



FINANCIAL SERVICES GUIDE

Insurance Professionals since 1976



Link Insurance Brokers Pty Ltd

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This Financial Services Guide (FSG) sets out key information in relation to Link Insurance Brokers Pty Ltd and is intended to assist you to decide whether you wish to use our services. Link Insurance Brokers Pty Ltd holds Australian Financial Services Licensee Number 238479 issued by the Australian Securities and Investments Commission (ASIC).

This FSG applies from **1 November 2010** and remains valid unless a further FSG is issued to replace it. We may give you a supplementary FSG. It will not replace this FSG but will cover any services not covered by this FSG.

Key information provided in this guide

- Other documents you are entitled to receive
- About Link Insurance Brokers and how you can contact us
- Which financial services we are authorised to provide to 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
- The arrangements we have in place to compensate clients for losses

Other Documents Link Insurance Brokers are obliged to provide you

Product Disclosure Statement

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 (PDS), unless you already have an up to date PDS from the insurer. The PDS is prepared by the insurer and is designed to give you important information regarding the insurer and the policy.

Statement of Advice

If you are a Retail client purchasing a Personal Accident and Illness policy you will receive a Statement of Advice (SoA) when we provide you with initial personal advice regarding this product. The SoA 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. The SoA will assist you to make an informed decision about your insurance needs.

Record of Further Details

If you are a Retail client purchasing a prescribed product you may request a record of further details regarding our advice to you if you haven't already been provided with it. This can be requested by contacting our office by telephone, email or fax. This information is kept on file for 7 years.

What financial services is Link Insurance Brokers authorised to provide and what types of financial products do those services relate to?

Link Insurance Brokers are authorised to advise and deal in general insurance products to wholesale and/or retail clients. Our authorisation includes arranging and renewing insurance contracts; assisting with claims; and varying or dispersing such products. We will do this for you as your broker unless we tell you otherwise.

What is a Retail Client?

A retail client is an individual or small business (manufacturing less than 100 employees and other businesses less than 20 employees) who receives advice or service in relation to Motor Vehicle (2 tonnes or less); Home Building & Contents; Sickness and Accident; Consumer Credit; Travel; Personal and Domestic Property; or Medical Indemnity Insurance products. These products are also referred to as Prescribed Products.

Who is responsible for the financial services provided and who do Link Insurance Brokers act for?

Link Insurance Brokers is responsible for the financial services provided to a client, or through a client to their family members, including the distribution of this FSG. When we provide you with financial services we will act on your behalf. If we ever act under a binder arrangement, which means we have authority to issue policies as an agent for the insurer, rather than acting for you, we will inform you of this arrangement. We currently do not operate under any binder arrangements.

How does a client instruct Link Insurance Brokers?

A client can give us instructions in person, by post, phone, fax or email. Our contact details are set out above.

Does Link Insurance Brokers provide tailored advice?

We aim to provide tailored advice where possible, based on the information provided by the client. We may need detailed information about the risk to be insured, your personal objectives, details of your current financial situation and any relevant information to arrange insurance policies for you and give you advice about your insurance needs. We will only ask for the details we need to know. You should also tell us about any changes in your circumstances as soon as they occur. In some cases it may not be possible to ask for any of this information or you may not be in a position to provide it to us. If we do not ask, or if you do not give us all the information we ask for, then the advice you receive may not be appropriate to your needs, objectives and financial situation. Where we provide you with advice about your insurance arrangements, that advice is current at the time that we give it. We will review your insurance arrangements when you inform us about changes in your circumstances.

We research a range of insurance products regarding their quality and price competitiveness but do not deal with all insurers. When giving you advice about the costs and terms of recommended policies we have not compared those policies to other policies available, other than from those insurers we deal with regularly. You should use our advice to make an informed decision about the suitability of the insurance policies we recommend. It is your responsibility to decide if our advice meets your particular needs. You should carefully read the PDS and any other documents you receive before making any decision about an insurance policy.

