

## FINANCIAL SERVICES GUIDE

This Financial Services Guide (FSG) contains information about our services and charges, your rights as a client and other things you need to know in relation to insurance matters including how any complaints you may have will be dealt with.

We trust it will assist you in deciding whether to use our services.

If you ask us to act as your general insurance broker, we will do so on the terms set out in this Guide. Unless you tell us otherwise in writing, we assume that you agree with these terms. If there is any change to these terms, we may also provide you with a Supplementary Financial Services Guide which, together with this Guide, will record the basis of our relationship.

You might also receive some other documents after or at the time we advise you about your insurance needs including:

### **Statement of Advice (SoA)**

Retail clients are entitled to receive a Statement of Advice (SOA) whenever we provide you with any personal advice which takes into account your objectives, financial situation or needs. The SOA will include information about the (\$) amount and/or description of fees, commissions, other benefits and any associations that may have influenced the giving of this advice.

When you ask us to recommend an insurance policy for you, we will usually only consider the policies offered by the insurers or insurance providers that we deal with regularly. In 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.

### **Product Disclosure Statement**

If we offer to arrange the issue of an insurance policy to you, we will also provide retail clients with, or pass on to you, a Product Disclosure Statement (PDS), unless you already have an up to date PDS from the insurer. The PDS will contain information about the particular policy which will enable you to make an informed decision about purchasing that policy.

**Confirmation notices (Invoices)** – these will be provided to all clients and will confirm the details of transactions we have arranged on your behalf.

If you need more information or have any questions, please feel free to telephone us.

### **ABOUT US**

LTM Group Pty Ltd T/as LTM RISK PARTNERS ( "LTM") holds Australian Financial Services Licence No 245374 under the Corporations Act 2001 to provide general insurance broking services.

LTM is responsible for the financial services provided including the distribution of this Financial Services Guide.

### **OUR SERVICES**

LTM is committed to providing sound advice based upon your needs and our comprehensive market knowledge.

We offer a range of services to assist you to protect your assets. These include:

- Reviewing and advising on your insurance needs
- Arranging and renewing insurance contracts on your behalf
- Arranging premium funding, if required
- Assisting with insurance claims
- Risk Management

We can provide general insurance advice and to apply for, acquire, vary or dispose of general insurance products on behalf of retail and wholesale clients as and when instructed.

To enable us to provide advice which is appropriate to your circumstances, we will need you to provide us with complete information about the risk(s) to be insured, your situation and your needs and objectives. You should also tell us about any relevant changes as they occur.

If you are unable or choose not to provide some information to us, we will be unable to comprehensively review your circumstances. As this may limit our ability to make appropriate recommendations, you will need to assess the appropriateness of our advice to your needs before acting on it. You should read the warnings contained in the SOA carefully before making any decision relating to a financial product/s.

### **WHO DO WE ACT FOR AS YOUR INSURANCE BROKER**

As your insurance broker we act on behalf of you, the client. This means that we act in your interests, not an insurance company. This is different to someone who does not act on your behalf such as an insurance agent who acts on behalf of the insurance company.

**IMPORTANT RELATIONSHIPS:**

LTM is a shareholder of Steadfast Group Limited (Steadfast). Steadfast has exclusive arrangements with some insurers under which Steadfast will receive between 0.5 - 1% commission 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 that commission 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 is also a shareholder of 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.

Steadfast has a shareholding in Macquarie Premium Funding. If we arrange premium funding with Macquarie Premium Funding for you, under its agreement with Macquarie Premium Funding, 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 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.

LTM has relationships with The Dry Cleaners Association, Hire A Hubby at both a State & National level and Stinton Partners to provide brokerage and referral services to their members/clients who may receive financial benefits calculated on either a % of business written or fee per client arrangement.

You can obtain a copy of Steadfast's FSG at [www.steadfast.com.au](http://www.steadfast.com.au)

**HOW WE WILL LOOK AFTER YOUR INSURANCE NEEDS**

You can provide us with instructions in person, by telephone, email, facsimile or in writing.

**New Business**

Contact us as soon as possible if you need cover for a risk or property that is not insured. If you need immediate cover, we can usually obtain an interim contract of insurance (which is generally valid for a month or less). To arrange this, we will need details of the property or risk and all other information which you need to disclose to the insurer.

