

# Financial Services Guide

Arthur J. Gallagher (Life Solutions) Limited

Issued 22 August 2016

This Financial Services Guide (**FSG**) contains important information to help you decide whether to use the services we offer. It includes details about who we are, the services we can provide, the remuneration we and our representatives receive and our complaints process.

You should read this FSG in its entirety and retain it for your future reference. By engaging, or continuing to engage us you are, in the absence of any formal written agreement with us, agreeing to the delivery of our services and remuneration as described in this FSG.

If this document was provided to you by one of our Authorised Representatives, this document is only part of the FSG and should be read with the relevant Adviser Profile. Together, these documents make up the FSG.

## Statements of Advice and Product Disclosure Statements

If we provide you with personal advice, general advice or recommend a financial product, we will, where required, give you a Product Disclosure Statement (**PDS**) and a Statement of Advice (**SOA**). You should read these important documents before acting on any advice we have given you.

A PDS is produced by the product issuer and contains information that will help you decide whether or not to purchase a product, including information about its features and its terms and conditions.

A SOA will explain our advice, including the basis for our advice and the information we have relied on. It also includes further details about how we are paid and any relevant relationships or associations we may have which may have influenced the advice we have given.

## Electronic delivery

If you have supplied your email address to us, we will send insurance documents including this FSG, SOAs and PDS' (if required) to that address unless you tell us you would like to receive those documents in a different form (e.g. hard copy by post).

## Who we are

Our services are provided to you by Arthur J Gallagher (Life Solutions) Limited (**GLS**) and its employees or one of its Authorised Representatives who are collectively referred to in this FSG as 'we', 'us' or 'our'.

GLS's contact details are at the end of this FSG. If your adviser is an Authorised Representative, their details will appear in the Adviser Profile appended to this document.

We are part of a group of Australian and international companies owned by Arthur J. Gallagher & Co (**Arthur J. Gallagher Group**). The Arthur J. Gallagher Group is one of the world's leading providers of insurance broking and risk management services. The parent company, Arthur J. Gallagher & Co., was founded in the United States in 1927 and is listed on the New York Stock Exchange.

In Australia, the Arthur J. Gallagher Group also includes related service providers such as:

- Arthur J. Gallagher & Co (Aus) Limited ACN 005 543 920, AFSL 238312 (**AJGCo**), a member of the Arthur J. Gallagher Group that provides general insurance broking services.
- Arthur J. Gallagher (2) Pty Ltd ACN 062 672 173, AFSL 238177 (**AJG2**), a subsidiary of AJGCo that provides general insurance broking services.
- Secure Enterprises Pty Ltd ACN 060 973 908, AFSL 229831 (**Secure**), a subsidiary of AJGCo that provides general insurance broking services.
- Parkstar Enterprises Pty Ltd ACN 082 404 859, AFSL 229829 (**Parkstar**), a subsidiary of AJGCo that provides general insurance broking services.

- Elantis Premium Funding Limited trading as Monument Premium Funding ABN 20 002 543 606 (**MPF**), which provides premium funding and other credit services.

- Pen Underwriting Pty Ltd ABN 89 113 929 516, AFSL 290518 and Pen Underwriting Group Pty Ltd ABN 80 082 459 372, AFSL 238170 (**Pen**), Australian underwriting agencies providing access to both the Lloyd's market and local insurers.

For further information about our related entities please visit: [www.ajg.com.au/arthur-j-gallagher-co](http://www.ajg.com.au/arthur-j-gallagher-co).

## About Us

We provide financial advice that focusses on long-term insurance and investment strategies to minimize risks to your assets. Our advisers around the country focus on providing advice using their specialist knowledge of life insurance products and strategies.

The Arthur J. Gallagher Group has an extensive national broking network in metropolitan and regional Australian locations providing insurance broking and financial advice solutions to a wide range of clients from small to medium enterprises through to large multi-national corporations, as well as affinity partners and associations.

## Important relationships and conflicts of interest

In some cases we may refer or advise you to use the services of other companies both inside and outside of the Arthur J. Gallagher Group. These companies may be located in Australia or overseas. We maintain our independence in the market place by ensuring all negotiations with other companies in the Arthur J. Gallagher Group are carried out as if with an unrelated third party.

