

FINANCIAL SERVICES GUIDE

VERSION 10 | EFFECTIVE: 01/12/10

BUSINESS WITHOUT BOUNDARIES



JOE VELLA
INSURANCE BROKERS

The financial services referred to in this financial services guide (FSG) are offered by Joe Vella Insurance Brokers Pty Ltd ABN 91 074 970 540.

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.

STATEMENT OF 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 that we have given you, the basis of the advice and other information on our remuneration and any relevant associations or interests. This 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. 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 1st December 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 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 the back cover of this FSG.

Who is responsible for the financial services provided? Joe Vella Insurance Brokers 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.

Joe Vella Insurance Brokers Pty Ltd holds a current Australian Financial Services Licensee no: 240035. The contact details for Joe Vella Insurance Brokers Pty Ltd are on the front of this FSG.

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

Joe Vella Insurance Brokers 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.

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.

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.

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. 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.

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 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 22.5%.

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 the range of 0% to 5% of base premium generally, with a minimum of \$45.00.

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 50% 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.

See page 7 and 8 of this FSG for information on the Steadfast association and commission

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

Joe Vella Insurance Brokers Pty Ltd is a shareholder of **Steadfast Group Limited** (**Steadfast**). **Steadfast** has exclusive arrangements with some insurers under which **Steadfast** will receive between 0.5% 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

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 0% to 4% 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.

Details of Other Relationships that might influence our Advice: One Group (Financial Services) Pty Ltd

One Group (Financial Services) Pty Ltd is a finance broker specialising in Premium Funding and Commercial Finance.

Any offer to premium fund your insurance policies will be made on our behalf by **One Group** (Financial Services) Pty Ltd. Joe Vella Insurance Brokers does not receive any commission or other fees from **One Group** (Financial Services) Pty Ltd should you opt for this method of paying your premium, however **One Group** (Financial Services) Pty Ltd does pay Joe Vella Insurance Brokers a service for the use of its premises, staff, equipment and supplies.

Should **One Group** (Financial Services) Pty Ltd utilise the services of a funder that has an exclusive arrangement with Steadfast, Joe Vella Insurance Brokers will receive the benefits outlined under the heading '**Steadfast**' (page 7 and 8).

If we believe that you could benefit from other services offered by **One Group** (Financial Services) Pty Ltd, we may include promotional literature outlining their services in other mail that we send to you. Should you decide not to receive any of this marketing material, please contact our office.

The Managing Director of Joe Vella Insurance Brokers (Mr Joe Vella) is also a director of **One Group** (Financial Services) Pty Ltd.

Natren Pty Ltd

Natren Pty Ltd is an Authorised Representative for Millennium 3 Financial Services Pty Ltd – a specialist in the Life Insurance industry.

If we believe that you could benefit from the services offered by Millennium 3 Financial Services Pty Ltd, we will, with your permission, pass your details onto Natren Pty Ltd or another Authorised Representative of Millennium 3 Financial Services Pty Ltd. Joe Vella Insurance Brokers may receive up to 50% of any commission paid by Millennium 3 Financial Services Pty Ltd to Natren Pty Ltd or another Authorised Representative, resulting from the introduction.

On occasion, individual staff from Joe Vella Insurance Brokers may receive an incentive bonus for referring clients to Authorised Representatives of Millennium 3 Financial Services Pty Ltd. You will be advised of any incentives Joe Vella Insurance Brokers staff receives at the time of your referral.

The Managing Director of Joe Vella Insurance Brokers, Mr Joe Vella, is also a director of Natren Pty Ltd.

WHAT ARE MY PAYMENT OPTIONS

Upon issue of an invoice by us, you are required to pay the invoice within 30 days of the date of that invoice, unless we advise you of some other period or, in the case of renewals, before the expiry date of the current contract

We have established a variety of payment methods so there is sure to be a method to suit you.

Direct Credit

Should you wish to pay your account via Direct Credit, our bank details can be found on your invoice or by contacting us. The contact details for Joe Vella Insurance Brokers Pty Ltd are on the back cover of this FSG:

We ask that you advise us the date paid, amount paid and

invoice number. This can be done by phone, fax, or email (jvib@jvib.com.au). We ask this, as on occasion our bank statements will only show a deposit amount, and no other reference.

Credit Cards

We are able to accept the following credit cards:

- MasterCard
- Visa
- American Express

As you are aware, the Credit Card Companies charge us a Merchant Fee for each transaction. This fee applies to the total premium, not just our brokerage portion. As the insurers do not reimburse us their portion of the fee, we are compelled to add the merchant fee to your payments, where the total amount paid is over a certain limit. For information regarding this payment limit, please contact our office. We will issue you a receipt to show the amount of this fee.

Cash or Cheque

Of course, you can still come into our office and pay cash, or post a cheque to us.

Premium Funding

For commercial policies, we may be able to offer this option for the payment. This particular service provides a programme for insurance premiums to be paid on a monthly facility arrangement with specialist Premium Funders. This offers benefits as outlined hereunder:

- **CONSERVE YOUR CASH FLOW:** Premium Funding allows you to eliminate an advance outlay of 100% cash,

enabling you to spread payment over a period of time and utilise liquid funds for income generating activities.

- **ADDITIONAL LINE OF CREDIT:** Premium Funding acts as an additional line of credit as it does not interfere with your established financial arrangements and may even reduce your current line of credit.
- **NO ADDITIONAL GUARANTEES:** No additional financial guarantees are required, as security is absorbed over the insurance policies and funding enables you to utilise assets for your other business interests.
- **TAX DEDUCTIBILITY:** In addition to commercial insurance premiums being tax deductible, so is the interest charged on Premium Funding.

Refer to the section 'other relationships' for additional information.

What happens when I cancel a policy? In the event of an Insurance Policy being cancelled during the term of the contract, or an alteration to a policy is made that reduces the premium, we must advise that whilst pro-rata premium (net as returned by the Underwriter) will be returned, Broker Fee and our Commission will not.

As previously mentioned, our accounts are settled monthly with the insurers, and any refund applicable to you will be issued to you shortly after the Underwriter makes the funds available to us.

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 20

days, please contact The Complaints Officer on (07) 4040 4444 or put your complaint in writing and send it to The Complaints Officer at the Cairns office address on the back cover of this FSG. We will try and resolve your complaint quickly and fairly.

3. Joe Vella Insurance Brokers Pty Ltd 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.

FOS can be contacted by phone on 1 300 780 808, by fax on 03 9613 6399, email on info@fos.org.au or log onto their website www.fos.org.au

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

Joe Vella Insurance Brokers Pty Ltd 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 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 Joe Vella Insurance Brokers Pty Ltd provides, please contact us.

Please retain this document for your reference and any future dealings with Joe Vella Insurance Brokers Pty Ltd.



JOE VELLA
INSURANCE BROKERS

CAIRNS

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For more information visit:

www.jvib.com.au

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ABN: 91 074 970 540

AFSL: 240035

PROUD MEMBERS OF THE STEADFAST GROUP AND
THE NATIONAL INSURANCE BROKERS ASSOCIATION



STEADFAST
The Strength

