

Financial Services Guide (FSG)

1 October 2016, Version 1.0

Introduction

The financial services referred to in this FSG are provided by:

PL Insurance Brokers Pty Ltd, ABN 32 612 483 413, T/As Professionals Insurance Australasia
Level 2, 6 Thelma Street, West Perth, WA 6005, Australia
Authorised Representative, No. 001243596 of

Lockton Companies Australia (LCA), ABN 85114565 785, AFSL 291 954
Level 1, 297 Vincent Street
Leederville, WA 6007, Australia

LCA is responsible for the financial services being provided and the content and distribution of this FSG. LCA holds Australian Financial Services Licence No 291954 under the Corporations Act 2001 (Cth) authorising it to advise and deal in general & life insurance products to wholesale and retail clients.

LCA has authorised Professionals Insurance to advise and deal in landlords, building, contents or other related general insurance and authorises Professionals Insurance to provide this FSG to you. We will do this on your behalf as your broker unless we tell you otherwise.

The purpose of this FSG is to set out the terms on which we undertake to act for you, our client, including our regulatory and statutory obligations, how we get paid, and how we manage conflicts of interest / or any complaint you have about our service. It also identifies your responsibilities both to us and to insurers.

Despite any attestation clauses set out in this Agreement, this Agreement will come into full force and effect as between the parties on the placement of any business by Professionals Insurance with you, and shall continue in full force and effect thereafter unless or until terminated by mutual agreement of the parties or by either party giving at least 30 days written notice to the other.

In this document "we", "us" and "our" means Professionals Insurance.

Retail Client (General Advice Warning)

Under the Corporations Act 2001 and associated Regulations retail clients are provided with additional levels of protection from other insurance buyers. The Act defines retail clients as:

- Individuals or a small manufacturing business employing less than 100 people or any other business employing less than 20 people
- And that are being provided a financial service or product that relates to the following insurance covers: Motor Vehicle (under 2 tonne), Home building, contents, personal and domestic, Sickness and Accident or Travel, Consumer Credit and other classes as prescribed by regulations.

If you are a retail client and a Statement of Advice (SoA) or further information is not provided to you with your invoice then the advice that you have been given related to that transaction is general advice. General advice is advice that has been prepared without considering your current objectives, financial situation and needs. Therefore, before acting on the advice you should consider the appropriateness of the advice having regard to your current objectives, financial situation and needs.

If you are a retail client purchasing personal accident or sickness insurance and obtain personal advice, that is, advice that takes into account your particular circumstances, we will give you an SoA that sets out the advice provided and the basis on which the advice is made and our remuneration should you purchase the product. If we recommend the purchase of a particular financial product, we will also give you a Product Disclosure Statement at that time, which sets out details specific to that product and the key benefits and risks in purchasing the product.

If we offer to arrange the issue of an insurance policy to you, we will also provide you with 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 product.

Electronic Communications

We may communicate by electronic mail with each other and with other parties with whom we need to communicate in order to provide services to you, sometimes attaching further electronic data. By agreeing for us to provide services to you, you agree to receive communications by email, including updated versions of this document and our Financial Services Guide.

Disclosure of Information

General Insurance contracts

Before you enter into an insurance contract, you have a duty to tell the insurer anything that you know, or could reasonably be expected to know, may affect the insurer's decision to insure you and on what terms. You have this duty until the insurer agrees to cover your risk. You have the same duty before you renew, extend, vary or reinstate an insurance contract. You do not need to tell the insurer anything that:

- reduces the risk they insure you for;
- is common knowledge;
- they know or should know as an insurer; or
- they waive your duty to tell them about.

Eligible contracts

Eligible contracts are those where a natural person is purchasing motor vehicle, home, contents, landlords, accident & sickness, consumer credit or travel insurance. Before you enter into these insurance contracts, you have a duty of disclosure under the Insurance Contracts Act 1984. If the insurer asks you questions that are relevant to the insurer's decision to insure you and on what terms, you must tell them anything that you know and that a reasonable person in the circumstances would include in answering the questions. Also, the insurer may give you a copy of anything you have previously told them and ask you to tell them if it has changed. If they do this, you must tell them about any change or tell them that there is no change. If you do not tell them about a change to something you have previously told them, you will be taken to have told them that there is no change. You have this duty until the insurer agrees to insure you or renew the contract.

Non Disclosure - if you do not tell the insurer something

If you do not tell the insurer something you are required to, they may cancel your contract or reduce the amount they will pay you if you make a claim, or both. If your failure to tell them

is fraudulent, they may refuse to pay a claim and treat the contract as if it never existed.

How Can We Be Contacted?

You can provide us with instructions in person, by telephone or email or in writing. Our contact details are at the end of this document.

Privacy and Data Protection

We are committed to protecting your privacy in accordance with the principles of the Privacy Amendment (Enhancing Privacy Protection) Act 2012 (Privacy Amendment Act). We use the information you provide to advise about and assist with your insurance needs. We maintain a record of your personal profile, including details of insurance policies that we arrange or issue for you. We may also maintain records of any recommendations or advice given to you. We will retain this FSG given to you as well as any Statement of Advice (SoA) or Product Disclosure Statement (PDS) that we give or pass on to you for the period required by law.

