



financial  
services  
guide

# financial services guide

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This Financial Services Guide (FSG) contains information about our services and charges, your rights as a client as well as other things you need to know relating to insurance matters including how any complaints you may have will be dealt with.

We trust it will assist you in deciding whether to use our services.

This FSG is designed to assist you in deciding whether to use the financial services offered by us.

- The services we offer you,
- How we and our associates are paid,
- Any potential conflict of interest we may have and
- Our internal and external dispute resolution procedures and how you can access them.

It is an important document. Please read it carefully and keep it in a safe place.

If you are a retail client and we agree to give you personal advice we will provide you with a statement of advice. This will contain our advice, the basis of our advice, and information on any remuneration, associations or other interests, which might reasonably have influenced us in giving our advice.

If you are a retail client and we arrange an insurance policy for you, or if we

recommend you buy a particular insurance policy, we will give you a Product Disclosure Statement for the insurance product, unless you already have an up to date version.

The Product Disclosure Statement is prepared by each insurer and it is designed to give you important information on features, benefits and risks of the product to assist you in making an

informed decision about whether to buy the product or not.

The Product Disclosure Statement will be provided electronically at the time of cover confirmation . Please check this carefully when received, or advise us immediately should you not receive the document. Should you have any queries you should contact us immediately.

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## a guide to our relationship with you and others

### 1. what services can we provide?

**nlc insurance** Pty Ltd (**nlici**) and **nlc** Pty Ltd (**nlc**) can help you by arranging or renewing your insurance policies.

**nlici** can also give you information and will usually provide a general recommendation or opinion to you which is not based on consideration of your personal needs. If general advice is given, you need to consider if the advice and relevant product is right for your circumstances as we have not done this.

If you require personal advice, you will need to speak to one of our **nlici** representatives.

### 2. how do we manage conflicts of interest?

Conflicts of interest are circumstances where some or all of your interests, are inconsistent with or diverge from some or all of our interests.

We take any potential conflict seriously and have a Conflicts of Interest policy with which we comply. Our procedures and training are designed to properly manage any conflict that may arise. If you require any further explanation please ask us.

### 3. who do we act for?

In some circumstances we may have an agreement with an insurer or their representative to arrange insurance policies on their behalf and not on your behalf. This means that we act for and in the interest of the insurer as our principal in providing services, not yours.

If we are given a "binding authority" from an insurer, this means we can enter into insurance policies and/or handle or settle claims on their behalf without reference to them, provided it is within the authority they have given us. We will tell you when we act for an insurer and not for you.

### 4. do we have any relationships or associations with financial product issuers?

**nlc insurance** Pty Ltd is jointly owned by **nlc** Pty Ltd and the Austcover group of companies.

Vehicle Insurance Underwriters Pty Ltd is (VIU) jointly owned by **nlc** and the Austcover group of companies.

### 5. what information do we maintain about you and how can you access it?

We maintain a record of your personal profile. That record contains information about insurance policies that we have arranged for you. The record may also contain details of your objectives, financial situation and needs collected for the purpose of giving you personal advice. We also maintain records of any recommendations made 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 located on our website [www.nlc.com.au](http://www.nlc.com.au).

If you would prefer to have a copy mailed to you or wish to access your file, please contact us.

### 6. how can you give us instructions?

You need to give us instructions in writing by letter, email, or fax or you can call us. We will tell you what is possible when you contact us.

### 7. automatic renewal - motor insurance - novated vehicles

If the vehicle insured is subject to the **nlc** fleet management agreement with your employer, all policies will be automatically renewed to ensure continuity of cover. Customers will receive an invitation to renew and an opportunity to respond if they do not require cover. This of course will not apply to those drivers who have compulsory **nlc** insurance.

### 8. how will you pay for the services provided?

**nlici** and **nlc** may be paid in a number of ways that vary according to the services you require and the companies' arrangements with the relevant insurer. These are explained below:

#### commission paid to us by the insurer

**nlici** is remunerated by commission from the relevant insurer whenever you enter into an insurance policy arranged by **nlici** (including renewal and some variations). The commission is a percentage of the insurer's base premium (i.e. premium excluding stamp duty, fire services levy, GST or any other government charges, taxes, fees or levies). For:

- The motor insurance, the rate ranges between 0 and 15% excluding GST
- The redundancy insurance, the rate can be up to 40% excluding GST
- The extended manufacturer's warranty insurance, the rate can be up to 40%, excluding GST
- The tyre and wheel rim insurance, the rate can be up to 40%, excluding GST

Different insurers can agree to pay us different commission rates for the same types of products. The rates also vary for each product type. In some cases the rate may be higher because of the role we play in performing certain distribution functions the Insurer would otherwise have to perform.

