

## FINANCIAL SERVICES GUIDE/ IMPORTANT ADVICE NOTICE

The financial services referred to in this Financial Services Guide (**FSG**) are offered by Insurance Logic Pty Ltd t/as Logical Financial Management (**LFM**). 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 our associates 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 for a retail client, we will also provide you with, or pass on to you, a Product Disclosure Statement (**PDS**) or short-form PDS, unless you already have an up to date PDS or short-form PDS from the insurer. The PDS or short-form PDS will contain important information about the particular policy features, benefits and risks, which will enable you to make an informed decision about purchasing that policy.

### From when does this FSG apply?

This FSG applies from **1 March 2010** 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.

### How can you instruct us?

You can contact us to give us instructions by post, phone, fax, email as detailed below or visit our website at [www.lfma.com.au](http://www.lfma.com.au)

### Who is responsible for the financial services provided?

LFM 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.

LFM holds a current Australian Financial Services Licensee no. 237633 issued by the Australian Securities & Investment Commission (ASIC). The contact details for LFM are provided below.

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

LFM is authorised to advise and deal in general insurance products (for example home and contents, vehicles, professional indemnity and public liability) to wholesale and/or retail clients. We will do this for you as your broker unless we tell you otherwise.

LFM's director James Cotis is also a director of Logical Financial Management Australia Pty Ltd (**LFMA**).

LFMA can provide other advisory services designed to help you create, manage and protect your wealth in its capacity as a Partner Firm and Corporate Authorised Representative (**CAR**) of Advice IQ Partners Pty Limited AFSL no. 332957. Our CAR no. issued by ASIC is 240479.

### 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.

\*These statements apply to retail insurance products only

In some cases we will not ask any 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 decisions about an insurance policy.

**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 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 or short-form 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. A copy is also available on our website at [www.lfma.com.au](http://www.lfma.com.au)

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

**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. 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. With respect to midterm cancellations, we will not refund any part of the brokerage we receive for arranging the cover.

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 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:

In this formula: <b>X = Y% x P</b>	
<b>X</b>	= our commission
<b>Y%</b>	= the percentage commission paid to us by the insurer. Our commission varies between 0% and 22.5%.
<b>P</b>	= 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 disclosed in dollar amounts and or advised prior to us performing and relevant services for you. We may charge you:

- an broker/administrative fee in addition to commission when you enter into an insurance policy; or
- a flat fee for arranging an insurance policy or a fee based upon the time we spend advising you; or
- an annual management fee.

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 40% of our commission or fees.

Our employee that will assist you with your insurance needs will be paid a market salary and in addition may receive bonuses which are included in our commission or fees.

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.

\*These statements apply to retail insurance products only

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

LFM 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, subsidised by Steadfast or available exclusively to shareholders for a fee.

Steadfast is also a shareholder of 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.

### Macquarie Premium Funding

If we arrange premium funding with Macquarie Premium Funding Pty Ltd (**MPF**) for you, we will be paid a commission by MPF. We may also charge you a fee. The commission is calculated as a percentage of the funded premium. If you instruct us to arrange for you premium to be funded, we will become entitled to the commission. The amount of our commission and any fee that we charge will be set out in the premium funding contract.

LFM is a shareholder of Steadfast Group Limited (**Steadfast**). Steadfast has a shareholding in Macquarie Premium Funding.

Under its agreement with MPF, Steadfast will receive 0.5% of your insurance premium (including government fees or charges (**funded premium**)).

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A DIVISION OF  
INSURANCE LOGIC PTY LTD  
ABN 44 002 859 252  
AFSL No 237633

SUITE 21, LEVEL 2, 8 HILLSTREET  
SURRY HILLS NSW 2010  
PO BOX 103  
DARLINGHURST NSW 1300

TELEPHONE 02 9328 3322  
FACSIMILE 02 9328 3323  
team@ifma.com.au  
www.ifma.com.au



A MEMBER OF  
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Also, also an equity shareholder of MPF, Steadfast may also receive dividends from profits of MPF. 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 MPF are used to operate Steadfast. Depending on the operating costs of Steadfast and the amount of total business we place with MPF 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](http://www.steadfast.com.au).

### Non-Monetary Benefits/Soft dollar disclosure

Sometimes our advisers may receive certain 'benefits' from a range of product issuers (such as training services and subsidies, conferences, software, tickets to sporting events, concerts, movies, frequent flyers points, meals or Christmas gifts). Generally, the extent of these benefits is not reasonably capable of influencing the advice that may be given to you. If any circumstance is likely to give rise to a conflict of interest we will either disclosure, control or avoid the risk entirely.

### Is there a cooling-off period under my policy?

Retail clients have a minimum 14 day cooling-off period on the issue of most insurance policies. The cooling-off period starts at the earlier of time of confirmation, or at the end of 5 business days after the product is issued.

Further information of your rights under the cooling-off provisions to return the policy and to receive a refund will be included in any relevant Product Disclosure Statement. The rights may be exercised by notifying your insurer in writing or via email.

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

Contact us 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 James Cotis on 02 9328 3322 or put your complaint in writing and send it to him at the LFM noted below. We will try and resolve your complaint quickly and fairly.



LFM 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 FOS. FOS can be contacted at Level 5, 31 Queen St, Melbourne VIC 3000 on 1300 780 808, fax 03 9613 6399, email [info@fos.org.au](mailto:info@fos.org.au) or website [www.fos.org.au](http://www.fos.org.au).

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

LFM 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 not cover us for claims relating to the conduct of representatives who no longer work for us.

### **Any questions?**

If you have any further questions about the financial services LFM provides, please contact us and retain this important document for your reference and any future dealings with LFM.

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**SUITE 21, LEVEL 2, 8 HILLSTREET  
SURRY HILLS NSW 2010  
PO BOX 103  
DARLINGHURST NSW 1300**

**TELEPHONE 02 9328 3322  
FACSIMILE 02 9328 3323  
team@lfma.com.au  
www.lfma.com.au**



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