

Financial Services Guide

For Authorised Representatives of CHU Underwriting Agencies

CHU Underwriting Agencies Pty Ltd (CHU) has appointed your Strata Manager, Residential Manager, Owners Corporation Manager or Body Corporate Manager as its Authorised Representative (AR) to act on CHU's behalf. The AR's details are set out on the last page of this FSG.

This FSG covers the financial services provided by CHU's AR on its behalf. CHU has given authority to its AR to provide this Financial Services Guide (FSG) on its behalf. This FSG is an important document. Please read it carefully and keep it in a safe place for your reference and for any future dealings with CHU and its AR.

This FSG applies to all new and renewed insurance policies from 22 May 2017 and remains valid unless CHU issues a further FSG to replace it.

Who is responsible for the financial services provided?

CHU is responsible for the financial services that the AR provides to you. CHU is also responsible for the content and distribution of this FSG. Any financial services provided in accordance with this FSG will only relate to products issued by CHU.

The purpose of this FSG

The purpose of this FSG is to help you to make an informed decision about whether to use any of the financial services offered by the AR of CHU. It contains information about:

- The services that CHU and its ARs offer you
- How CHU, CHU's ARs and others are paid
- How CHU manages any potential conflicts of interest
- Arrangements CHU has in place to compensate clients for losses and
- How you can make a complaint and how CHU will deal with it

About CHU

CHU is an underwriting agency, dealing in specialist strata and community title insurance. CHU is a wholly owned entity of Steadfast Group Limited, ABN 98 073 659 677 (SGL). CHU holds an Australian Financial Services License No 243261 (AFSL) issued by the Australian Securities and Investments Commission (ASIC) under the *Corporations Act 2001* (Cth). The License allows CHU to provide advice on and deal in General Insurance products.

CHU offers a range of strata, community and other insurance products, which CHU issues as agent for QBE.

CHU Binder

CHU acts under a Binder on behalf of the Insurer, QBE Insurance (Australia) Limited ABN 78 003 191 035 (AFSL No 239545) (QBE) when providing financial services to you. This means that CHU acts for QBE and not you. This Binder allows CHU (and its AR) to accept your application for insurance as if CHU is the Insurer.

About CHU's AR

When acting in the capacity as CHU's AR, the AR represents and act on behalf of CHU when providing financial advice and/or arranging insurance for you.

The AR is authorised pursuant to CHU's AFSL to provide financial advice in relation to General insurance products for retail and wholesale clients and arrange your Body Corporate, Strata, Community Title or other related insurance policies that meet the insurance requirements under the Strata and Community Title laws in your State or Territory. To assist in your decision-making, the AR will give you information about the insurance product by providing you with a Product Disclosure Statement (PDS) (see below).

CHU's AR will only make a general recommendation or give an opinion about the CHU insurance policy ("General Advice"). The AR will do this without considering your specific individual objectives, financial situation or needs.

Product Disclosure Statement

If the AR offers to arrange an insurance policy for you, they will also provide you with a Product Disclosure Statement (PDS). The PDS will contain important information about the particular policy, which will assist you in making an informed decision about whether to purchase the policy.

The PDS is an important document. You should read it carefully to decide if the product features suit your objectives, financial situation and needs before making a decision to purchase the Policy. Please keep the PDS in a safe place for your reference and for any future dealings with CHU.

Premium, Commissions, Profit Shares, Financial Incentives/Benefits, Administration Fees and Remuneration

Premium

When CHU issues you with an insurance policy, you will pay a “premium” based on CHU’s assessment of the risk profile you have provided. The total amount you pay is the premium, which includes any government taxes/duties/levies such as GST, stamp duty and an administration fee if applicable.

When you pay your premium to CHU, CHU will retain its commission (see below) from the premium you pay and remit the balance to QBE. CHU will earn interest on the premium whilst it is in its account and earn a return. CHU will retain any interest earned on the premium.

You can choose to pay the premium by any of the payment methods set out in your invoice. You are required to pay CHU within the timeframe set out in the invoice. If CHU’s AR is a Strata Manager, the usual practice is that you pay the AR for the services provided and they will deposit the payment into their trust account and then pay the premium to CHU.

Commissions

QBE pays a commission to CHU for each policy issued or renewed. The commission amount is 12.5% to 30% of the base premium paid by you (excluding any government taxes, duties and levies). The commission amount is included in the total amount you pay for your policy and not in addition to the policy.

CHU will also pay its AR a commission of up to 20% of the base premium paid by you (excluding taxes and charges). The commission amount will be set out in your invoice.

QBE Profit Share

QBE may pay to CHU, a profit share, which is based upon QBE’s underwriting profitability on the CHU book. Due to the contingent nature of insurance and the way the arrangement is set up, it is not possible to know the exact amount, if any, to which CHU may be entitled until the end of the qualifying period.