The commission rate does not represent our profit margin as it also reimburses us for administrative and other expenses we incur in providing our services.

The commission is included in the premium amount detailed on your invoice and **nlici** receives it when you pay the premium or at a later time agreed with the Insurer. By way of example, if you buy a policy and the base premium is \$400 and our commission is 10% excluding GST, we receive \$40 plus GST on this amount from the Insurer.

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## a guide to our relationship with you and others

### other benefits

When you take out the redundancy insurance, **nlc** pays the premium for the product upfront. There is a cost to **nlc** in advancing the money to do so, and this is compensated for by a higher interest rate being applied to the cost of financing the leased vehicle, and consequently results in higher lease payments. The amount of the additional interest rate ranges from between 0.5% and 3% and depends on the term of the lease and residual value.

**nlc** does not receive any commission in relation to any insurance provided to you. The interest rate to be applied on your lease where redundancy insurance is obtained will be quoted to you at the time you enter into the lease, as the base interest rate will vary from time to time.

### fees paid by you

We may charge you:

- An administration fee in addition to commission when you enter into or alter an insurance policy.
- A flat fee for arranging or altering an insurance policy or a fee based upon the time we spend advising you.
- Any fees and government charges levied by any insurer or product issuer.
- An annual management fee.

You will be informed of the nature and amount of any fee involved prior to us performing the service for you.

### referral arrangements

In some cases another party may introduce you to us. We may in return share a proportion of our remuneration, or pay them a referral fee.

Where applicable, we will provide you with details of any remuneration or referral fee. If we refer you to another service provider we may be remunerated by them for doing this. We will inform you when this is the case.

### other remuneration information

If you are a retail client and we give you personal advice, we will tell you the remuneration that we and our associates are to be paid for providing the advice, in the Statement of Advice.

Our staff receive an annual salary that may include bonuses based on performance criteria and achievement.

### "soft dollar" benefits

From time to time we and our representatives may also receive what are commonly referred to as "soft dollar" benefits from product issuers and other service providers we deal with. These can include entertainment (i.e. meals, sporting events and movies), conferences (i.e. attendance at a product issuer conference or sponsorship of conferences by product issuers and other service providers), accommodation and travel, business tools (i.e. software), gifts (i.e. product issuer or service provider branded promotional material and other occasional small gifts such as bottles of wine or hampers on special occasions).

These benefits are provided by a wide range of product issuers and service providers. In most cases they are incidental to or relate to our development of an understanding of the product issuer or service provider and their product range and practices.

Ultimately, this can assist us in better servicing and representing you.

If there is a refund of premium as a result of a cancellation or adjustment to the policy, we reserve the right to retain our remuneration earned prior to the alteration.

If you require any further explanation please ask us.

### 9. professional indemnity insurance arrangements

We and our representatives are covered under professional indemnity insurance that complies with the requirements of section 912B of the Corporations Act. The insurance (subject to its terms and conditions) will continue to cover claims in relation to our representatives/employees who no longer work for us (but who did at the time of the relevant conduct).

### 10. cooling off period

A cooling off period may apply to an insurance policy issued to you as a retail client. During the period you may return the policy. Details of your cooling off rights will be included in the relevant Product Disclosure Statement.

### what should you do if you have a complaint?

If you have any complaints about the service provided, you should take the following steps.

1. Contact **nlic** and **nlc** as detailed below and tell us your complaint.
2. If your complaint is not satisfactorily resolved within 24 hours, please contact the **nlc insurance** complaints manager on telephone number 03 8699 7000 or put your complaint in writing and send it to **nlc insurance** pty ltd, Locked Bag 4014, South Melbourne Vic 3205. Please mark the envelope "Notice of Complaint".
3. **nlic** is a member of the Financial Ombudsman Service (member number 14258).

We will try and resolve your complaint quickly and fairly.

If the complaint is not resolved to your satisfaction, you are entitled to refer the matter to the Financial Ombudsman Service. They can be contacted on 1300 780 808 or in writing, GPO Box 3, Melbourne 3001.