Contractual Liability and Your Insurance Cover

Many commercial or business contracts contain clauses dealing with your liability (including indemnities or hold harmless clauses). Such clauses may entitle your insurers to reduce cover, or in some cases, refuse to indemnify you at all. You should seek legal advice before signing and accepting contracts. You should inform us of any clauses of this nature before you enter into them. Our duty as an insurance broker does not extend to giving legal advice. You should consult your solicitor when you need advice on legal matters.

Do Link Insurance Brokers have any relationships or associations with product issuers or any other organisations which might reasonably influence the advice given?

Steadfast

Link Insurance Brokers is a shareholder of Steadfast Group Limited (Steadfast). Steadfast has exclusive arrangements with some insurers under which Steadfast will receive between 0.5-1% marketing and administration fee for each product arranged by us with those insurers. These payments are used to operate Steadfast. Depending on the operating costs of Steadfast (including the costs of member services provided by Steadfast to us and other Steadfast shareholders) and the amount of total business we place with the participating insurers in any financial year, we may receive a proportion of those fees at the end of each financial year. As a shareholder of Steadfast we have access to member services including model operating and compliance tools, procedures, manuals and training, legal, technical, banking and recruitment advice and assistance, group insurance arrangements, product comparison and placement support, claims support and group purchasing arrangements. These member services are either funded by Steadfast, subsidised by Steadfast or available exclusively to shareholders for a fee.

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

Steadfast is also a minority shareholder in Miramar Underwriting Agency Pty Limited (Miramar). As a shareholder, Steadfast may receive dividends from Miramar. These amounts will indirectly contribute towards the benefits we receive from Steadfast. You can obtain a copy of the Steadfast FSG at www.steadfast.com.au.

CQIB

Link Insurance Brokers is also a member of the Council of Queensland Insurance Brokers Inc (CQIB) and may receive indirect benefits from arranging cover for CQIB branded products. CQIB negotiates with certain insurers to issue enhanced products with broader cover for the clients of CQIB members. CQIB may receive royalties and/or sponsorship from the insurers depending on the continued support from members. CQIB also receives sponsorship from Insurers and other service providers for its annual convention and monthly member meetings. These royalties and sponsorships also provide members Education programs which offer opportunities for members to enhance their skills and knowledge.

QUS

Shareholders of Link Insurance Brokers Pty Ltd also have a shareholding in Queensland Brokers Holdings Pty Ltd who operate in partnership with Calliden Group trading under the name of Queensland Underwriting Solutions Pty Ltd (QUS). Where appropriate for our clients needs, Link Insurance Brokers may recommend products from QUS. As a shareholder we may receive dividends from QUS.

Cullclear Life

We may refer you to a Life Insurance Advisor to complement your insurance program. We will recommend the services of Joanna Cullinan who is an employee of Link Insurance Brokers. Joanna is an Authorised Representative (AR No. 324819) of Cullclear Life Pty Ltd who is a Corporate Authorised Representative (CAR No. 270868) of Millennium 3 Financial Services Pty Ltd AFS Licence No. 244252. The Directors of Link Insurance Brokers are also Directors of Cullclear Life Pty Ltd and may benefit from referrals.

How does a client pay for the services provided?

Clients can choose to pay by any of the payment methods set out in the invoice, including cash, cheque, direct debit, premium funding or credit card. You are required to pay Link Insurance Brokers within the timeframe set out on the invoice. When premiums are paid to us, they are deposited into a Trust Account and are held in this account until they are to be paid to the insurer. We may invest these funds until we pay them to the insurer. Any interest earned on this investment is retained by Link Insurance Brokers.

What type of remuneration will Link Insurance Brokers receive and how will it be calculated?

- 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 calculated as a percentage, ranging from 5 – 40% of the insurer's base premium (ie premium excluding stamp duty, fire services levy, GST or any other government charges, taxes, fees or levies).

