool and Workers Compensation Products (Products). The Percentage amount used to calculate the amount that we receive is calculated on a number of factors including the net incurred claims and net commission.

We have an arrangement with QBE Insurance (Australia) Limited (ABN 78 003 191 035) (QBE) under which we may receive annually, an agreed percentage of the net profit share pool (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 share pool.

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 after we have provided the service or at such earlier time we agree with you in writing and will be noted in the invoice that we send you. The fees are not refundable.

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.

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 have arranged insurance for you. A commission or an agreed fee may also be paid on renewal and in some cases on variation.

If we refer you to another service provider they may remunerate us 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 may depend on the circumstances. 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 services are right for you and take no responsibility for the product and 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 receives 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.

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 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 a product issuer conference or sponsorship of our Austbroker Group Annual conference by a product issuer), accommodation and travel, business tools (e.g. software); gifts (e.g. product issuer or service provider branded promotional and other occasional small gifts such as bottles of wine or hampers on special occasions etc).

These benefits are provided by a wide range of product issuers and service providers. In most cases they relate to our development of an understanding of the product issuer and 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 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 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.

Prohibited by the IFSA/FPA Code which whilst not applying to general insurance is becoming the accepted approach – any soft dollar benefits which 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 volume.

Premium Funding

If you use Pacific, we receive (a) a commission which is a percentage of the amount 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

	<p>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. We are partly owned by Austbrokers Holdings Limited and benefit from any profit made by this entity due to this arrangement.</p> <p>If you need more information or explanation of the above, please ask us.</p>
Money Handling Arrangements	<p>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 the insurers.</p>
Do we have any relationships or associations with issuers or related bodies corporate that might influence our service or advice?	<p>We are a member of the Austbrokers Group of Insurance Brokers.</p> <p>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 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.</p> <p>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.</p> <p>In some cases we may refer you to or advise you to use the services of one of our related body 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.</p> <p>Please refer to our remuneration section for the normal benefits we can receive under such arrangements.</p>
How do we manage Conflict of Interest?	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>We have a number of procedures in place to manage this potential conflict of interest. For example, we tell you about this remuneration arrangement in this Guide and you can ask for more detailed information if you need it before you proceed. Where we provide 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. If we can't provide such advice we will tell you. The Statement of Advice we give you containing the personal advice also confirms the remuneration received. We and our representatives are trained in this important duty and compliance with it is monitored regularly.</p> <p>If you have any questions make sure you ask us.</p>
Cooling off Period	<p>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. Ask us if you do not understand the rights.</p>
Other terms of our Service	<p>Important Information about your insurance</p> <p>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.</p> <p>Misstatement of Premium</p> <p>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</p>

	<p>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.</p> <p>Professional Indemnity Insurance Arrangements</p> <p>We and our representatives are covered under professional indemnity insurance that complies with the requirements of section 912B of the Corporations Act.</p> <p>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 did at the time of the relevant conduct).</p>
<p>What should I do if I have a complaint?</p>	<p>If you have any complaints about the service provided to you, you should take the following steps.</p> <ol style="list-style-type: none"> 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, Mark Sandow on telephone number (07) 3270 1500 or put your complaint in writing and send it to the Complaints Officer at: Citycover (Aust) Pty Ltd, GPO Box 851, Brisbane Qld 4001. 3. Please mark the envelope "Notice of Complaint". We will try and resolve your complaint quickly and fairly. 4. If the complaint can't 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.
	<p>If you have any further questions about this financial services guide, please contact us on phone number (07) 3270 1500</p> <p>Keep this document for your reference and any future dealings with Citycover (Aust) Pty Ltd</p>

