

## Client Details:

<b>Policy Owner:</b>	Maryanne Lapira	
<b>Life Insured:</b>	Maryanne Lapira	
<b>Life Insured Date of Birth:</b>	26/10/1974	
<b>Life Insured Address:</b>	17 Stanford Close, Fawkner VIC 3060	
<b>Life Insured Health Status:</b>	Non Smoker	Excellent Health
<b>Life Insured Occupation:</b>	Bookkeeper	
<b>Life Insured Dependants:</b>	Husband, two children	

## Your Synchron Authorised Representative:

<b>Authorised Representative Name and Number</b>	Joel Mitchell AR# 307719 Third Sector Advantage Pty Ltd t/as Insight Wealth Solutions AR# 401586	
<b>Authorised Representative's Address</b>	PO Box 180 Montmorency VIC 3094	
<b>Telephone</b>	0406 695 257	
<b>E-Mail</b>	joel@insightws.com.au	
<b>Mobile</b>	0406 695 257	
<b>I have an Association with a Product Provider</b>	NO	

## Important Information:

This is an important document and should be read in full. The advice is based on information that we have obtained about you. Please ensure that the information is accurate and complete.

If there are any errors or misinterpretations about your personal circumstances, financial situation, objectives or needs, or if information provided is incomplete, this advice may be inaccurate or inappropriate. You will therefore need to assess whether it is appropriate, in the light of your own individual circumstances, to act upon this advice.

Please be sure to ask if you have any queries about the content of this document.

## Scope of Advice:

<p>This Statement of Advice contains, at your request, risk advice only. Your identified and specific areas of interest are underlined and my advice is limited to those areas:</p> <ul style="list-style-type: none"> <li>Life Insurance</li> <li>Total &amp; Permanent Disability Insurance (TPD)</li> </ul>	<p>My advice does not include and has not taken into consideration:</p> <ul style="list-style-type: none"> <li>Personal insurance (other than Life/TPD insurance)</li> <li>Financial Planning Advice</li> <li>Investment Advice</li> <li>Superannuation and Rollover Advice</li> <li>Retirement Planning Advice</li> <li>Taxation Planning Advice</li> <li>Estate Planning Advice</li> <li>General Insurance Advice</li> </ul>
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## Existing Insurances:

Name and Type of Product	Level of Cover or Contribution	Retain or Replace
Nil	0	n/a

If this advice includes a recommendation to you to acquire a particular financial product or an offer to arrange the issue of a financial product to you, we will also provide a Product Disclosure Statement that will contain detailed information about the particular product to help you make an informed decision about that product.

## Primary Goals and Objectives (Purpose of seeking advice):

You recently transferred your superannuation into a SMSF. In doing so your existing insurances (held through FirstChoice Wholesale Superannuation) was cancelled. You enquired as to the costs to reapply for the same level of insurance, being \$172,000 Life insurance and \$172,000 TPD insurance.

## Our Recommendations:

For \$172,000 of Life and \$172,000 TPD cover, under an "Any Occupation" disability definition, the cost varies from around \$21 per month, through to more than \$40/mth. To change this to an "Own Occupation" disability definition, the cost rises to between \$26 and \$50 per month.

Having an "Own Occupation" definition improves your chances of being entitled to a claim were you severely injured, and unable to perform your present occupation.

After reviewing the costs and quality of TPD definitions offered by different providers, we narrowed our shortlist to three providers. Estimates of costs were also provided.

- **AIA Australia Priority Protection:** Cost is around \$27/mth (Any Occupation) or \$30/mth (Own Occupation)
- **ClearView:** Approximately \$24/mth (Any Occupation) and \$30/mth (Own Occupation)
- **Asteron, OnePath, Zurich and TAL:** Priced at around \$30/mth for Any Occupation and \$36 for Own Occupation TPD definitions.

For more information, refer to Product Disclosure of each.

## Recommended Insurance(s):

n/a

Client selected AIA Priority Protection

## