

Northern Insurance and Finance Brokers (Cairns) Pty Ltd

also trading as

Hospitality Insurance

Financial Services Guide (V3)

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.
- arrangements we have in place to compensate clients for losses.

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

This FSG was prepared on the 1st July 2008, 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 services not covered by this FSG.

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.

How will I pay for the services provided?

For each insurance product the insurer will charge a premium that includes any relevant taxes, charges and levies. We often receive a payment based on a percentage of this premium (excluding relevant taxes, charges and levies) called commission, which is paid to us by the insurers. However, in some cases we will also charge you a fee. 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 on the invoice.

If there is a refund of premium owed to you as a result of a cancellation or alteration to a policy, we will retain any fee we have charged you.

We may also retain commission depending on our arrangements with the insurer.

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 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.

How are any commissions, fees or other benefits calculated for providing the financial services?

Our commission will be calculated based on the following formula: $X = Y\% \times P$

In this formula:

X = our commission

Y% = the percentage commission paid to us by the insurer. Our commission varies between 5% and 22.5%.

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

Any fees that we charge you will be between 0% and 22.5% dependant on the amount of commission paid by the insurer. We do not often pay any commissions, fees or benefits to others who refer you to us or refer us to an insurer. If we do, we will pay commissions to those people out of our commission or fees (not in addition to those amounts), in the range of 0% to 25% of our commission or fees.

If we arrange insurance products through Miramar Underwriting Agency Pty Ltd (Miramar), we may qualify for reward points under the Miramar rewards program. The number of points we earn will depend on the premium paid to Miramar for the insurance products we arrange with them, subject to a minimum threshold. The points may be redeemed for certain goods or flights.

If we give you personal advice, we will inform you of any fees, commission or other payments we, our associates or anyone referring you to us (or us to any insurer) will receive in relation to the policies that are the subject of the advice.

See below for information on the Steadfast association and commission.

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

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% 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, subsidized by Steadfast or available exclusively to shareholders for a fee.

Steadfast is also a shareholder of Miramar Underwriting Agency Pty Ltd (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.

You can obtain a copy of Steadfast's FSG at www.steadfast.com.au

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). If you instruct us to arrange or issue a product, this is when we become entitled to the commission.

Our commission rates for premium funding are in the range of 0% to 3% 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 the other arrangements that were available to you. The amount of your commission and any fee that we charge will be set out in the premium funding contract.

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, 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 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 may give you, carefully before making any decision about an insurance policy.

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. If you wish to look at your file please ask us. We will make arrangements for you to do so.

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.

What arrangements do we have in place to compensate for losses?

Northern Insurance & Finance Brokers 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 will cover us for claims relating to the conduct of representatives who no longer work for us.

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.