We will then send you a proposal for completion. You will need to complete and sign this and return it to us as soon as possible and before the interim cover expires.

We will send the original insurance contract documents as soon as they are issued correctly by your insurer. As these are legal documents, you should check them for accuracy and keep them in a safe place.

**Renewals**

We will give you notice of expiry of any insurance contract which we arranged or last renewed for you.

At that time we will send you an offer to renew the insurance contract / invoice you for the cost of renewal. If you want to change the details of the cover, contact us as soon as you receive the renewal offer. If you wish us to renew the contract on your behalf, you must provide us with written instructions to do so and/or pay the premium and other charges before the date shown on the invoice.

If you arranged or renewed insurance directly with an insurer or through another broker, we will not be not responsible for notifying you of expiry or arranging renewal unless you ask us to do so.

**Variations**

You should carefully monitor and review that your insurance contract is adequate to cover your assets or business activities.

If you want to vary any cover, eg by increasing the sum insured or adding other property, please provide us with details of the changes you require and any other information you need to disclose to the insurer.

We will arrange the variation with the insurer and provide you with written confirmation.

**Claims**

We will receive your claims notifications, assist and advise you regarding the scope of cover and pass the information to the insurer.

If a loss adjuster is appointed we shall, with your permission, pass on your contact details and co-ordinate meetings. In the case of a major loss, we can attend the initial meeting with the loss adjuster if you wish us to.

We will promptly forward to you all claims documentation, insurance company settlement cheques and other information.

## **FEES FOR OUR SERVICES**

You are entitled to know how and what we will charge for our services and what other benefits we receive.

### **Our remuneration**

- We may be paid commission by the relevant insurers when we arrange insurances on your behalf. As a general rule, the insurer will pay us an amount based on a percentage of the premium. In addition to the commission, we may also charge you a broker fee.
- Alternatively, we may rebate all commissions to you and charge you a fee based upon the nature of the service we provide.

The commission will be calculated based on the following formula:

$$X = Y\% \times P$$

In this formula:

X= the commission, Y% = the percentage commission paid to us by the insurer

P = the amount you pay for any insurance policy ( less any government fees or charges included in that amount).

We will provide you with specific information about the basis and amount you will be charged before or at the time we arrange your insurance.

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.

### **Sunrise**

We may be entitled to receive additional commissions where we use electronic data interface (Sunrise) to process your policy with certain underwriters. Where this is the case, for retail clients, the amount will be included in the commission declared on your Tax Invoice.

### **Premium Funding**

Premium funding products enable you to pay your premiums by instalments. Although they do not usually require any security, premium funders do charge interest.

If we arrange premium funding for you we may be paid a commission by the premium funder. We may also charge you a fee (or both). 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% - 2.5% of funded premium. When we arrange premium funding for you, you can ask us what commission rates we are paid for that funding arrangement compared to other arrangements that were available to you.

### **Overriders**

In addition to this commission payments, we may be entitled to receive an overrider of between 0% - 0.2% of your premium, from either an underwriter or premium funder dependent on the total amount of business placed or a certain level of profitability being achieved..

### **Other Benefits**

From time to time our advisers may receive certain 'hospitality benefits' (such as tickets to sporting events, movies, meals, bottles of wine, hampers). The receipt of these benefits is not based upon the volume of business placed with the provider but are more of an ad hoc reward. The maximum value of these during the year is unable to be determined. However, the details of such benefits so far received are able to be viewed on a specially maintained Register. Please ask your adviser if you wish to view our register.

### **How are our staff (advisers) paid**

Our advisers are usually paid in two ways – salary, and a profit share which is based on achievement of company goals.

## **TERMS OF PAYMENT**

### **Invoices**

We will invoice you for the premium, statutory charges (eg stamp duty, gst, fire services levy if applicable, etc) and any fees we charge for arranging your insurances. You must pay us within 14 days of the policy inception date or, in the case of a renewal, before the expiry date of the contract of insurance.

If you do not pay the premium on time, the insurer may cancel the contract of insurance and you will not be insured. The insurer may also charge a short term penalty premium for the time on risk.

### **Cancellation**

We cannot cancel a contract of insurance without written instructions from a person(s) who is authorised to represent each of the parties who are named as insureds in the contract of insurance. We cannot cancel any contract of insurance which is subject to the Marine Insurance Act 1909.