A copy of our privacy policy is available on request. If you wish to look at your file please ask us. We will make arrangements for you to do so.

Insurers We Use

LCA has entered into an arrangement with Chubb Insurance Australia Limited, and some other insurers to provide our client's with a comprehensive Landlord's policy and other policies. LCA has entered into an arrangement with QBE Insurance (Australia) Limited to provide our client's with Employer Indemnity cover in respect of any person employed for domestic work or similar work in these states: Australian Capital Territory, Northern Territory, Western Australia and Tasmania. In giving you advice about the costs and terms of recommended policies, we have not compared those policies to all other policies available, other than from those insurers we have arrangements with.

Introducers / Distributors

LCA may pay third parties introducers who have introduced you to us or referred us to an insurer, either an agreed commission amount or a set amount. LCA may pay distributors who assist us in arranging your insurance, for example by collecting application forms and payment from you or assisting you to lodge a claim, an agreed commission or a set amount.

Cancellation/Alteration

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 their arrangements with the insurer.

Complaints

If you are not fully satisfied with our services, please contact LCA'S Complaints/Disputes Manager, and tell them about your complaint or dispute. They will acknowledge your complaint/dispute in writing and endeavour to resolve your problem within 20 days. If your complaint cannot be resolved to your satisfaction by them, you have the right to refer the matter to the Financial Ombudsman Service Australia (FOS) with whom LCA is a member. FOS can be contacted on 1800 367 287 or online at www.fos.org.au. FOS's mailing address is GPO Box 3, Melbourne, VIC 3001.

What Arrangements Do We Have In Place To Compensate Clients For Losses?

LCA has a professional indemnity insurance (PI) in place. The PI covers LCA and our Associates, including Authorised Representatives and Distributors, for claims made against them by clients as a result of the conduct of them in the provision of financial services. LCA confirms that it has arrangements in place to ensure it continues to maintain Professional Indemnity insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular our Professional Indemnity insurance, subject to its terms and conditions, provides sufficient indemnity to the Sum Insured and our representatives, distributors and employees in respect of our authorisations and obligations under our Australian Financial Services Licence (AFSL). This insurance will continue to provide such coverage for any representative, distributor or employee who has ceased work with LCA or work done whilst engaged with us.

Remuneration

Our remuneration for the services we provide you will usually be as brokerage, which is a percentage of the insurance premium paid by you and allowed to LCA by the insurer with whom your insurance contract is placed, or a fee as agreed with you. If appropriate, we may receive a fee and brokerage. We shall disclose the form and amount of compensation we will earn in accordance with regulations.

Interest Earned On Trust Account

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 their trust account or they may invest the premium and earn a return. We will retain any interest or return on investment earned on the premium.

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. LCA will receive a payment based on a percentage of this premium (excluding relevant taxes, charges and levies) called commission, which is paid to them by the insurers. LCA passes some of this commission to us. In some cases we will also charge you a broker administration fee. All fees charged will be shown on the invoice that we send you.

How Are Our Associates Paid?

Our Associates that will assist you with your insurance needs will be paid a salary.

How Are Commissions, Fees Or Other Benefits Calculated For Providing Financial Services?

LCA's 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 LCA by the insurer. LCA's commission is 17%. P = the amount you pay for any insurance policy (less any government fees or charges included in that amount). Our charges include GST. Some of our charges may be tax deductible. LCA will pass 55% of the commission they earn to Professionals Insurance. If you are a Retail Client and LCA gives you Personal Advice, commission amounts will be provided in any Statement of Advice (SoA), or where an SoA is not required to be provided, included with any relevant invoices. In all other cases full commission information (including dollar amounts) will be provided on request.

Other Benefits

From time to time LCA may receive certain hospitality benefits, or sponsorship at conferences or training days etc. The receipt of these benefits is not based upon the volume of business placed with the provider, but is more of an ad hoc reward received in the normal course of duty and are in compliance with LCA's Global policies in relation to Conflict of Interest, Bribery and Corruption. You have the right to request further information in relation to the remuneration, the range of amounts or rates of remuneration, and soft dollar benefits received by LCA and/or representatives.

LCA may also receive a profit share commission from insurers and/or insurance agencies if a particular portfolio of business reaches a certain level of profitability. Payments from these companies are based on, the volume of certain business LCA provide to them, certain loss ratio target levels being met and the profit that they earn on certain business within an agreed time frame. These payments do not affect the premium paid by you.

Premium Financing

If we arrange premium financing for you, LCA may be paid a commission by the premium finance firm. LCA will share the commission received with Professionals Insurance. The commission that LCA are paid by the premium finance firm 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 LCA become entitled to the commission. Should we arrange premium financing for you, you should compare this product to other finance products that are available to you through your own sources. i.e. bank, overdraft or other credit facilities.

