



## FINANCIAL SERVICES GUIDE

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

**CRM Brokers Pty Ltd** ABN 68 088 887 138 (CRM)  
Level 29, Chifley Tower  
2 Chifley Square, Sydney, NSW 2000  
Phone: 1300 880 449  
[crminfo@cmbrokers.com.au](mailto:crminfo@cmbrokers.com.au)

and by their joint venture partners

**Annis Parisi Pty Ltd** ABN 23 000 858 079 (APG)  
3-5 Railway Street  
Baulkham Hills NSW 2153  
Phone 8852.8888  
[info@annisparisi.com.au](mailto:info@annisparisi.com.au)

In this guide and the terms of trade, wherever we use the term "CRM" this term includes CRM Brokers Pty Ltd and Annis Parisi Pty Ltd, their owners, directors, representatives and staff.

All advice and services offered are completed under the terms of the CRM Australian Financial Service licence 246622.

**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.

### Statement of advice

If you are a retail client and we agree to give you personal advice, you will receive a statement of advice (**SOA**) whenever we provide you with advice which takes into account your objectives, financial situation and needs. The SOA will contain the advice, which will enable you to make an informed decision about your insurance needs.

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 from the insurer. 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 13<sup>th</sup> January 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 and matters 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 page 1 of this FSG.

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

CRM 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. CRM holds a current Australian Financial Services Licensee no: 246622. The contact details for CRM are on the front of this FSG.

CRM has entered into a joint venture partnership for certain business with a fellow Steadfast broker. Any advice provided as part of this joint venture will be provided under the licence of CRM. Where advice provided to you is provided under the joint venture, you will be specifically advised.

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

CRM's Directors are authorised to advise and deal in general insurance products to wholesale and/or retail clients. Our Authorised Representatives are only authorised to advise and deal in general insurance products to wholesale clients. We will do this for you as your broker unless we tell you otherwise. There are a wide range of insurance policies we can arrange.

These include, but are not limited to the following insurance policies for retail clients.

- Motor Vehicle Insurance
- Home building and Home contents insurance
- Personal Illness and accident insurance
- Consumer credit insurance : and
- Travel insurance

**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, 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 warnings that we give you, carefully before making any decision 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 or issue 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 that we give or pass on to you.

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.crmbrokers.com.au](http://www.crmbrokers.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. 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 however if payment is not made by the expiry date and no written arrangement is made, the cover detailed may not be in place.

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 will 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. A summary of our commission percentages is set out below:

We earn commission on home building and contents, personal property, personal accident and illness, combined risks, marine hull and travel from 0% to 25%, on motor vehicle from 0 to 11.5% and on wholesale products from nil to 25%. Commissions are calculated on the base premium before charges and levies.

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 generally be a maximum of 10% on total premium including charges plus \$50.00 plus GST unless otherwise previously negotiated prior to placement.

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 20% - 30% of our commission or fees.

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

If we give you a SOA, we will list in that document 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.

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

CRM is a shareholder of Steadfast Group Limited (Steadfast). Steadfast has exclusive arrangements with some insurers under which Steadfast may receive up to 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.

Steadfast has a shareholding in Macquarie Premium Funding. If we arrange premium funding with Macquarie Premium Funding for you, under its agreement with Macquarie Premium Funding, 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 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 Steadfast's FSG 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 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 1% 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 set out in the premium funding contract.

We have entered into a profit share agreement with QBE (Australia) Limited which will provide additional benefits to our business over and above our usual following benefits.

- greater access to senior underwriting staff for a faster response to queries and acceptances of risks.
- Ongoing assistance, education and training in meeting our legislation compliance requirements.
- The profit share will be based on the profit the insurer makes from insurance business placed with QBE
- The potential for us to earn a profit share is assessed annually

The potential for us to earn profit share is assessed annually by QBE (Australia) Ltd based on established criteria however, income for this arrangement is not guaranteed

We will only recommend products, where we feel that they are appropriate to our clients needs. Irrespective of this agreement we are maintaining our relationships with all of our supporting insurers and would always seek to place business in the best interests of our clients.

#### **What should I have to 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 20 days, please contact Joseph Saad on 1300 880 494 or put your complaint in writing and send it to him at the CRM address noted at the beginning of this FSG or e-mail him at [crm2@cmbrokers.com.au](mailto:crm2@cmbrokers.com.au). We will try and resolve your complaint quickly and fairly.
3. CRM is a member of the Financial Ombudsman Service Limited (FOS). If your complaint cannot be resolved to your satisfaction by us you have the right to refer the matter to FOS.
4. FOS can be contacted on 1300 780 808.

#### **What influences what we recommend?**

We do not deal with all insurers or consider all available products when we make recommendations to you. We select the insurers that we deal with and the products that we recommend based on research and our knowledge of factors such as product terms and conditions, price and the insurers security, strength and claims handling track record.

#### **What influencing financial benefits do we get from people other than you?**

We are paid by the insurer and sometimes by the people acting for them. Generally, we are also paid a fee (broker's fee) by you.

The commission that we are paid by an insurer is usually calculated as a percentage of your insurance premium less any fees or charges. If you instruct us to arrange a product, this is when we become entitled to the commission; however we are only entitled to draw the commission when the premium has been paid by you. We get these payments even when we act for you as your brokers.

The commission amount that we receive will depend on the type of product that we arrange for you. Some insurers pay more commission than others for similar products. This means that we may earn more if we recommend the product which pays the highest commission. This will depend on the amount of premium for that product compared to others that we consider.