- We may also charge you a non refundable Broker Fee which will be clearly shown on our invoice. This fee covers services such as sourcing alternative quotations and coverage, risk analysis and portfolio co-ordination and market research on products and service from insurers.
- If we arrange premium funding for you we may be paid a commission by the premium funder as well as a flat fee which will appear on the paperwork. The commission that we are paid by the premium funder is usually calculated as a percentage of your insurance premium (including government fees or charges). Our commission rates for premium funding are in the range of 0 to 2% of funded premium. When we arrange premium funding for you, you can ask what commission rates we are paid for that funding arrangement compared to other arrangements that are available to you.
- If you pay by credit card we may charge you a credit card fee which covers the cost of bank charges associated with these facilities. This is disclosed and shown separately on our invoice.
- 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. When we pay any commissions, fees or benefits to others who refer you to us, we will pay them a percentage of our commission (not in addition to these amounts). This percentage is in the range of 25% to 50%.

If we are instructed to arrange a policy for you where we have provided you with personal advice as a retail client purchasing a prescribed product, full details regarding the remuneration that we and our associates are to be paid will be clearly detailed in the Important Information sheet provided to you on the last page of our invoice.

If you require further details regarding the remuneration we may receive, in order to assist you with making a decision to deal with Link Insurance Brokers, you can contact our office by telephone, email or mail within 7 days of the receipt of this FSG and this information will be provided to you in writing.

How are Link Insurance Brokers Employees and Representatives paid?

Our employees who will assist you with your insurance needs will be paid an annual salary as well as bonuses or incentives which are based on a number of factors, including achievement of company goals.

How does Link Insurance Brokers handle cancellations?

If there is a refund of premium as a result of the cancellation or adjustment of your policy, we reserve the right to retain our fees and commission earned prior to the cancellation or adjustment. We may also charge you a fee for the cancellation. In some cases the Insurer may apply penalties to mid term cancellations and if this is the case we will always advise you prior to you taking out the policy. Refer below for Cooling Off Period details.

Is there a Cooling off Period?

If you purchase a prescribed product as a Retail Client you are entitled to a minimum 14 day cooling off period during which time you can return the policy and receive a premium refund. If you choose to return a product within the cooling off period we will return the commission to the Insurer, however we reserve the right to retain our fees. The cooling off period is subject to legal requirements and terms and conditions of the policy. You should check the relevant PDS for full details.

Privacy

Link Insurance Brokers are committed to protecting your privacy and the security of your personal information. Information collected by Link Insurance Brokers is only disclosed to third parties who are involved in the provision of insurance services to our clients or to an auditor who is authorised by ASIC to audit our client files and trust account. Our full Privacy Statement is available on our website www.linkinsurance.com.au or upon request.

What should a client do if they have a complaint when dealing with Link Insurance Brokers?

Occasionally disputes or complaints do occur and when they do we try and resolve them as quickly and easily as possible. In the event of a complaint, contact our Complaints Officer in writing, by phone or email and advise us about your complaint. Your complaint will be acknowledged and we will keep you informed of the progress towards resolving your complaint. We will endeavour to resolve the matter within 20 business days of receipt.

If your complaint cannot be resolved to your satisfaction by us, Link Insurance Brokers is a member of the Financial Ombudsman Service Limited (FOS) a free consumer service and you have the right to refer the matter to them. FOS can be contacted on 1300 780 808 or visit www.fos.org.au We also adopt the Insurance Brokers Code of Practice.

What arrangements does Link Insurance Brokers have in place to compensate clients for losses?

Link Insurance Brokers has a professional indemnity policy (PI Policy) in place. The PI Policy covers us and our representatives for claims made against us and our representatives by clients as a result of the conduct of us, our employees or representatives in the provision of financial services. Our PI Policy will also cover us for claims relating to the conduct of our employees (during the period employed by us) who no longer work for us.

Any questions?

If you have any questions about this FSG or the financial services we provide, please contact us. We recommend that you retain this document for your reference and any future dealings with us.

