

# Financial Services Guide

Arthur J. Gallagher (Life Solutions) Limited

December 2014

**This Financial Services Guide (FSG) contains information to help you decide whether to use the services offered by Arthur J. Gallagher (Life Solutions) Limited (Gallagher Life Solutions).**

The information in this FSG is current at the date of issue. It is general information only and does not take into account your individual objectives, needs or your financial situation.

In this document the words 'we', 'our' and 'us' are used to refer to Gallagher Life Solutions, including our employees and Authorised Representatives. 'You' and 'your' refer to you as our client or the insured person.

## This is an important document

You should read it in its entirety. By engaging, or continuing to engage Gallagher Life Solutions 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 FSG was provided to you by an Gallagher Life Solutions Authorised Representative it should be read in conjunction with the relevant Adviser Profile. Together these documents make up this FSG.

Please retain this document for your future reference. It may apply to other services we provide to you in the future.

## Statements of Advice and Product Disclosure Statements

If we provide you with advice we may give you a Statement of Advice (SOA), and where required, we may also give you relevant Product Disclosure Statement(s) (PDS). If we subsequently provide you with further personal advice, you may request a written Record of Advice (ROA) by contacting your adviser. You should read these important documents before acting on our advice. A PDS is written by a product issuer and is designed to include information that will help you decide whether or not to purchase a product, such as information about the features, benefits and conditions. An SOA or ROA will explain our advice, including the basis for our advice and the information we have relied on. The SOA also includes other information, including 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. We may offer you the option to receive all documents electronically. You may opt in or out at any time during the course of our dealings.

## 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 or Gallagher Life Solutions on 1800 466 842

## Who we are

This FSG is issued by Arthur J. Gallagher (Life Solutions) Limited. ABN 67 074 697 537.

Gallagher Life Solutions holds an Australian Financial Services Licence (AFSL): 238318. Our AFSL authorises us to advise and deal in financial products to wholesale and retail clients. Refer to 'Our Services' below for details.

## Gallagher Life Solutions

289 Wellington Parade South  
East Melbourne, VIC 3002  
Toll Free: 1800 466 842  
Fax: 03 9412 1666

Find your local Gallagher Life Solutions adviser on our website: [www.aajg.com.au/lifesolutions](http://www.aajg.com.au/lifesolutions).

## About Gallagher Life Solutions

Gallagher Life Solutions provides financial advice that focusses on long-term insurance and investment strategies to minimise risks to your assets. Gallagher Life Solutions advisers around the country focus on providing advice using their specialist knowledge of life insurance products and strategies.

Gallagher Life Solutions is a wholly owned subsidiary of Arthur J. Gallagher & Co which is the fourth largest insurance broker in the world. For a full description of the insurance expertise offered by Gallagher Life Solutions and Arthur J. Gallagher, please visit our website.

Gallagher Life Solutions is part of a group of Australian and international companies whose ultimate parent company is Arthur J. Gallagher & Co. (the Gallagher Group), which is a public company listed on the New York Stock Exchange. The Gallagher Group is a leading international insurance brokerage and risk management services firm with operations in over 25 countries. Our services can be accessed throughout Australia through the Arthur J. Gallagher branch network.

Gallagher Life Solutions is also a Corporate Member of the Association of Financial Advisers (AFA) and subscribes to the AFA Code of Ethics.

A copy of the code can be obtained from the AFA website: [www.afa.asn.au/standardseducation/professional-standards-conduct](http://www.afa.asn.au/standardseducation/professional-standards-conduct).

## Our services

Our AFSL 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
- superannuation and retirement savings accounts, and
- investor direct portfolio services.

Gallagher Life Solutions is committed to providing sound advice based on the information you give us and our market knowledge. This means we can:

- investigate and analyse your financial and insurance 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
- arrange, vary or replace your insurance policies, and
- help you deal with your insurer in the event of a claim.