Where there are potential conflicts of interest in our remuneration arrangements or in our dealings with related parties, they are managed in accordance with our conflicts of interest policy which all staff and representatives must comply with.

## Our services

GLS holds an Australian Financial Services Licence which authorises us to deal in (including arranging for others to deal in), and provide personal and general advice regarding the following products:

- deposit and payment products;
- government bonds, stocks and debentures;
- investment life insurance products;
- life risk insurance products;
- interests in managed investment schemes including investor directed portfolio services; and
- superannuation and retirement savings accounts.

We are committed to providing sound advice based on our market knowledge. We can:

- investigate and analyse your needs;
- provide information or advice about financial products or services that may be appropriate for you;
- arrange and deal in financial products on your behalf (including arranging, varying and renewing your insurance policies); and
- help you deal with your insurer in the event of a claim.



Arthur J. Gallagher  
BUSINESS WITHOUT BARRIERS™



## Our relationship with you

When you do business with us we act on your behalf. You will either deal with one of our employees or one of our Authorised Representatives.

## Our advice

When we provide you with advice this may be general advice or personal advice.

If we provide you with general advice we will give a general recommendation or opinion about a product which is not based on a detailed consideration of your individual needs, objectives or financial situation. When giving general advice, we will give a warning that you should read the relevant PDS and policy wording in full and consider whether the insurance product in question is appropriate for your circumstances.

When we provide you with personal advice, we will review and consider your individual circumstances before providing our advice. When providing personal advice, we will explain to you what that advice will cover. We will also provide you with a PDS and a SOA (if required). You should read these documents carefully before acting on our advice.

If we provide you with personal advice and we do not provide you with a SOA, you may request a Record Of Advice (ROA) at any time up to 7 years after the advice was provided by calling your adviser, your nearest branch or our toll free client inquiry line, **1800 466 842**.

## Our approved product list

We have a comprehensive 'approved product list' ('APL') which we use to help us select the right product for you. While we regularly review the products on this APL please note that we do not guarantee the performance of any product or the solvency of any of the product providers.

## How we can receive your instructions

In order for us to act on your behalf you must provide us with instructions and other information about the services you require. You can give us instructions using the contact details at the end of this FSG or to your adviser as described in the relevant Adviser Profile. In some circumstances it may be necessary for you to give us instructions in writing. We will tell you when this is the case.

## Our remuneration, including how we and our representatives are paid

### How we remunerate our employees and Authorised Representatives

Our remuneration arrangements provide incentives to our employed advisers and Authorised Representatives to ensure our clients receive practical and effective advice and service.

Our employees receive a salary and may also receive a performance bonus based on both the value and quality of the work they do for our clients. GLS distributes a percentage of the fees and commissions received to its advisers who are Authorised Representatives as detailed in the relevant Adviser Profiles, SOAs and ROAs. In limited circumstances, some employed advisers and advisers who are Authorised Representatives may also receive additional payments related to clients they have referred to a third party. Any such payments will be disclosed to you in an SOA or ROA.

### Other Benefits

Our advisers may also receive additional benefits such as assistance with marketing expenses, complimentary or subsidised attendance at conferences, and other rewards such as gift vouchers, tickets to sporting events and invitations to social events. Individual benefits of \$300 or more in value are recorded in our Gifts Register, a copy of which is available on request. If you request a copy of this register we will provide it to you within 7 days. All other benefits are monitored and managed in accordance with our Conflicts of Interest policy. More information about how we manage Conflicts of Interest is available by contacting your adviser.

## Our remuneration

Our fees and charges and when they are to be paid will be discussed and agreed with you prior to us providing you with a financial service. The fees charged will be based on the scope and complexity of the advice provided to you and/or the value of the funds invested. Table 1 below provides a detailed list of the ways in which we earn our remuneration:

Table 1.