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

CRM has a professional indemnity insurance policy (**PI policy**) in place. The PI policy covers us and our representatives (including our 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 cover us for claims relating to the conduct of representatives who no longer work for us but only in relation to advice and services provided whilst they were employed by CRM.

#### **Any questions?**

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

## Terms of Trade

We take this opportunity, for our mutual benefit, to detail the terms of any direction made in relation to the appointment of CRM as your insurance brokers.

### New Business

If you need cover for property or a risk not currently insured, you will need to advise CRM as soon as practical. If you want immediate cover, we will endeavour to arrange interim cover under a cover note, but in order to do so we will, in all instances, need to have details of the property or risk (e.g. nature of risk, location, sums insured, etc.) and all information to be disclosed to the insurer. We will then send you a proposal for completion, which we ask you to return to us as soon as possible. Interim cover is provided for a limited period (e.g. one month or sometimes less) and will lapse unless the proposal is submitted to the insurer during its currency. The insurer should issue the policy within approximately two months.

### Renewals

We will attempt to give you at least fourteen days notice of expiry of any cover arranged or last renewed by us on your behalf. This is obviously dependant on receiving all information from you and the insurance company.

We do not accept liability for giving you notice of expiry of any cover arranged or last renewed direct with the insurer or through another broker. Our invoice for renewal of the cover will include all details of the cover as expiring. In order for us to secure the renewal on your behalf, we must receive before the expiry date your instructions in writing to renew the cover. If you want the cover to be altered in any way, please contact us immediately.

We do not accept responsibility for following you up to check whether you wish to renew. If we do not receive payment of our invoice or written renewal instructions by the expiry date, cover will not be renewed.

### Variations

If you want to vary any cover (e.g. by increasing the sums insured, or adding another location, etc.) please contact us. You will need to give us not only the details of the variation you are seeking, but also details of relevant matters to be disclosed to the insurer that have not been previously disclosed. We will then confirm the variation we have effected with the insurer.

### Advice

If you need advice on your insurance covers or rationalisation of your insurance arrangements or if you have any other query please contact your Account Manager (and not one of our junior staff). The Account Manager will be happy to answer minor queries, over the telephone, but written advice or confirmation should be sought in relation to any matter on which you propose to rely. We accept responsibility for written advice, but we accept no responsibility for verbal advice.

We do charge for the service of providing advice if the matter requires a significant amount of time. We shall discuss the charge with you at the time.

### Direct Offshore Foreign Insurers (DOFI)

From time to time, we may use DOFI's to underwrite a risk. This is not a course that we actively pursue as there are obviously risks involved. We may use DOFI's in three scenarios:

- Where no Australian authorised insurer will insure the risk.
- Where the terms (including price) on which any Australian authorised insurer will insure the risk are substantially less favourable to the insured than the terms on which the DOFI will insure the risk.
- There are other circumstances that mean that insurance with an authorised insurer is substantially less favourable to the insured than with the DOFI.

Where we make a placement into these markets you will be asked to complete a declaration stating that you are aware that the insurer is not authorised under the Insurance Act 1973 to conduct insurance business in Australia and is not subject to the provisions of that Act, which establishes a system of financial supervision of general insurers in Australia that is monitored by the Australian Prudential Regulation Authority (**APRA**).

## **Terms of Payment**

When we arrange, renew or vary a cover on your behalf, we will invoice you for the premium, statutory charges (e.g. stamp duty, fire services levies etc) and our brokerage and/or fees.

In the case of renewal, if you wish to instruct renewal by payment of our invoice, we must receive payment in full before the expiry date.

In all other cases, our invoices are payable by you within thirty days of the date of the invoice (notwithstanding that the invoice may be addressed to some other party at your request). The full amount is payable by you to us, including the premium and statutory charges and/or brokerage and/or fees.

If a cover is cancelled before the expiry of the period of insurance we will refund to you only the nett return premium we receive from the insurer, that is nett of any commission and fees. We will not refund any part of the commission or fees we received for arranging the cover.

Some insurers have a minimum premium. In these circumstances, any refund will be based on the refundable amount as advised by the insurer and subject to the same limitations as detailed above.

## **Notices**

In accordance with normal business procedures, we will direct all notices and correspondence in relation to covers we arrange or renew on your behalf to your address.

If you wish to change this address, or utilise a postal address please advise us in writing of the new address. Unless you do so, our records will not be altered and notices and correspondence will continue to go to the existing address. We do not accept responsibility for following up responses from you to correspondence or notices sent to your address.

Insurers are not required to give notices to insureds when covers are arranged through a registered insurance broker. Thus you will not receive them from the insurer for covers arranged by our company on your behalf. You will always be supplied with the original policy document. If you do not receive the document within a reasonable time after completing all necessary documentation and payment in full has been made, you should contact this office immediately.

It is imperative that you check all your insurance certificates and policy wordings to ensure that they provide the cover you require and that you fully understand their limitations. In all cases, the documentation provided by CRM should be cross checked against any proposal form that you have completed to ensure that all disclosable details have been supplied to the insurer. If you have not retained a copy of the proposals, they are available on request from our office. We again stress that you should feel free to contact us if you have any query.

Version 1 – March 2009

133 Alexander St,  
Crows Nest NSW 2065

3-5 Railway Street  
Baulkham Hills NSW 2153

Level 8, 350 Collins Street  
Melbourne Vic 3000

A joint venture between CRM Brokers Pty Ltd and Annis Parisi Pty Ltd