Arthur J. Gallagher  
BUSINESS WITHOUT BARRIERS™



## How we provide our services to you

### Our relationship with you

When you do business with us we act on your behalf when we deal with financial services providers. You will usually deal with our employees, however you may also deal with our Authorised Representatives. When you deal with an Authorised Representative, they will provide you with an Adviser Profile which will include information about their business and their relationship with Gallagher Life Solutions. Each Authorised Representative of Gallagher Life Solutions is authorised by us to issue this FSG on our behalf.

### Our advice

When we provide you with services we may provide you with information only, 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 and we will warn you when our advice is general in nature. If we provide you with information only or general advice you should read the relevant PDS and policy wording in full and consider whether the product is appropriate for you.

We will tell you if we are providing you with personal advice and will explain what the advice will cover. If we provide you with personal advice we will review and consider your individual circumstances before providing our advice. If we provide personal advice in relation to a retail product (as defined in the Corporations Act 2001) we may give you a PDS and we will give you an SOA or ROA.

If we provide you with additional personal advice in relation to a retail product (as defined in the Corporations Act 2001) and we have previously provided you with an SOA and your circumstances have not significantly changed, we will provide you with an ROA instead of an SOA. You may request copies of any ROA or SOA relating to advice that we have provided by contacting us on the details provided above.

You should read these documents carefully before acting on our advice. Please note that we cannot guarantee the performance of any recommended investment or the availability of cover for your particular risks.

### Our approved product list

We have a comprehensive Approved Products List which we use to help us select the right product for you. While we regularly review the products on this list please note that we do not guarantee the performance of any product or the solvency of any insurer.

### 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 instruction using the contact details in this FSG or in the relevant Adviser Profile. In some circumstances it may be necessary for you to give instructions in writing. We will tell you when this is the case. Instructions can be mailed, emailed or faxed to our contact details on page 1.

### 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.

### 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 for your needs.

### Your duty of disclosure

If we recommend you obtain insurance you have a duty to disclose certain information to the insurer. Before you enter into an insurance contract with an insurer, you have a duty under the law to disclose to the insurer every matter that you know, or could reasonably be expected to know, that is relevant to the insurer's decision whether to accept the risk and if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate an insurance contract.

### Non-disclosure

If you fail to comply with your Duty of Disclosure, the insurer may be entitled to reduce its liability under the insurance contract in respect of a claim or may even cancel the contract. If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning (i.e. treating it 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.

If you are unclear about your Duty of Disclosure please contact your adviser or refer to the proposal, the PDS or the policy wording for more information about how to comply with your Duty of Disclosure.

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

#### How our representatives are paid

Gallagher Life Solutions' remuneration arrangements provide incentives to our employee advisers and Authorised Representatives to ensure our clients receive practical and effective advice and service. All fees paid by you and commissions received from insurers and other product providers are paid directly to Gallagher Life Solutions.

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. Gallagher Life Solutions distributes a percentage of the fees and commissions received to our Authorised Representatives as detailed in the relevant Adviser Profiles, SOAs and ROAs. In limited circumstances some employees or Authorised Representatives may also receive additional payments related to clients they have referred to a third party.

#### 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 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)	Client (you)	After the advice is provided.	The fee for preparing formal advice varies but is typically between \$299 and \$2,500.
	Example	Matthew and Debbie agree to a fee of \$2,200 (incl GST) for a Statement of Advice (SoA) providing recommendations about how to invest \$100,000.	
Insurance Commission	Insurer	At the time you pay Gallagher Life Solutions 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 us a commission of 60% of the first year's premium on the transaction (\$600).	



Type	Paid by	When applied	Explanation
Trailing Commissions (only applicable to product written prior to 1 July 2013).	Product Provider	This is an on-going arrangement that varies depending on the agreement with the product provider.	Commission varies depending on the product but is generally between 1% and 0.25% of the funds invested.
Example		In 2011 Matthew and Debbie agreed to invest \$100,000 in a superannuation fund which pays Gallagher Life Solutions 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. 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. Gallagher Life Solutions 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).

## Other Benefits

Gallagher Life Solutions employees or Authorised Representatives 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.

