

FINANCIAL SERVICES GUIDE

The financial services referred to in this Financial Services Guide (FSG) are being offered by Elliott Australia Group Pty Ltd (EAG) t/a Contractor Cover.

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This FSG sets out the services that EAG can offer you. It is designed to assist you in deciding whether to use any of those services and contains important information about:

- the services we offer you.
- how we and others are paid.
- any potential conflict of interest we may have.
- our internal and external dispute resolution procedures and how you can access them
- arrangements we have in place to compensate clients for losses.

From when does this FSG apply?

This FSG applies from 1 June 2014 and remains valid unless a further FSG is issued to replace it. We may give you a supplementary version of this FSG. It will not replace this FSG but will cover services not covered by this FSG.

How can you instruct us?

You can contact EAG to give us instructions by post, phone, fax or email on the contact number or details mentioned above.

What kinds of financial services and products are you authorised to provide to me?

We are authorised to advise and deal in general insurance products for wholesale and retail clients* under EAG's Australian Financial Service Licence. We will do this on your behalf as your broker unless we tell you otherwise.

Will I receive tailored advice?

Typically we only provide General Advice to Retail Clients*. General Advice does not take into account your particular needs and requirements and you should consider the appropriateness of this advice to your circumstances prior to acting upon it. We will provide you with a General Advice Warning in such cases.

If you are a new 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 a Statement of Advice (SOA), that sets out the advice provided and the basis on which the advice is made and our remuneration should you purchase the product. For existing Retail Clients* we may not provide an SOA but rather provide the advice to you orally. In such cases you may request us to provide you with a Record of Advice (via phone or in writing) which we will provide to you within 28 days of such request.

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.

If we recommend the purchase of a particular financial product, Retail Clients* will also be given 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.

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.

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. EAG will receive a payment based on a percentage of this premium (excluding relevant taxes, charges and levies) called commission, which is paid to EAG by the insurers. In some cases, we will also charge you a fee. These will all be shown on the invoice that is sent to you.

You can choose to pay for our services by any of the payment methods set out in the invoice. You are required to pay within the time set out on the invoice.

If there is a refund or reduction of your premium owed to you because of a cancellation or alteration to a policy, or based on a term of your policy (such as a premium adjustment provision), we will retain any fee we have charged you. We will also retain commission depending on our arrangements with the insurer, or charge you a cancellation fee equal to the reduction in our commission.

Payment for the services we provide you are payable directly to EAG.

When you pay your premium it will be banked into EAG's trust account. EAG will retain the commission from the premium you pay and remit the balance to the insurer in accordance with EAG's arrangements with the insurer. EAG will earn interest on the premium while it is in their trust account or EAG may invest the premium and earn a return. EAG 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?

EAG's commission will be calculated based on the following formula:

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

In this formula:

X = EAG's commission

Y% = the percentage commission paid to EAG by the insurer. EAG's commission varies between 5 – 50% of product base premium.

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

Any fee that you are charged will be based on the size and complexity of the insurance contract being arranged.

EAG may pay commissions, fees or benefits to others who refer you to EAG or refer EAG to an insurer in the range of 1% to 50% of our commission or fees.

Our employees that will assist you with your insurance needs will be paid a market salary with incentives.

If we give you personal advice (retail clients* only), 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.

If remuneration or other benefits are calculable at the time personal advice (retail clients* only) is given, the remuneration or other benefits the person receives on specific financial products to which the personal advice relates will be disclosed at the time that the personal advice is given or as soon as practicable after that time. Where the remuneration or other benefits are not calculable at the time the personal advice is given, the manner in which the remuneration or other benefits are to be calculated will be disclosed at the time the personal advice* is given or as soon as practicable after that time.

See below for information on the Steadfast association and commission.

Do we have any relationships or associations with the insurers who issue the insurance policies?

EAG is a Steadfast Group Limited (Steadfast) Network Broker. Steadfast has exclusive arrangements with some insurers and premium funders (Partners) under which Steadfast will receive between 0.5-2% commission for each product arranged by us with those partners. Steadfast is also a shareholder of some Partners. We may receive a proportion of that commission from Steadfast at the end of each financial year (or other agreed period).

As a Steadfast Network Broker EAG has 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 Steadfast Network Brokers for a fee. You can obtain a copy of Steadfast's FSG at www.steadfast.com.au

If we arrange premium funding for you EAG may be paid a commission by the premium funder. We may also charge you a fee (or both). The commission that EAG is paid by the premium funder is usually calculated as a percentage of your insurance premium (including government fees or changes). If you instruct us to arrange or issue a product, this is when EAG becomes entitled to the commission.

EAG's commission rates for premium funding are in the range of 1-5% of funded premium. When we arrange premium funding for you, you can ask us what commission rates EAG is paid for that funding arrangement compared to the other arrangements that were available to you. The amount of our commission and any fee that we charge will set out in the premium funding contract.

For many products EAG has negotiated special rates and terms for clients with one particular insurer and will therefore only recommend insurance with this insurer. Examples include Business Pack and Accident and Health Insurance arranged through AlltradesCover.com.au and most insurance arranged through the Elliott Insurance Brokers website.

What should I do if I have a complaint?

Contact EAG and tell us about your complaint. We will do our best to resolve it quickly. If your complaint is not satisfactorily resolved within 20 days, please contact EAG's Complaints Officer at the contact details for EAG on page 1 of this FSG or put your complaint in writing and send it to the address noted for EAG at the beginning of this FSG. EAG will try and resolve your complaint quickly and fairly.

EAG is a member of the Financial Ombudsman Service (FOS). If your complaint cannot be resolved to your satisfaction by EAG you have the right to refer the matter to FOS. FOS can be contacted at:

Street address: Financial Ombudsman Service, Level 12, 717 Bourke Street, Docklands 3008 or Mailing address: Financial Ombudsman Service, GPO Box 3, Melbourne, VIC 3001

Phone 1300 780 808, fax 03 9613 6399, email info@fos.org.au or website www.fos.org.au.

What arrangements do you have in place to compensate clients for losses?

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

The PI policy covers EAG and EAG's representatives (including EAG's authorised representatives and contractors) for claims made against EAG and EAG's representatives by clients as a result of the conduct of EAG's employees or representatives in the provision of financial services.

EAG's PI policy covers EAG and EAG's representatives (including EAG's authorised representatives) for claims relating to the conduct of representatives who no longer work for us.

Electronic Delivery of Disclosure Notices

Please note that we may at times provide correspondence and disclosure notices (including Financial Services Guides and Product Disclosure Statements) to you electronically, via email or links to websites etc. If you have provided your email address to us we may use that email address for correspondence and disclosure notices. Should you not wish to be sent correspondence electronically please advise us and we will update our records accordingly.

Contact Agreement

To ensure that we provide you with appropriate products and services, you agree to us calling you to discuss any new products and services. If you do not wish to receive such calls please advise us and we will place you on our Do Not Call Register.

Elliott Australia Group will occasionally send promotional material to you to ensure you are up to date with our latest services and offerings. Please let us know if you would rather not receive promotional material from us and we will remove your name from our distribution list.

Any questions?

If you have any further questions about the financial services we can provide, please contact us. Please retain this document for your reference and any future dealings with us.

* **Retail clients** are individuals or those who purchase an insurance product for use in connection with a small business (ie less than 20 employees, or 100 if the business manufactures goods) AND they purchase a general insurance contract which has been designated as a retail product, including motor vehicle, home building and contents, sickness and accident, consumer credit, travel, personal and domestic property, pleasure craft, any other kind of insurance prescribed in the Corporations Regulations. All other clients are wholesale clients.