SGL – Benefits

As CHU is a wholly owned subsidiary of SGL, it has access to shared services from SGL, including compliance tools, manuals and training as well as legal, banking and group purchasing arrangements. These services are funded by SGL, subsidised by SGL or SGL receives a fee for them (see below).

PICA

If CHU’s AR is a member of Prudential Investment Company of Australia ACN 004266817 (PICA), then the following applies:

PICA has entered into an arrangement with QBE and Willis Towers Watson ABN 90 321 237 (Willis) in relation to the provision of insurance policies, including the CommunitySure brand and QBE policies to parties including Owners Corporations. Under this arrangement, PICA may receive payments/commissions from QBE (which may include management fees and profit shares) which are calculated by reference in particular to the aggregate amount of premiums payable for CHU insurance policies. PICA may share part of any payments and/or commissions with the AR.

The exact amounts payable to PICA are unknown to CHU and the AR. The exact amount(s) payable to the AR are

unknown to CHU and the AR at the time this FSG is provided as the amount (of the management fees, profit shares and PICA's other revenue) depends upon future events, which are uncertain.

CHU's Platinum Partner Program

CHU's AR may qualify for additional remuneration by way of a volume based bonus arrangement of between 0% and 1%. Due to the way that any such arrangement is set up, it is not possible to know the amount paid to the AR (if the AR qualifies) until the end of the qualifying period. If the AR is a member of the Platinum Program, this will be disclosed on the last page of this FSG under 'Authorised Representative Details'.

Administration fees

CHU will charge you an Administration Fee for each policy issued or renewed through the AR. The reason for the fee is to meet CHU's costs to prepare and distribute documents. The exact fee amount is noted separately on your invoice and will vary depending on the product purchased. CHU can tell you the exact fee at the time you contact them (via the AR). The Administration Fee is not refundable in the event of cancellation unless the insurance policy is cancelled either within the cooling-off period or is a full term cancellation.

Remuneration of AR and employees

CHU's AR who will assist with your insurance needs and the employees of CHU's AR are paid a market salary and may earn a cash bonus or other incentives based on achievement of a broad range of CHU's goals, including financial targets.

Further information on Premiums, Commissions, Profit Shares, Financial Incentives/Benefits, Fees and Remuneration

You may request particulars of CHU's and CHU's AR's remuneration, commission, fees, profit sharing and other benefits, including to the extent relevant, a statement of the range of amounts or rates within a reasonable time following receipt of this FSG and before CHU provides any financial service to you.

Other Important Relationships and Associations

CHU wholly owns CHUiSAVER Underwriting Agency Pty Ltd (ABN 85 613 645 239) (AFSL 491113).

Conflicts of interest

CHU takes any actual, apparent and potential conflicts of interest seriously and has a conflict of interest policy, with which CHU and its AR must comply. Conflicts of interest are circumstances where some or all of your interests are or may be inconsistent with or diverge from some or all of CHU's or its AR's interests. CHU manages conflicts of interest through adequate controls, disclosure and avoidance. CHU also provides training to its employees and its AR to identify conflicts of interest and encourage the early reporting of potential conflicts of interest.

Privacy Promise

CHU and its AR are committed to protecting your privacy in accordance with the *Privacy Act 1988* (Cth) and the Australian Privacy Principles. CHU has a Privacy Promise (located in its PDS) and a Privacy Policy on its website (www.chu.com.au) which deals with the privacy and security of your personal information. If you apply for one of CHU's insurance products, CHU or its AR will collect information from you to decide whether to arrange insurance for you, on what terms and to handle any claims you make. You can request details of the information CHU holds about you at any time.

CHU's/Steadfast's Privacy Officer can be contacted on +61 2 9307 6656 or by writing to:

Postal Address: PO Box A2016, Sydney South NSW 1235
Email: privacyofficer@steadfastagencies.com.au

General Insurance Code of Practice

CHU and its AR supports and QBE is a signatory to the General Insurance Code of Practice issued by the Insurance Council of Australia (the Code).

Your Duty of Disclosure

In accordance with the *Insurance Contracts Act 1984* (Cth) you have a duty of disclosure. For the full wording of your duty of disclosure, please refer to the PDS.

CHU's Professional Indemnity Policy

CHU maintains a Professional Indemnity Policy (PI Policy) which satisfies the requirements for compensation arrangements under Section 912B of the *Corporations Act 2001* (Cth).

Compliments, Complaints and Dispute Resolution

CHU has a Compliments, Complaints and Dispute Resolution Policy (a copy of which is on its website) which accords with the General Insurance Code of Practice. CHU will handle all complaints in a fair, transparent and timely manner.

