

# Financial Services Guide

The financial services referred to in this financial services guide (FSG) are offered by:

Compass Insurance Brokers (Tas) Pty Ltd (ABN 39 141 252 584 - AFSL 432 209)  
19 Goulburn Street, Hobart, Tas, 7000  
Phone: (03) 62 342 088  
Email: [neil@compassib.com.au](mailto:neil@compassib.com.au)

This FSG sets out the services that we 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.

## Further information when personal advice is given:

We will provide you with further information whenever we provide you with advice which takes into account your objectives, financial situation and needs. This information may include the advice that we have given you, the basis of the advice and other information on our remuneration and any relevant associations or interests. This information may be contained in a statement of advice (SOA).

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 you with, or pass on to you, a product disclosure statement (PDS), unless you already have an up to date PDS. The PDS will contain information about the particular policy which will enable you to make an informed decision about purchasing that policy.

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## From when does this FSG apply?

This FSG applies from 11<sup>th</sup> of September 2014 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.

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## How can I instruct you?

You can contact us to give us instructions by post, phone, fax or email on the contact number or details mentioned on page 1 of this FSG.

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## Who is responsible for the financial services provided?

Compass Insurance Brokers (Tas) Pty Ltd is responsible for the financial services that will be provided to you or through you to your family members, including the distribution of this FSG.

Compass Insurance Brokers (Tas) Pty Ltd holds a current Australian Financial Services Licensee no: 432 209 and the contact details for Compass Insurance Brokers (Tas) Pty Ltd are on the front of this FSG.

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## What kinds of financial services are you authorised to provide to me and what kinds of financial product/s do those services relate to?

Compass Insurance Brokers (Tas) Pty Ltd is authorised to advise and deal in general insurance products to wholesale and/or retail clients. We will do this for you as your broker unless we tell you otherwise.

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

In some cases we may automatically renew your insurance to ensure you continue to be covered. At that time we will send you an offer to renew the insurance policy and invoice you for the cost of renewal. If there is a change to your circumstances or if you want to change the details of the cover, contact us as soon as you receive the renewal offer. This will allow us to assess whether your insurance is appropriate for your circumstances.

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**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.

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**What information do you maintain in my file and can I examine my file?**

We maintain a record of your personal profile, including details of insurance policies that we arrange for you. We may also maintain records of any recommendations or advice given to you. We will retain this FSG and any other FSG given to you as well as any SOA or PDS that we give or pass on to you for the period required by law.

We are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. A copy of our privacy policy is available on request.

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**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 all 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 in our trust account and/or we may invest the premium and earn a return. We will retain any interest on investment earned on the premium.

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**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 0% and 27%.  
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 in addition to commission. 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 10% to 50% of our commission or fees.

Our employees that will assist you with your insurance needs will be paid a market salary. This may include a bonus based on between 0% and 5% of client portfolio. 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.

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#### **Do You Receive Any Other Benefits i.e.: Soft Dollar Benefits?**

From time to time we may also receive what are commonly referred to as "soft dollar benefits" from product issuers and other financial service providers we deal with.

These can include entertainment (e.g. lunches, sporting events, movies etc.), conferences (e.g. attendance at a product issuers conference or sponsorship of our annual Steadfast Group conferences by a product issuer), accommodation and travel, business tools (e.g. software); gifts (e.g. product issuer or service provider branded promotional and other occasional small gifts such as bottles of wine or hampers on special occasions etc.).

These benefits are provided by a wide range of product issuers and service providers. In most cases they are incidental or relate to our development towards the understanding of a certain products or services available. Ultimately, this assists us in better servicing and representing you.

Our company policy is that any soft dollar benefits that we or our representatives receive where it is reasonable to estimate their value per item of event exceeds \$300 must be disclosed to our Compliance Manager in writing. The Manager will then determine if appropriate procedures are in place to manage or avoid any potential conflict of interest which might arise. They will only approve benefits where this is the case and retain a record of this.

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#### **Do you have any relationships or associations with the insurers who issue the insurance policies or any other material relationships?**

Compass Insurance Brokers (Tas) Pty Ltd 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% - 1% 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 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 Steadfast Network Brokers for a fee.

A copy of Steadfast's own FSG can be obtained from their website at [www.steadfast.com.au](http://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 total insurance premium (including government fees or charges). If you instruct us to arrange or issue this product, this is when we will become entitled to any 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.

We may at times participate in loyalty/incentive type programs offered by insurers. These may include a profit share component. The profit share is variable and is determined by the amount of premium earned when compared with the claims experience in our portfolio. The profit share is calculated on an annual basis. As part of any such program we may also be entitled to training and development initiatives at the expense of the insurer.

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### **The NIBA Code of Practice**

Compass Insurance Brokers (Tas) Pty Ltd is a member of the National Insurance Brokers Association (NIBA) and is bound by their Code of Practice (The Code). The Code sets out standards for brokers to follow when dealing with clients, including but not limited to requirements to inform clients of remuneration arrangements and possible conflicts of interest. You can ask us for a copy of the Code, or obtain one from the NIBA website, [www.niba.com.au](http://www.niba.com.au).

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### **What should I do if I have a complaint?**

1. Contact us and tell us about your complaint. We will do our best to resolve it quickly.
2. If your complaint is not satisfactorily resolved within 5 days, please contact Neil Hay on (03) 62 342 088 or put your complaint in writing and send it to him at the address noted at the beginning of this FSG to enable your complaint to be handled quickly and fairly in an effort to be resolved.
3. Compass Insurance Brokers (Tas) Pty Ltd is a member of the Financial Ombudsman Service (**FOS**). If your complaint cannot be resolved to your satisfaction by us you have the right to refer the matter to the FOS.

They can be contacted as follows:

Street Address: Financial Ombudsman Service,  
Level 12, 717 Bourke Street,  
Docklands Vic 3008

Mailing address: Financial Ombudsman Service,  
GPO Box 3,  
Melbourne Vic 3001

Ph 1800 367 287  
Fax (03) 9613 6399  
Email [info@fos.org.au](mailto:info@fos.org.au)  
Website [www.fos.org.au](http://www.fos.org.au)

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

Compass Insurance Brokers (Tas) Pty Ltd has a Professional Indemnity insurance policy (**PI policy**) in place. This PI policy covers us and our representatives (including any authorised representatives) for claims made against us and our representatives by clients as a result of the conduct of us, our employees or representatives in the provision of financial services.

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

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### **Any questions?**

If you have any further questions about the financial services of Compass Insurance Brokers (Tas) Pty Ltd please do not hesitate to contact us.

**Please retain this document for your reference and any future dealings with Compass Insurance Brokers (Tas) Pty Ltd.**