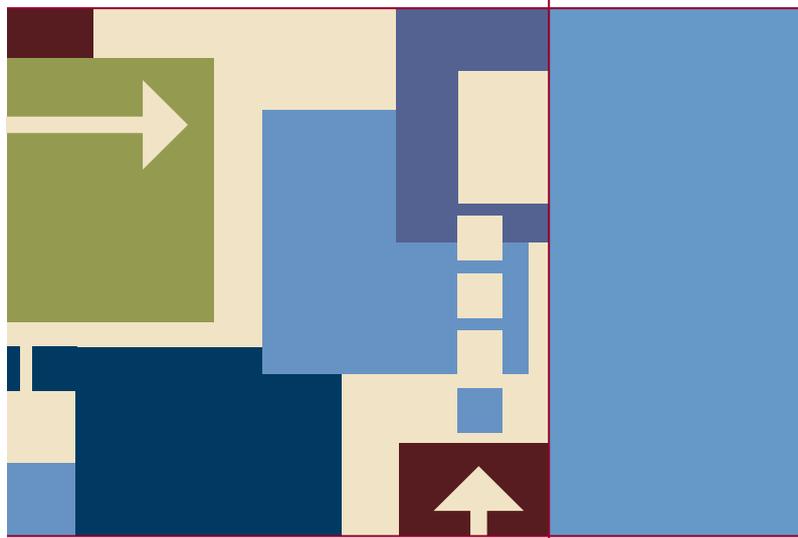


The AON logo is displayed in white, bold, sans-serif font against a dark red rectangular background.

**Financial Services Guide**  
*Aon Risk Services Australia Limited*

Effective April 2007  
ABN 17 000 434 720  
Australian Financial Services Licence 241141

## Financial Services Guide

This guide explains:

- our products and services
- our remuneration
- other important information

Please take the time to read it and keep it safely with your policy documentation.

## Introduction

We aim to provide you with insurance products and services that protect and enhance your business. To help us achieve this, it's important that you understand what we do as your insurance broker.

Our **Financial Services Guide (Guide)** contains important information about the products and services **Aon Risk Services Australia Limited (Aon)** offers. It also explains how we, and our representatives, may be remunerated and contains details of our internal and external complaints handling procedures.

By continuing to engage Aon to provide insurance services you are, in the absence of a formal written retainer agreement, agreeing to the delivery of our services and our remuneration as described in this Guide.

**Please take time to read this Guide carefully as it contains important information.**

If you are buying what we call an 'FSR Retail Product' we will, if and when required, also give you a Product Disclosure Statement. This contains information on the product and its features to assist you make an informed decision about whether or not to buy it. If we give you personal advice about an FSR Retail Product we will, if required, also give you a Statement of Advice. This contains the advice we have given, the basis of that advice and other information about our remuneration and any relevant associations or interests.

In the meantime, thank you for choosing Aon as your broker. We value you as a client and will endeavour to meet your needs. Please tell us if you think we can improve in any way and do not hesitate to raise any questions that you may have.

This Guide is available on our website [www.aon.com.au](http://www.aon.com.au). Let us know if you want a hard copy.

## Our products and services

As your insurance broker we are licensed to deal in and provide advice in relation to all general insurance products.

Under our licence we are able to:

1. Arrange general insurance products to help you protect against insurable risks.
2. Collect information that insurers require from you.
3. Where needed, provide you with information and advice about general insurance products.
4. Assist you to make insurance claims.

We will endeavour to arrange insurance that meets your insurable risks and needs. However, it's you who best understands your risks and needs. So, always consider

the appropriateness of any advice we provide or any insurance we propose before acting on it.

In servicing you, we rely on you for the accuracy and completeness of information you provide and you must ensure this.

Finally, please note that we cannot guarantee the availability of insurance for your particular risks. We do not in any way guarantee the solvency of insurers.

### Arranging your insurances

While cost is always important, the quality of insurance cover offered by a policy is equally important. Insurance that does not match your risks is worthless, however cheap the premium.

