

THE PURPOSE OF THIS GUIDE

This Financial Services Guide (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 conflicts 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

STATEMENT OF ADVICE

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.

FROM WHEN DOES THIS FSG APPLY

This FSG applies from January 1st 2009 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 or email on the contact number or details mentioned on the front of this FSG.

WHO IS RESPONSIBLE FOR THE FINANCIAL SERVICES PROVIDED

Australian Broking Group Pty Ltd T/As Cyclecover 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.

Australian Broking Group Pty Ltd T/As Cyclecover holds a current Australian Financial Services License no. 244361. The contact details for Australian Broking Group Pty. Ltd. are on the front of this FSG.

WHAT KINDS OF FINANCIAL SERVICES ARE WE AUTHORISED TO PROVIDE TO YOU AND WHAT KINDS OF FINANCIAL PRODUCTS DO THOSE SERVICES RELATE TO

Australian Broking Group Pty Ltd T/As Cyclecover is authorised to advise and arrange a broad range of insurances on your behalf including:

Home Building & Contents, Private & Commercial Motor, Farm, Business Packages, Construction, Liability, Industrial & Professional covers. We will do this for you as your broker unless we tell you otherwise.

WILL YOU 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 issue insurance policies to 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 warning that we give you, carefully before making any decision about an insurance policy.

WHAT INFORMATION DO WE MAINTAIN IN YOUR FILE AND CAN YOU EXAMINE YOUR FILE

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 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. A copy is also available on our website, www.cyclecover.com.au

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

HOW WILL YOU 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 to 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 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: $X=Y\% \times P$

In this formula, X = our commission, Y% = the percentage commission paid to us by the insurer. Our commission varies between 0 and 25%. 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 shown on our tax invoice as the broker 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 25% of our commission or fees.

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

DO WE HAVE ANY RELATIONSHIPS OR ASSOCIATIONS WITH THE INSURERS WHO ISSUE THE INSURANCE POLICIES OR ANY OTHER MATERIAL RELATIONSHIPS

Australian Broking Group Pty Ltd T/As Cyclecover 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 Steadfast shareholder, 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.

You can obtain a copy of Steadfast's FSG at www.Steadfast.com.au

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 (including government fees or charges). If you instruct us to arrange or issue a product, this is when we become entitled to the commission.

Our commission rates for premium funding are in the range of 0 to 2% 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. The amount of our commission and any fee that we charge will be set out in the premium funding contract.

We currently participate in an incentive program with QBE Insurance (Australia) P/L. The program entitles us to receive a lump sum payment from them each year that is dependent on the amount of premium we place with them and the

amount of profit that QBE makes from clients that we place with QBE.

We are unable to accurately forecast the amount of premium that we will place with QBE and the QBE profit is largely dependent on claims costs, which can fluctuate considerably each year. Therefore, we are unable to accurately calculate the value of any such payments we might receive.

We estimate that we may receive an additional 1% of the base premium paid by our QBE clients. This payment would be in addition to the average 18% commission paid to us by QBE.

WHAT SHOULD YOU DO IF YOU 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 10 working days, please contact Kelly Sverns on 8862-2222 or put your complaint in writing and send it to Australian Broking Group Pty. Ltd. at the address noted on the front of this FSG. We will try and resolve your complaint quickly and fairly.
3. Australian Broking Group Pty Ltd T/As Cyclecover 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 Street Melbourne VIC 3000, on 1300 780 808, fax 03 9613 6399, email info@fos.org.au or website www.fos.org.au

WHAT ARRANGEMENTS DO WE HAVE IN PLACE TO COMPENSATE CLIENTS FOR LOSSES

Australian Broking Group Pty Ltd T/As Cyclecover 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 Australian Broking Group Pty. Ltd. provides, please contact us.

Please retain this document for your reference and any future dealings with Australian Broking Group Pty Ltd T/As Cyclecover.

AUSTRALIAN BROKING GROUP PTY LTD T/AS

CYCLECOVER

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THIS FSG APPLIES FROM 1ST JANUARY 2009