## 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 any relevant Adviser Profile attached. Specific information will usually be provided in an SOA or ROA at the time the advice is provided or as soon as practical after that time.

## Invoicing

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 when you cancel a contract of insurance that we have arranged for you), we will retain all our commission, fees and other remuneration already earned.

## Billing

Check your invoice for payment options. Please note that a surcharge may be applied by the provider 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 are paid, please ask your adviser.

## Important Relationships

We have relationships which are capable of influencing how we provide our advice and service. 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 employees and representatives must comply with.

## Gallagher Group companies

In some cases we may refer you to, or advise you to use, the services of companies owned by Gallagher. Gallagher has a number of subsidiaries including Australian and international underwriting agencies, premium funding and financial planning businesses (Gallagher Group). If we refer you to a Gallagher Group company we may obtain a referral fee, a commission or a profit share based on the business you do with that company. Any services provided by another Gallagher company are provided on an arms' length basis as if between two unrelated companies.

For information about the Gallagher Group Companies please visit <http://www.agj.com.au>

## 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. Gallagher Life Solutions, together with Jigsaw, provide our employees and Authorised Representatives 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 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 in force premiums for AMP individual risk products. For example - based on eligible premiums of between \$500,000 and \$700,000, we would receive a payment of 1.9%, while for premiums of \$1,000,000 or more, we would receive payments up to 3%.

## Referral fees paid to third parties

If you were referred to us by a third party, 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.

## We will always act in your best interests

We will always act in your best interests in the advice and service we provide to you. This ensures that you can be confident in the independence of our advice. If you would like more information about how we manage potential conflicts of interest please contact your adviser or call your local branch.

## Your rights as our client, including privacy, and how we handle any complaints you may have

### Privacy

We are committed to protecting your personal information including 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 will only collect, hold, use or handle your Personal Information to perform our functions of providing, managing and administering the services outlined in this FSG.



### Privacy (*continued*)

Occasionally we may provide your Personal Information to overseas recipients to facilitate the services outlined in this FSG. 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 Australian Privacy Principles.

Our Privacy Statement also contains information about how you may access, update and correct the Personal Information you have provided to us.

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, process a transaction or manage your claim. From time to time and where we are permitted by law to do so, we may use or disclose your Personal Information for the purpose of marketing our services, or the products and services of 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 local branch.

For detailed information about our commitment to your privacy see our Privacy Statement which is available on our website or by calling your local branch.

### Complaints and disputes

If you are concerned about our service, the service provided by our Authorised Representative, any product we have arranged or how we have handled your Personal Information, please contact your adviser or our Authorised Representative, or the branch manager of your local branch.

If, within 14 days, we are unable to resolve your complaint to your satisfaction, you may ask that the matter be referred to the Arthur J. Gallagher Risk and Compliance Team. The Arthur J. Gallagher Risk and Compliance Team can be contacted directly on: 1800 068 000 or by emailing: [privacy@ajg.com.au](mailto:privacy@ajg.com.au) (for privacy related complaints) or [complaints@ajg.com.au](mailto:complaints@ajg.com.au) (for other complaints).

If your complaint is referred to the Risk and Compliance Team, we will acknowledge receipt of your complaint in writing within three business days. We will then investigate the matter and attempt to resolve your complaint within 21 days.

If you are not satisfied with the response of the Risk and Compliance Team, 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. In addition, FOS has a limited jurisdiction to deal with privacy complaints. FOS can be contacted at:

Financial Ombudsman Service

GPO Box 3,  
Melbourne VIC 3001  
Tel: 1300 780 808  
Website: [www.fos.org.au](http://www.fos.org.au)  
Email: [info@fos.org.au](mailto:info@fos.org.au)

For further information about how we handle complaints or disputes please contact us or visit the customer commitment section of our website: [www.ajg.com.au/page/customer-commitment](http://www.ajg.com.au/page/customer-commitment).

### Professional indemnity insurance cover

Gallagher Life Solutions maintains appropriate professional indemnity insurance (PI Insurance) in accordance with the law. Our PI Insurance extends to claims in relation to negligent advice provided by 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.

*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.*

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