

Financial Services Guide

For Authorised Representatives of CHU Underwriting Agencies

The Financial Services covered by this Financial Services Guide (FSG) are provided by:

CHU Underwriting Agencies Pty Ltd (CHU)

ABN 18 001 580 070

AFS Licence No: 243261

Level 33, 101 Miller Street

North Sydney NSW 2060

Phone: 1300 361 263

Email: info@chu.com.au

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 October 2021** 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, offering a range of strata, community title and other general insurance products. 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 general advice on and deal in General Insurance products.

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



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Steadfast Group Limited (ABN 98 073 659 677) ('SGL') has a shareholding in CHU Underwriting Agencies Pty Ltd. Some of the brokers we deal with may be SGL subsidiaries or associates. We have access to shared services from SGL. These include (but are not exclusive to): model operating procedures, manuals, legal, technical, HR, compliance, sum insured and product comparison tools; insurance cover placement and claims support; group insurance arrangements; and group purchasing arrangements. These services are funded by SGL, subsidised by SGL or SGL receives a fee for them.

QBE Insurance (Australia) Limited ABN 78 003 191 035 (QBE) – CHU has an arrangement with QBE where CHU distributes general insurance products issued by QBE. The products are distributed under CHU's licence by CHU's representatives.

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.

We are authorised to deal in and provide general advice in relation to general insurance products for retail and wholesale clients. To assist in your decision-making, we will give you information about the insurance product by providing you with a Product Disclosure Statement (PDS).

In some cases, we may make a general recommendation or give a factual opinion about the insurance policy (General Advice). We do this without considering your specific individual objectives, financial situation or needs.

About CHU's AR

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

The AR is authorised pursuant to CHU's AFSL to provide general 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).

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.



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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.

Commission

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 and in the Policy Schedule.

QBE Profit Share

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

Prudential Investment Company of Australia (PICA)

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

PICA has entered into an arrangement with QBE and CHU in relation to the provision of general insurance products, including the CommunitySure Insurance Solutions brand, QBE and CHU products. Under this arrangement, PICA may receive payments/commissions from QBE and CHU which may include management fees, sponsorship and profit share. Due to the contingent nature of insurance and the way the arrangement is set up, it is not possible to state the exact amount, if any, to which PICA may be entitled until the end of the qualifying period.

Administration fees

CHU will charge you an Administration Fee for each policy issued or renewed through the AR. 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 and how you elect to receive policy documents. 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.



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Remuneration of AR employees

Individual ARs engaged by the Corporate Authorised Representative are salary employed but may also earn an annual bonus or other incentives paid by the Corporate Authorised Representative based on achievement of a broad range of goals, including financial targets and individual performance.

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

QBE Insurance (Australia) Limited ABN 78 003 191 035 (QBE) – CHU has an arrangement with QBE where CHU distributes general insurance products issued by QBE and branded CHU. The products are distributed under CHU's licence by CHU's representatives.

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

Phone: 02 9307 6656 or by writing to:
Postal Address: PO Box A2016, Sydney South NSW 1235
Email: privacyofficer@steadfastagencies.com.au

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).



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General Insurance Code of Practice

CHU adheres to the General Insurance Code of Practice issued by the Insurance Council of Australia (the Code). Further information about the Code and your rights under it is available at www.codeofpractice.com.au and a copy can also be provided to you by CHU.

QBE is a signatory to the General Insurance Code of Practice issued by the Insurance Council of Australia (the Code). The purpose of the Code is to raise the standard of practice and service in the general insurance industry.

Complaints and Dispute Resolution

If you are not satisfied with your experience with CHU Underwriting Agencies. If you have any concerns or wish to make a complaint because something went wrong or you're not satisfied in any way, please let us know so we can promptly make things right.

Any feedback is good feedback. It allows us to address any issues and resolve it with you in a fair and reasonable manner.

What's next?

1. Get in touch
 - By Phone:** 1300 361 263
 - By Email:** complaints@chu.com.au
 - By Post:** PO Box 500, North Sydney, NSW 2059 or Level 33, 101 Miller Street, North Sydney NSW 2060
2. Provide all supporting documents with dates, a detailed description of your complaint and how you would like it resolved - this will assist our review.
3. We will acknowledge your complaint (generally within 1 business day), give you a reference number and the name and contact of the person who is handling your complaint.
4. We will keep you updated on the progress of your complaint at least every 10 business days.
5. Most complaints can be resolved promptly, but if we are unable to resolve your complaint within 30 calendar days, we will tell you why we need more time to investigate it.
6. If there is a delay or we are not able to provide a final response within 45 calendar days, we will tell you the reason for the delay and we'll keep you updated every month. At that point, we'll also give you the option to escalate this complaint to Australian Financial Complaints Authority (AFCA).

Australian Financial Complaints Authority (AFCA)

If we cannot resolve the complaint or you're unhappy with our response you can lodge a dispute through the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Contact number: 1800 931 678 (free call)
Address: GPO Box 3, Melbourne Victoria 3001
Website: www.afca.org.au
Email: info@afca.org.au



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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 as per the below.

Should you wish to provide us with instructions in relation to the financial services and products we can offer, please contact us:

Broker and strata manager enquiries

Phone: 1300 361 263 (9am-5pm)

Email: info@chu.com.au

Direct customer enquiries

Phone: 1300 289 248 (9am-7pm AEST)

Email: sales@chu.com.au

CHU AUTHORISED REPRESENTATIVE DETAILS

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

Name of AR (company name): Terandi Pty Ltd

ABN of AR: 20 080 960 112
(if applicable)

AR ASIC No:

Address: 647 Portrush Road, Glen Osmond, SA, 5064

Phone: 08 8372 2787

Email:

This FSG was prepared on 22 October 2021.