Type	Paid by	When applied	Explanation
Advice Fee (includes any establishment fees)	You (client)	After the advice is provided	The fee for preparing formal advice varies but is typically in the range of \$299 to \$2,500 (incl GST). In some cases a greater fee may be charged and this will be provided to you prior to us commencing any work.
Example		Matthew and Debbie agree to a fee of \$2,200 (incl GST) charged by GLS for a Statement of Advice (SoA) providing recommendations about how to invest \$100,000.	
Insurance Commission	Insurer	At the time you pay the applicable premium.	Commission varies depending on the product but may be up to 130% of the first year's annual premium and then on going commission of up to 40% of the annual premium paid.
Example		Matthew and Debbie agree to take out a life insurance policy with an initial premium of \$1000 per year. The insurer pays GLS a commission of 60% of the first year's premium on the transaction (\$600) and an ongoing commission of 20% of the annual premium which is \$200 per year (assuming an annual premium of \$1000).	
Trailing Commissions (only applicable to products effected prior to 1 July 2013).	Product Provider	This is an on-going arrangement that varies depending on our agreement with the product provider.	Commission varies depending on the product but is generally between 0.25% and 1% of the funds invested.
Example		In 2011 Matthew and Debbie agreed to invest \$100,000 in a superannuation fund which pays GLS an on-going trailing commission of 0.25% (\$250) per annum.	
Benefits from our relationships	Third Parties	After you decide to proceed with our advice.	From time to time we enter into arrangements with third parties which allow us to earn additional fees or commissions. When this is the case a detailed account of the extra fees or commissions will be set out in our advice to you (i.e. in the SOA or ROA). More information about our relationships with third parties can be found in the 'Important Relationships' section of this FSG.
Example		Matthew and Debbie agree to take out a life insurance policy with an initial premium of \$1000 per year. GLS has a relationship with the insurer which means that they may pay us an annual bonus commission of 0.15% of the premium on the transaction (\$1.5).	

### Referrals from AJGCo

AJGCo may receive up to **25%** of any upfront commissions received by us or our advisers as a result of referrals by AJGCo.



## How detailed information about remuneration will be provided to you

If we provide you with personal advice, we will give you documents explaining what fees, commissions, benefits, bonuses, payments to third parties or other remuneration will be paid or received in relation to their advice, if you accept it. General information about our remuneration is available in this FSG and if your adviser is an Authorised Representative there will be an Adviser Profile attached which contains additional general information about their remuneration.

## Important Relationships

We do have some relationships which are capable of influencing the financial services we provide to you. Where there are potential conflicts of interest in our remuneration arrangements or in our dealings with third parties, they are managed in accordance with our Conflicts of Interest policy which all advisers must comply with.

## Remuneration arrangements within the Arthur J. Gallagher Group

If we recommend a product or service of a company in the Arthur J. Gallagher Group or refer you to another company within the Arthur J. Gallagher Group, we may receive benefits as a result of the referral or the business you subsequently do with that company. The benefits include:

- If we refer you to AJGCo, AJG2, Secure or Parkstar, we may receive a share of any commission generated by the referral and a share of the relevant company's overall profits. For further details, please refer to the AJG Financial Services Guide, a copy of which can be accessed via our website [www.ajg.com.au](http://www.ajg.com.au)
- If we refer you to MPF, we may receive a commission of up to a maximum of 5% of any funding provided by MPF. We may also be entitled to a bonus paid as a percentage of the premiums funded and a share of MPF's profit.
- If we recommend a product offered by Pen or any other company within the Arthur J. Gallagher Group, the company may pay us an annual bonus based on premium growth and/or a payment based on the profitability of the products we recommend to you. These payments will be in addition to any commissions the company may pay us and any service or other fees we may charge you.

## Remuneration from other relationships

### *Jigsaw Support Services (Jigsaw)*

Jigsaw is part of AMP's Financial Advice Network. We have an agreement with Jigsaw to provide support services, such as compliance, training, research and technical services. GLS, and Jigsaw collectively provide our advisers with support and supervision to ensure you receive quality advice and service. We pay a quarterly fee to Jigsaw for these services.