- If a contract of insurance is cancelled before expiry of the period of insurance, we will refund the net premium we receive from your insurer. We will not refund our fees or commission for arranging the insurance and we will charge a transaction fee.

### **Material Changes**

You must also notify your insurer of any significant changes which occur during the period of insurance. If you do not, your insurances may be inadequate to fully cover you.

We can assist you to do this and to ensure that your contract of insurance is altered to reflect those changes.

### **Cooling Off Period – Retail Insurance Only**

If you decide that you do not need a contract of retail insurance which has been arranged on your behalf, you have a minimum of 14 days from the earlier of the date you receive confirmation of the contract and the date it was arranged to change your mind. You must tell the insurer in writing that you wish to return the insurance contract and have the premium repaid.

If you do so, the insurance contract will be terminated from the time you notified the insurer and the premium will be returned. The insurer may retain its reasonable administration and transaction costs and a short term premium.

You cannot return the contract of insurance if it has already expired or if you have made a claim under it.

### **Privacy**

We are committed to protecting your privacy. We use the information you provide to advise about and assist with your insurance needs. We only provide your information to the insurance companies with whom you choose to deal (and their representatives). We do not trade, rent or sell your information.

Where your insurance is part of a group scheme we may provide information to the lead organisation, including but not limited to the currency of your policy or other information relevant to determining or maintaining the required cover level for the entire group.

You can check the information we hold about you at any time. For more information about our Privacy Policy, ask us for a copy. A copy is also available on our website at [www.ltmrisk.com.au](http://www.ltmrisk.com.au)

### **Sums Insured – Average and Co-Insurance**

Some insurance contracts require you to bear a proportion of each loss or claim if the sum insured is inadequate to cover the amount of the loss. These provisions are called 'average' or 'co-insurance' clauses.

If you do not want to bear a proportion of any loss, when you arrange or renew your contract of insurance, you must ensure that the amount for which you insure is adequate to cover the full potential of any loss. If you insure on a new for old basis ( Replacement & Reinstatement), the sum insured must be sufficient to cover the new replacement cost of the property.

### **Interests of Other Parties**

Some insurance contracts do not cover the interest in the insured property or risk of any one other than the person named in the contract. Common examples are where property is jointly owned or subject to finance but the contract only names one owner or does not name the financier.

Please tell us about everyone who has an interests in the property insured so that we can ensure that they are noted on the contract of insurance.

### **Waiver of Rights**

Some insurance contracts seek to limit or exclude claims where the insured person has limited their rights to recover a loss from the person who was responsible for it, eg by signing an agreement which disclaims or a limits the liability of the other party.

Please tell us about any contracts of this type which you have or propose to enter into.

### **Standard Covers**

The Regulations to the Insurance Contracts Act set out standard terms for the cover which is provided by motor vehicle, home buildings, home contents, sickness and accident, consumer credit and travel insurance (including a minimum amount of insurance).

If an insurer wants to alter these terms or offer less than the minimum amount of insurance they must clearly inform you in writing that they have done so. They can do this by providing you with a Product Disclosure Statement or a copy of the insurance contract.

### **COMPLAINTS AND DISPUTES**

If you are not fully satisfied with our services, please telephone our Client Complaints Officer at LTM. We will acknowledge your complaint in writing and endeavour to resolve your problem within 20 days.

LTM is a member of the Financial Ombudsman Service (FOS).If your complaint is unresolved after 20 days or not resolved to your satisfaction, you have the right to refer the matter to FOS. FOS can be contacted on 1300 780 808 or via email at [www.fos.org.au](http://www.fos.org.au). The address for IBD is GPO Box 3 Melbourne Victoria 3001.

The Australian Securities & Investments Commission (ASIC) also has a free call Infoline on 1300 300 630 which you may use to make a complaint or obtain information about your rights.

LTM has a professional indemnity insurance policy (**PI policy**) in place.

The PI policy covers us and our employees for claims made against us and our employees by clients as a result of the conduct of us or our employees in the provision of financial services.]

Our PI policy does cover us for claims relating to the conduct of representatives who no longer work for us.

If you have any further questions about the financial services provides, please contact us.

Please retain this document for your reference and any further dealings with LTM RISK PARTNERS.

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