As one of Australia's leading insurance brokers, we have many clients in similar businesses and situations with similar risks and needs. We design and develop Aon products specifically for these groups, which combine good pricing and quality cover from reputable insurers with a good claims paying record (**Aon Product**). Where we believe it suits your risks and needs, we will only recommend an Aon Product (rather than alternative insurance products).

Where we don't have an Aon Product suitable to your risks and needs we will, unless you agree otherwise, seek quotes from appropriate insurers and help you identify an alternative insurance product.

As your insurance broker, we normally act for you in providing our insurance services. We'll tell you, before or at the time, if we are not acting for you in providing any part of our service. For example, an insurer may give us a 'binding authority' to arrange or enter into insurance products on their behalf. We could also agree to handle or settle claims on an insurer's behalf. We will inform you if we act for an insurer in this way.

### Other services

The Aon group of companies has a number of other services that can help you manage your risks.

**Workers' compensation** – we can help you reduce and manage your workers' compensation management and insurance costs.

**Premium funding** – we can spread the cost of your insurance premiums over the year with a loan repayable (with interest) by monthly instalments. We use a limited number of premium funders, one of which is an Aon company. We provide premium funding as agent for the premium funder and not as your finance broker. It's therefore your responsibility to make sure that the premium funding product we offer is suitable.

We may also act as the premium funder's agent in cancelling any insurance where you have failed to meet your repayment obligations. The premium funder usually pays a commission to us for arranging the funding.

**Insurance valuations** – we can help you ensure that your assets are insured for their correct value so that your insurance is effective.

**Business interruption reviews** – we can identify and assess your business interruption risks so you can ensure that your business interruption insurance matches your risks.

**Wealth management** – we can help you protect and grow your, and your family's, personal wealth and the value of your business.

**Personal insurance** – we can also arrange your and your family's personal insurances.

## The people who provide our services

We usually provide our services using employees.

However, in some cases, we use 'Authorised Representatives'. These are third parties whom we have authorised to provide financial services on our behalf. They are authorised to provide any of our financial services unless we tell you otherwise.

In some cases we will offer to sell you an insurance product using one of our 'Distributors'. Distributors are other third parties whom we have authorised to deal in specific insurance products on our behalf. They are not authorised to provide any advice.

Our Authorised Representatives and Distributors are not employees and do not receive a salary. Instead they may be paid a percentage of the commission and/or other part of remuneration that we receive for the financial services they provide.

Our correspondence with you and/or correspondence from our third party representatives will disclose if an Authorised Representative or a Distributor is providing a financial service on our behalf. If we are selling you what we call an FSR Retail Product then we will also disclose if an Authorised Representative is providing a financial service on our behalf.

## Our remuneration

Unless we have agreed in writing otherwise, our remuneration will comprise the following:

- For arranging your insurances we usually receive a commission paid by the insurer. This type of remuneration is standard for insurance brokers and our rates of commission typically range from 5 to 25 per cent of the premium (before taxes and statutory

charges) depending on the type of insurance. Different insurers may pay different rates of commission. The insurer pays us out of its premium and the commission is not specifically disclosed on your invoice.

- A broker service charge or administration fee for policy invoicing, premium collection and remittance and for issuing policies and other insurance administration work. This charge will appear on your invoice and will vary depending on the work involved and the commission we receive.
- In some cases you may need specific risk advice (such as a business interruption analysis or a valuation). We will charge a separate fee for these services, which we will agree with you beforehand.
- In some cases an insurer may quote its premium net of our commission. Where this happens we may increase the broker service charge or administration fee by the amount of commission that would normally apply to this type of insurance or agree a specific fee with you.
- As described above, we'll offer you an Aon Product where we believe it suits your risks and needs. Additional work is required to develop, design and manage Aon Products. Our work also reduces the insurer's work and costs. In recognition of this, the insurer pays us additional commission typically ranging from 5 to 15 per cent of the premium. The insurer pays us out of its premium and the commission is not specifically disclosed on your invoice. However, your invoice will identify Aon Products.