### *AMP Group*

Companies in the AMP group offer volume payments to us based on the amount of business we hold with AMP group companies. These payments, known as Productivity Recognition Payments may be paid on directly referable annual eligible premiums for AMP individual risk products. For example - based on eligible premiums of between \$500,000 and \$700,000, we receive a payment of 1.9%, while for premiums of \$1,000,000 or more, we receive payments up to 3%.

## Referral fees paid to third parties

If you were referred to us by a third party (including any companies within the Arthur J. Gallagher Group), we may pay the referrer a referral fee. This fee is calculated as a percentage of the commission earned from the referral and will be detailed in our SOA or ROA.. This is a separate payment that we make to the referrer and does not increase the amount you pay for our services.

## Invoices

Where applicable, our fees will also be detailed on your invoice, and provided to you at the time you receive advice or as soon as practical after that time. All our fees, commissions and other charges include GST.

Our remuneration is payable as detailed in the SOA or ROA and on the terms of any invoice issued to you. If you change your mind about implementing some or all of our advice (including your cancellation of a contract of insurance that we have arranged for you), we will retain all our commission, fees and other remuneration already earned by us in respect of that advice.

## Billing

Check your invoice for payment options. Please note that a surcharge may be applied to payments made by credit card, and that surcharge may change from time to time. Your adviser may be able to arrange for you to pay your premium in instalments. Instalment billing is not always available and there is usually a charge for this service. To discuss this option please contact your adviser for details.

## Questions about invoices, fees, commissions and other remuneration

If you have any questions, or if you want more information about how we or your adviser are paid, please ask your adviser.

## Complaints and dispute resolution procedures

### Complaints and disputes

If you are concerned about the services provided by us, any product we have arranged or how we have handled your Personal Information, please contact your adviser. We will acknowledge your complaint immediately in writing or by telephone.

If, within 14 days, your adviser is unable to resolve your complaint to your satisfaction, you may ask that the matter be referred to the Arthur J. Gallagher Group Risk & Compliance Team (Risk & Compliance Team) who can be contacted directly on: **1800 068 000** or by emailing: **privacy@ajg.com.au** (for privacy related complaints) or **complaints@ajg.com.au** (for other complaints).

If your complaint is referred to the Risk & Compliance Team, we will acknowledge receipt of your complaint in writing within 3 business days. We will then investigate the matter and attempt to resolve your complaint in accordance with our disputes and complaints management policy. We will advise you of the outcome of our review of your complaint within 21 days of when you first made your complaint.

If you are not satisfied with the response of the Risk & Compliance Team to your complaint about services and products, you may refer your complaint to the Financial Ombudsman Service (FOS).

FOS is an independent external dispute resolution body approved by the Australia Securities and Investment Commission. FOS resolves disputes at no charge to you and has the authority to deal with certain financial services disputes within its Terms of Reference. FOS can be contacted at:

Financial Ombudsman Service  
GPO Box 3,  
Melbourne VIC 3001

Tel: **1300 780 808**  
Website: **www.fos.org.au**  
Email: **info@fos.org.au**

For further information about how we handle complaints or disputes please contact your adviser or visit our website **www.ajg.com.au**.

## Professional indemnity insurance cover

We maintain appropriate professional indemnity insurance (PI Insurance) which meets the requirements of section 912B of the Corporations Act 2001 (Cth). Our PI Insurance extends to claims in relation to negligent advice provided by our current and former employees and Authorised Representatives. It is important to understand that our PI Insurance is subject to the terms and conditions of the relevant PI Insurance policies.



## Additional Important Information

### Privacy

We are committed to protecting your personal and sensitive information (together referred to as Personal Information). When we collect, hold, use, disclose, or otherwise handle your Personal Information we must comply with the Privacy Act 1988 (Cth), which includes the Australian Privacy Principles. We collect, hold, use and handle your Personal Information to perform our functions of providing, managing and administering the financial planning services outlined in this FSG. If you do not supply the Personal Information we request, we may not be able to provide our services to you. For example, we may not be able to arrange insurance cover or manage your claim.

We provide your Personal Information to insurers, insurance intermediaries or product providers to allow them to determine whether to insure you and if so on what terms.

