



Financial Services Guide



Sheltop 16 Pty Ltd Trading as
Craven Insurance Services ABN 18 011 012 061
Australian Financial Services Licence No 243485
Issue: Version (11) effective 1 November 2010

This Financial Services Guide (FSG) sets out key information in relation to Craven Insurance Services and is intended to assist you to decide whether you wish to use our services.

This FSG provides information including:

- Who we are and how we can be contacted
- Documents you should receive
- What services we are authorised to provide to you
- How we are remunerated
- Details of any potential conflicts of interest
- Details of our internal and external disputes resolution procedures and how you can access them
- The arrangements we have in place to compensate clients for losses
- Your Duty of Disclosure under the Insurance Contracts Act 1984
- Details of our privacy policy.

About us

Sheltop 16 Pty Ltd ABN 18 011 012 061 trading as Craven Insurance Services holds Australian Financial Services Licence No. 243485 issued by the Australian Securities and Investments Commission (ASIC). We can be contacted by referring to our contact details at the end of this FSG.

Documents you are entitled to receive:

- **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.

From when does this FSG apply?

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, however it will not replace this FSG but will cover any services not covered by this FSG.

Who is responsible for the financial services provided?

Craven Insurance Services is responsible for the financial services that will be provided to you, or through you to your family members. Craven Insurance Services is also responsible for the distribution of this FSG.

How can you instruct Craven Insurance Services?

You can contact us to provide instructions by telephone, post, email or fax using the contact details on the last page of this FSG.

What services are Craven Insurance Services authorised to provide and what products do those services relate to?

Craven Insurance Services are authorised to advise and deal in general insurance products to wholesale and/or retail clients. When we provide you with financial services, we will act on your behalf as your broker unless we tell you otherwise.

Our authorisation includes:

- Developing a plan to protect your assets and legal liabilities
- Reviewing and advising on your general insurance needs
- Varying and dispersing general insurance products
- Arranging and renewing insurance policies for you
- Arranging Premium Funding at your request
- Assisting and managing your insurance claims

If we ever act under a binder with authority to issue policies as an agent for the insurer, rather than acting as your agent, we will inform you of this arrangement.

Does Craven Insurance Services provide tailored advice?

Craven Insurance Services aims to provide tailored advice where possible, based on the information provided by you. We may need detailed information about the risk to be insured, your needs, objectives, financial position and any other relevant information, in order to arrange insurance policies for you and provide 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 also carefully read the PDS and any other documents you receive before making any decision about an insurance policy.

Does Craven Insurance Services have any relationships or associations with product issuers or any other organisations which might reasonably influence the advice given?

Steadfast: Craven Insurance Services 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 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 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.

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

CQIB: Craven Insurance Services 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.

Queensland Underwriting Solutions: Shareholders of Sheltop 16 Pty Ltd also have a shareholding in Queensland Broker Holdings Pty Ltd, in partnership with Calliden Group, trading as Queensland Underwriting Solutions Pty Ltd (QUS). Where appropriate for our clients' needs, Craven Insurance Services may recommend products from QUS. As a shareholder, we may receive dividends from QUS. If we recommend a Retail Product we will also disclose this relationship in our Important Information document.

How will you pay Craven Insurance Services?

You can choose to pay by any of the payment methods set out on our invoice, including cash, cheque, direct debit, premium funding or credit card. Please note credit card payments will attract an additional fee as a % of the total amount shown on our invoice. You must pay on receipt of our invoice or in the case of renewals, before the expiry date of the policy. If you do not pay the premium on time, we are obliged to tell the insurer who has the right to cancel the policy. You will then not be insured. The insurer may also charge a short term penalty premium for the time they are on risk.

When premiums are paid to Craven Insurance Services, 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 Craven Insurance Services.

What type of remuneration will Craven Insurance Services receive and how will it be calculated?

Where we provide personal advice to you as a retail client purchasing a prescribed product, the remuneration described below that we and our associates are to be paid if we are instructed to arrange a policy for you, will be clearly detailed in the Important Information Regarding our Advice document.

- 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 Broker Fee.
- If we arrange premium funding for you we may be paid a commission by the premium funder. The commission that we are paid by the premium funder is usually calculated as a percentage of your insurance premium (less Government fees or charges). If you instruct us to arrange or issue a product, this is when we become entitled to the commission.
- 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.

- If we refer you to Planning Associates Pty Ltd CAR 310087 of Australian Financial Services AFS Licence No. 297239 and they arrange insurance for you, they may share part of their commission or fees with us and/or pay us an agreed referral fee.
- Our employees, who will assist you with your insurance needs, will be paid an annual salary that may include a small percentage of our commission income.
- If there is a refund of premium as a result of the cancellation or adjustment of the 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. However, if the cancellation occurs within the cooling off period, we will return the commission to the insurer. We reserve the right to retain our fees.
- Craven Insurance Services and its employees may also receive non monetary benefits from insurers and suppliers. These may include small gifts such as vouchers, movie tickets, hampers or bottles of wine, tickets to sporting or entertainment events, invitations to functions including meals and drinks. Craven Insurance Services monitors and records compliance with strict standards that ensure these benefits do not create a conflict with your interests.

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

Privacy

Craven Insurance Services is committed to protecting your privacy and the security of your personal information. Information collected by Craven Insurance Services 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. Details of our Privacy Policy are available at www.craveninsurance.com.au and upon request.

Duties of Disclosure

You are required to disclose every matter that you know, or a reasonable person in the circumstances could be expected to know that is relevant to the insurer's decision whether to insure you. Your Duty of Disclosure applies when you enter into a contract of insurance for the first time or when you renew, vary, extend or reinstate your policy.

You do not need to disclose any matter that:

- Diminishes the insurer's risk
- Is of common knowledge
- The insurer knows or as an insurer should know
- The insurer tells you they do not need to know

If you do not fully disclose, your insurer may reduce or refuse to pay a claim or may treat the policy as if it never existed.

If you have any questions about whether information needs to be disclosed, please ask us for assistance.

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.

Legal Advice

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.

Is there a Cooling off Period?

A cooling off period may apply to an insurance policy issued to you as a retail client. During the cooling off period you may return the policy. Details of your cooling off rights will be included in the relevant Product Disclosure Document.

What arrangements does Craven Insurance Services have in place to compensate clients for losses?

Craven Insurance Services has a Professional Indemnity Insurance Policy (PI Policy) in place.

Our 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 our employees (during the period employed by Craven Insurance Services) who no longer work for us.

What should I do if I have a complaint?

If you are not entirely satisfied with our service, you should contact our Complaint Manager who will attempt to resolve any issues within 20 days.

If you are still not satisfied, Craven Insurance Services is a member of the Financial Ombudsman Service (**FOS**) and you have the right to refer the matter to them. FOS can be contacted on 1300 780 808, fax 03 9613 6399, email info@fos.org.au or website www.fos.org.au.

Decisions by the FOS are binding on the broker but clients may choose to reject any decision made by FOS and seek other avenues to resolve issues.

We also subscribe to the Insurance Brokers Code of Practice.

Licensee Contact Information

Sheltop 16 Pty Ltd Trading as Craven Insurance Services
PO Box 6512
Upper Mt Gravatt Qld 4122
Equity Court, Unit 2/33 Sanders Street, Upper Mt Gravatt QLD 4122
Phone: 07 3420 4100
Fax: 07 3420 4122
E-mail: cis@craveninsurance.com.au
Web: www.craveninsurance.com.au

If you have any further questions about this Financial Services Guide please contact us on phone number 07 3420 4100.

Please retain this document for your reference and any future dealings.

End of FSG.