- We may charge an additional administration fee for any change to the policy that necessitates a further statement or invoice or a certificate of currency. We may retain this fee from any premium refund arising in connection with the policy change.

Please note that we treat our remuneration as fully earned when we issue you with a tax invoice. You agree that we may retain all our commission, fees and other remuneration in full in the event of any mid-term cancellation of a policy or future downward adjustment of premium. You also agree that the insurer and Aon may offset such remuneration from any premium refund you are entitled to.

We want to be entirely transparent about our remuneration. So please ask us if you want more information or have any questions. Below we have anticipated a couple of questions that you may have.

### Does Aon receive any other remuneration for its service?

The law requires us to pay your premiums (and certain monies paid to us by insurers for your account) into a trust account pending payment to the insurer. We are entitled to earn and retain interest on these monies. Our standard credit terms for premium payments are 14 days. We pay insurers within the period dictated by the law or earlier if the insurer requires.

Occasionally we may need to access an overseas market to meet your insurance needs. We use Aon offices overseas where this is necessary. They may earn commission at standard rates in the overseas market. We have developed a quoting and placement platform together with a suite of standardised quality products for the more common types of insurance.

This enables us to get a range of quotes from a panel of established reputable insurers for an insurance product that provides good insurance cover. Aon receives additional remuneration by way of annual licence fees and increased rates of commission from the panel of insurers to cover the costs of establishing and maintaining this platform and the products. Your invoice will identify such a product.

Aon is part of a large financial and professional services group of companies (**Aon Group**). There are other parts of the Aon Group that may earn remuneration in connection with insurance we place for you. However, these are kept separate and distinct from the services that we provide to you so that they do not influence us to act contrary to your interests. The following are more frequent examples.

The Aon Group has separate reinsurance broking companies that arrange insurance for insurers (called reinsurance). In some cases an insurer may ask one of our reinsurance broking companies to arrange reinsurance in respect of insurance purchased by you, in which case that company may also earn commission or other remuneration.

Sometimes an Aon Product we recommend may be developed and managed by another company in the Aon Group and made available to other brokers and their clients as well as Aon. Where this happens, that other company usually acts as the insurer's agent in managing the product (sometimes including claims handling and underwriting on the insurer's behalf) and earns separate commission and other remuneration for the development, design and management of that product. This may exceed the range of 5 to 15 per cent referred to above and may include additional commission based on sales or profitability. To help ensure that this does not have any affect on our service and our obligations to our clients, our business is kept separate from that

other company's business and their remuneration is not disclosed to us.

Aon and its staff may also receive non-monetary benefits from insurers such as sponsorships of Aon conferences and client functions and meals and entertainment. Aon has and monitors compliance with a policy that ensures that these do not create a conflict with your interests.

### How does Aon avoid conflicts of interest from earning commission?

Remuneration by way of a commission is commonplace in the financial services sector. We have taken a number of measures to ensure that our service to you is not affected as a result of receiving commission from insurers based on the amount of premium.

These include:

- A conflict of interest policy and guide that our staff is required to comply with.
- Specific rules and controls in place to prevent conflicts affecting our services.
- Training our staff to understand the potential for conflicts and how to prevent such conflicts from affecting the service we provide to our clients.
- Promoting our values, which include openness, trust and integrity.
- Having staff dedicated to monitoring compliance, including compliance with our conflicts of interest policy.

This helps ensure that our service to clients is not affected by any apparent conflict arising from our remuneration or anything else. However, please contact Aon's Compliance Officer if you have any concerns ([ars.compliance@aon.com.au](mailto:ars.compliance@aon.com.au)).

### What does Aon do with its remuneration?

We are one of Australia's leading insurance broking companies and we employ over 1,500 staff. So a large part of the remuneration we receive pays the salaries and wages of our staff and remuneration we may pay our Authorised Representatives and Distributors. Our remuneration also funds normal business expenses, such as rent and technology, as well as the profit that our shareholders expect.