In facilitating the services outlined in this FSG, we may also need to provide your Personal Information to our outsource providers. Occasionally this may involve providing your Personal Information to overseas recipients located in the United States of America, the United Kingdom, New Zealand, Singapore or India. Prior to disclosing your information to overseas recipients, we will, where required by law, take steps to ensure that the recipient does not breach the Privacy Act 1988 (Cth).

From time to time and where we are permitted by law to do so, we may also use or disclose your Personal Information for the purpose of marketing our services, or the products and services of related entities and third parties, to you. Please tell us if you do not want us to use or disclose your Personal Information for marketing purposes. To nominate preferred days and times for receiving marketing calls or to opt-out of receiving marketing information altogether, please email us at [privacy@ajg.com.au](mailto:privacy@ajg.com.au) or telephone your adviser, your nearest branch or our Toll Free Client Inquiry Line, **1800 466 842**.

For detailed information about how we handle your Personal Information, please see our Privacy Policy which is available on our website, [www.ajg.com.au](http://www.ajg.com.au) or by calling your adviser. Our Privacy Policy also contains information about how you may access, update and correct the Personal Information you have provided to us or how you may make complaints in relation to the handling of your Personal Information and how we will deal with your complaint.

## Your Duty of Disclosure and when we rely on you

### We rely on you

It is important you understand that we will rely on the accuracy and completeness of the information you provide to us. We do not independently verify the information you provide before sending it to the insurer or the product provider.

### Keeping your information up to date

If you agree to proceed with our advice, you should tell your adviser about any changes to your circumstances when they occur. This will allow us to ensure our advice remains appropriate to your needs.

### Your duty of disclosure

Before you enter into an insurance contract with an insurer, you have a duty under the Insurance Contracts Act 1984 to disclose information to the insurer. The Duty of Disclosure applies until the insurer agrees to insure you or renew your insurance. The Duty of Disclosure also applies before you extend, vary or reinstate your insurance.

You must tell the insurer all information that is known to you, that a reasonable person could be expected to know or that is relevant to the insurer's decision to insure you and on what terms. You do not need to tell the insurer anything:

- that reduces the risk it insures you for;
- is common knowledge;
- that the insurer knows or should know; or
- which the insurer waived your duty to tell it about.

If the insurance is for the life of another person and that person does not tell the insurer everything he or she should have, it may be treated as a failure by you to tell the insurer something that you must tell them.

### Non-disclosure

In exercising its rights, the insurer may consider whether different types of cover can constitute separate contracts of life insurance. If they do, the insurer may apply its rights separately to each type of cover.

The insurer's rights are that if you fail to comply with your Duty of Disclosure, and the insurer would not have insured you if you had complied, the insurer may avoid the contract within 3 years of you entering into it.

If the insurer chooses not to avoid the contract, it may, at any time, reduce the amount you have been insured for. This would be worked out using a formula that takes into account the premium that would have been payable if you had told the insurer everything you should have. However, if the contract has a surrender value, or provides cover on death, the insurer may only exercise this right within 3 years of entering into the contract.

If the insurer chooses not to avoid the contract or reduce the amount you have been insured for, it may, at any time vary the contract in a way that places the insurer in the same position it would have been in if you had told it everything you should have. However, this right does not apply if the contract has a surrender value or provides cover on death. If your failure to comply with the Duty of Disclosure is fraudulent, the insurer may refuse to pay a claim and treat the contract as if it never existed.

### People you represent

You must make sure you explain the Duty of Disclosure to any person you represent when we arrange any insurance cover for you. Alternatively, you may ask any person you represent to contact us and we will explain their Duty of Disclosure to them directly.

### Contact your adviser

If you are unclear about your Duty of Disclosure or require more information about how to comply with your Duty of Disclosure, please refer to the information provided by the relevant insurer in relation to your Duty of Disclosure in the relevant PDS or policy wording. Alternatively, you can call your adviser or our toll free client inquiry line, **1800 466 842**.