CHU has a bespoke complaints handling and internal resolution procedure to immediately address your concerns:

1. **Claims Decision Complaint** – arising out of a declined claim, the value of a claim or financial hardship;
2. **Claims Service Complaint** – arising out of services provided by a CHU Service Provider or CHU employee;
3. **Non-Claims Complaint** – any complaint which is neither a Claims Decision Complaint nor a Claims Service Provider Complaint

Claims Decision Complaints

Step 1 – tell CHU about your Complaint

If your complaint relates to a claims decision, please initially contact the Claims Handler who is handling the Claim. The claims handler will immediately escalate the Complaint to the Claims Team Leader. The Claims Team Leader will try to resolve your Complaint within 2 business days in accordance with CHU's Stage 1 IDR process.

Step 2 – CHU IDR Committee

If the Claims Team Leader cannot resolve your Complaint within 2 business days, your Complaint will immediately be referred to the IDR Committee (as part of Stage 1 IDR), which will consider your Complaint and provide its response in writing within 15 business days from the date of the initial Complaint. If further time is required due to for example insufficient information, the IDR Committee will provide a response as soon as possible and notify you of the further time it will require in order to provide a response.

Step 3 – referral to QBE

If CHU cannot resolve your Complaint within 15 business days, it will refer your Complaint to the QBE dispute resolution department as part of CHU's Stage 2 IDR process. QBE will provide its Final Response within 45 business days of the initial complaint to CHU.

Claims Service Complaints

Step 1 – tell CHU about your Complaint

If your complaint relates to a CHU service provider, please initially contact the Claims Handler who is handling the Claim. The Claims Handler and the Claims Team Leader will try to resolve your Complaint within 15 business days in accordance with CHU's Stage 1 IDR process.

Step 2 – referral to QBE

If CHU cannot resolve your Complaint within 15 business days, it will refer your Complaint to the QBE dispute resolution department as part of CHU's Stage 2 IDR process. QBE will provide its Final Response within 45 business days of the initial complaint to CHU.

Non-Claims Complaints

Step 1 – tell CHU about your Complaint

In the first instance, please contact the CHU representative who originally assisted you. The CHU representative will immediately refer your Complaint to the relevant State Underwriting Manager, who will try to resolve your Complaint within 5 business days.

Step 2 – referral to National Underwriting Manager

If the State Underwriting Manager cannot resolve your Complaint within 5 business days, your Complaint will be escalated to Stage 1 of CHU’s IDR process and referred to the National Underwriting Manager who will consider your Complaint and provide his/her response within 15 business days from the date of the initial Complaint. If further time is required due to for example insufficient information, he/she will provide a response as soon as possible and notify you of the further time required to provide a response.

Step 3 – referral to State Manager

If the National Underwriting Manager cannot resolve your Complaint within 15 business days, he/she will refer your Complaint to the State Manager as part of CHU’s Stage 2 IDR process. The State Manager will provide his/her Final Response within 45 business days of the initial complaint to CHU.

Financial Ombudsman Service

If CHU (or QBE) cannot resolve your Complaint to your satisfaction within 45 days of the initial complaint (or an agreement cannot be reached on a timeframe acceptable to you), you have the right to refer the matter to the Financial Ombudsman Service Australia (FOS):

Contact number: 1800 367 287 (or 1800 FOS AUS)
 Address: GPO Box 3, Melbourne Victoria 3001
 Website: www.fos.org.au

CHU State Offices

New South Wales / ACT
 Email: info_nsw@chu.com.au
 Level 5, 1 Northcliff Street
 Milsons Point NSW 2061
 Phone: 1300 361 263

South Australia
 Email: info_sa@chu.com.au
 208 Greenhill Road
 Eastwood SA 5063
 Phone: 08 8394 0444

Western Australia
 Email: info_wa@chu.com.au
 Level 15, QBE House
 200 St Georges Terrace, Perth WA 6000
 Phone: 08 9466 8600

Queensland / Northern Territory
 Email: info_qld@chu.com.au
 Email: info_nt@chu.com.au
 Level 13, King George Central
 145 Ann Street, Brisbane QLD 4000
 Phone: 07 3135 7900

Victoria / Tasmania
 Email: info_vic@chu.com.au
 Level 4, 628 Bourke Street
 Melbourne 3000
 Phone: 03 8695 4000

How you can provide instructions

Should you wish to provide CHU’s AR with instructions in relation to the financial services CHU’s AR offers, please contact CHU’s AR:

CHU AUTHORISED REPRESENTATIVE DETAILS

MUST be completed by AR of CHU before providing this FSG to the client

Name of AR: (company name):	Stratamark Pty Ltd		
ABN of AR: (if applicable):	49 135 633 233	AR ASIC No:	337471
Address:	503/282-290 Oxford Street, Bondi Junction NSW 2022		
Phone:	02 9387 6052	Email:	info@stratamark.com.au