We often work closely with a trade or industry association in developing and distributing certain insurance products. Sometimes these associations endorse the insurance product we offer to their members. We may pay part of our remuneration to an association for their assistance or endorsement.

We also have relationships with various banks and other businesses who, when they consider it appropriate, will recommend Aon and our services to their clients. We may pay part of our remuneration to these referrers in recognition of this introduction.

## Other important information

### Premium and invoice calculations

We adopt industry practice in calculating local statutory charges as gazetted or advised by the Insurance Council of Australia.

All amounts referred to in our invoices, unless stated otherwise, are to be treated as exclusive of GST. Where the invoice is for a foreign currency amount, any applicable GST is converted to Australian dollars at the exchange rate published by the Reserve Bank of Australia at 4pm on the business day prior to the date of the invoice.

We make every effort to correctly determine the premium and statutory charges that apply to your insurance. However, occasionally errors can occur. We may correct any such error and (except to the extent prohibited by law) you will not hold us responsible for any loss you suffer as a result of the error and its correction.

### Privacy

We have always valued the privacy of personal information. We are bound by the Privacy Act 1988 when we collect, use, disclose or handle personal information. We collect personal information to offer, provide, manage and administer the services outlined in this Guide.

Please contact your local Aon office or visit our website at [www.aon.com.au](http://www.aon.com.au) if you would like a copy of our Privacy Policy or wish to seek access to, or to correct, the personal information we collect or disclose about you.

### Aon's file retention policy

We hold paperwork and correspondence regarding your risks and insurance matters for at least seven years, or longer if you instruct us to do so in writing. After this period we will arrange for the file to be destroyed (except where it relates to personal injury and liability type policies, in which case we retain the records indefinitely). Please note that we will not consult you before destroying this information.

Please tell us in writing before the end of the seven year period if you want us to keep our files for longer. We will extend the time as requested but may charge you a reasonable storage and administration fee.

### Insurance Brokers Code of Practice

Aon is a member of this Code of Practice (Code) that provides clients of members with an additional level of protection.

The Code sets out standards for brokers to follow when dealing with clients, including requirements to inform clients of remuneration arrangements and any conflict of interest.

A full copy of the Code is available from [www.niba.com.au](http://www.niba.com.au) - the National Insurance Brokers Association website.

## Making a complaint

Please contact your Aon Client Relationship Manager or your local Aon office if you have a concern about our services or any product we have provided. If your complaint is not satisfactorily and promptly resolved, please contact Aon's National Complaints and Disputes Resolution Manager who will attempt to resolve it in accordance with our Complaints and Disputes Handling Policy. You may obtain a copy of this policy from the National Complaints and Disputes Resolution Manager.

### **National Complaints & Disputes Resolution Manager**

Aon Risk Services Australia Limited  
GPO Box 4189 Sydney NSW 2001  
phone 02 9253 7000  
email [compliance@aon.com.au](mailto:compliance@aon.com.au)

If you are still not satisfied with the outcome determined, you may contact the Insurance Brokers Dispute Limited by calling 1800 064 169. Alternatively, if your concern is with the insurer, you may contact the Insurance Ombudsman Service by calling 1300 780 808.

**About your Aon Authorised Representative**

Name of Authorised Representative:

\_\_\_\_\_

Authorised Representative number:

\_\_\_\_\_

Contact details:

\_\_\_\_\_

\_\_\_\_\_

The person above is an Authorised Representative of Aon. You can confirm this information by phoning 02 9253 7000.

If you have any questions about our services or anything in this Guide, please contact your Aon Client Relationship Manager or your local Aon office or Aon Australia's head office in Sydney.

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Aon is a leading provider of risk management services, insurance and reinsurance broking, financial planning and employee benefit and risk solutions. Aon professionals meet the diverse and varied needs of our clients through our industry knowledge, technical expertise and global resources.

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