### Contact details

This FSG was prepared on 22 August 2016 and is issued by:

- Arthur J. Gallagher (Life Solutions) Limited, ACN 074 697 537, AFSL No. 238318 of 289 Wellington Parade South, East Melbourne, Vic., 3002

### Changes to this FSG

Information in this document may change from time to time. We may make such changes by amending the FSG and publishing an updated version on our website. You may also obtain a printed copy of the updated information by calling your adviser, your nearest branch or our Toll Free Client Inquiry Line, **1800 466 842**.

*Thank you for taking the time to read and understand this important document. This guide helps form the basis of what we hope will be a long and satisfying relationship. We look forward to providing you with exceptional service both now and in the future.*





## Schedule

This Authorised Representative Schedule (**Schedule**) forms part of, and should be read in conjunction with, the Arthur J. Gallagher (Life Solutions) Limited Financial Services Guide (**FSG**). Together, these documents provide details of the services that we can provide, on whose behalf we act when providing those services, information about the remuneration we may receive and how we handle any complaints you may have.

## Financial services provided

Terry Johnson is a financial services adviser and a director of Keyman Financial Services Pty Ltd (**Keyman**). They are collectively referred to in this Schedule as we, us or our.

We are both authorised by an Australian Financial Services Licence (**AFSL**) holder in the Arthur J. Gallagher & Co. group to provide financial services to you on their behalf. Our details and their details are on the last page of this Schedule.

We are authorised to provide financial advice in respect of:

- Life Insurance (inside and outside of superannuation);
- Trauma and Critical Illness Insurance (including Child Trauma);
- Total Permanent Disablement (TPD) Insurance;
- Income Protection Insurance;
- Business Expenses Insurance;
- Key Person Insurance;
- Group Income Protection Insurance; and
- Group Life and TPD Insurance.

We are also authorised to advise you in respect of 'business succession planning' and any corporate superannuation holdings that you may have.

Terry can only recommend products that are on the Arthur J. Gallagher (Life Solutions) Limited Approved Product List (APL). The APL is an extensive list of approved products including a broad range of insurers and fund managers. Terry is not required to recommend any particular product and is bound to act in the best interest of his clients at all times.

## Fees and commissions

Our fee rates vary depending on the type of service you require. Our fee structures are detailed in the FSG. Our payment terms will be detailed in your invoice.

Our Australian Financial Services Licensee pays us 95% of the net fees and commissions earned from insurance products that we arrange. Commissions are paid to our licensee by the insurance product provider and are not an additional cost to you. When we provide you with personal advice, we will give you documents explaining how we will be remunerated for that personal advice at the time the advice is provided or as soon as practical after that time. Any commissions received and/or fees charged; relevant to your advice, will be detailed in your Statement of Advice.



## Referral fees and other associations or relationships

If you have been referred to us by another party, we may have an arrangement with that party to pay referral fees. Where required, the details of any referral fees will be disclosed when we provide you with financial services or as soon as practical after that time.

## About your Authorised Representative

### *Profile*

With over 15 years of experience in the financial services industry, Terry specialises in providing quality risk insurance advice for corporations, small businesses, the self-employed and individuals. Terry can tailor an insurance package to ensure that the things that are important to you in life are financially protected. Terry is a member of the Million Dollar Round Table (MDRT) -the world's premier association of financial advisers and also sits on the advisory board of two insurance companies: One Path; and Zurich.

### *Qualifications*

Advanced Diploma of Financial Services (Financial Planning)

## Contact Details

Terry Johnson - Authorised Representative Number 343122  
Keyman Financial Services Pty. Ltd (ABN 72 140 497 455)  
Corporate Authorised Representative Number 343121

Address: PO Box 5841  
South Windsor  
New South Wales 2756

Facsimile: (02) 88385701  
Email: [terry@kfs.net.au](mailto:terry@kfs.net.au)

## Australian Financial Services Licensee

Arthur J. Gallagher (Life Solutions) Limited (ABN 67 074 697 537)  
Australian Financial Services Licence number 238318

Address: Level 9  
60 Miller Street  
Sydney  
New South Wales 2000

Telephone: (02) 9424 1700  
Facsimile: (02) 9424 1800

This Schedule was prepared on 6 September and is authorised for distribution by our licensee.