

Financial Services Guide

Current from 26th October 2004

This document is part of a Financial Services Guide (FSG) if the Travel Agency or its employees are Authorised Representatives of a licensee other than Cover-More Insurance Services Pty Ltd (Cover-More) and if the Travel Agency or its employees are required to give an FSG in relation to financial services provided on behalf of any other licensee. In that event you will be provided with one or more other documents that together make up the FSG.

About this Financial Services Guide?

This FSG is an important document which provides information about the financial services offered by each of Cover-More, the Travel Agency referred to on the second page below and the employees of the Travel Agency whom Cover-More has agreed may provide financial services on its behalf. The FSG is intended to help you in deciding whether to use any of the services offered. It contains information about remuneration that may be paid to Cover-More, the Travel Agency and their employees in relation to the financial services offered and information about how complaints are dealt with.

What other documentation will I receive?

You will receive a Product Disclosure Statement (PDS) and Policy Brochure if you ask for travel insurance to be issued to you. That document contains information to help you to make an informed decision about the relevant travel insurance product. The PDS outlines the significant features and risks of the travel insurance product as well as other information and details that you may need to know before you decide to acquire the insurance.

Who is the product issuer?

The product issuer of the "Options", "Essentials" and "Business" travel insurance policies offered by Cover-More is Vero Insurance Ltd ABN 48 005 297 807 ("Vero") AFS licence 230859 Address 465 Victoria Avenue, Chatswood NSW 2067. The product issuer of the "Corporate" travel insurance policy offered by Cover-More is American Home Assurance Company ("AHAC") ABN 67 007 483 267, AFS licence 230309 Address 549 St Kilda Road Melbourne VIC 3004. Vero and AHAC have appointed Cover-More to deal in insurance policies issued by Vero and AHAC under an authority called a binder. This means that Cover-More can enter into insurance policies and/or handle or settle claims on their behalf.

What services are provided by Cover-More?

Cover-More is licensed by ASIC to provide financial product advice and to deal in general insurance products - including travel insurance. However, any advice, including any opinion or recommendation, which may be given to you about travel insurance will be of a general nature only and will not take account of your personal objectives, financial situation or needs. This means that you should, before acting on such advice, read the PDS and Policy Brochure for the insurance and consider whether the advice is appropriate to your personal circumstances. Cover-More acts for Vero or AHAC when providing financial services and will not be acting for you.

What services are provided by the Authorised Representatives?

The Travel Agency is an Authorised Representative of Cover-More and, as such, is authorised by Cover-More to provide scripted general financial product advice about travel insurance policies and to arrange for the issue of such policies.

The employees of the Travel Agency whom the Travel Agency has, with Cover-More's consent, authorised to act on the Travel Agency's behalf in providing the services that the Travel Agency provides on behalf of Cover-More (the employees), are also Authorised Representatives of Cover-More.

Neither the Travel Agency nor the employees are authorised to give you personal advice in relation to travel insurance. If you are provided with advice about travel insurance it will be of a general nature only which means that the advice will not take into account your personal objectives, financial situation or needs. This also means that if you are given such advice, you should read the PDS and Policy Brochure for the insurance and consider whether the advice is appropriate to your personal circumstances.

The Authorised Representatives act for Cover-More and not for you.

How are any commissions, fees or other benefits calculated?

From the premium that you pay for your travel insurance, the Travel Agency and Cover-More will each receive a commission from Vero or AHAC (as relevant). The Travel Agency and Cover-More will retain the commission from the premium you pay and remit the balance to Vero or AHAC (as relevant).

Cover-More will be paid a commission of up to 20% of the gross premium by Vero for the financial services it provides to you on behalf of Vero and up to 15% of the gross premium by AHAC for the financial services it provides to you on behalf of AHAC. These services include preparation and printing of the PDS and Certificates of Insurance, distribution, training costs, claims administration, customer services, medical underwriting, IT

Systems, account reconciliation and debtor control. This remuneration is, to the extent that Cover-More makes a profit from its activities, then shared with Travellers' Choice (a buying group to which the Authorised Representatives belong). The amount received by Travellers' Choice may equate to up to 6% of gross premium.

Cover-More may also receive a profit share from Vero calculated on any underwriting profit made by Vero beyond its present underwriting target. This is an amount calculated retrospectively each year and equates to between 0% and 1.5% of the gross premium.

Cover-More's employees receive an annual salary that is not directly linked to any financial service that will be provided to you. They do not receive commission payments but may receive a bonus based on business performance criteria of up to 75% of their annual salary, which is paid from the commission received by Cover-More. The Travel Agency will be paid a commission of up to 43% of the gross premium to cover the financial services provided in relation to a product issued by Vero and up to 20% of the gross premium for the financial services provided in relation to a product issued by AHAC. These amounts cover product sales and marketing costs, arranging of the travel policies, data capture, storage and display of the PDS, receipting functions, preparation of monthly sales returns and reconciliations and assistance in the lodgement of claims.

The Travel Agency's employees may receive market salaries and/or company dividends in their own business depending on the nature of their employment and, in some cases, may receive bonuses linked to general overall performance. This bonus may equate to all or part of the commission received by the Travel Agency.

What should I do if I have a complaint?

If you have an enquiry or complaint about the financial services described in this document provided to you and you are unable to resolve it with the Authorised Representatives, please contact Cover-More Insurance Services' Customer Service Team on 1300 728 822. If the Customer Service team is unable to resolve the matter to your satisfaction, the matter will be referred to Cover-More's Customer Relationship Officer. Cover-More's Customer Relationship Officer will

attempt to resolve the matter and provide details of Cover-More's dispute resolution process.

Cover-More is a member of the Insurance Enquiries and Complaints Pty Ltd (IEC). If your complaint about the financial services provided on behalf of Cover-More cannot be resolved to your satisfaction you have the right to refer the matter to IEC at no cost to you. IEC can be contacted on 1300 780 808.

What should I do if I have a complaint?

You can give Cover-More and the Authorised Representatives instructions by any means advised to you in the relevant travel insurance PDS. You can also contact Cover-More and the Authorised Representatives by the following methods:

The Authorised Representatives' contact details:

Agency Name: Twofold Travel
 ABN: 14099491362
 ASIC Authorised Representative No: 270442
 StreetShop 10 Twofold Arcade, 146 Imlay St
 SuburbEden
 Phone: 02 6496 4349

Cover-More's licence and contact details:

Cover-More Insurance Services Pty Limited
 ABN: 95 003 114 145
 Australian Financial Services License No: 241713

Cover-More Insurance Services

Private Bag 913

North Sydney NSW 2059

Ph: 1300 72 88 22

Email: enquiries@covermore.com.au

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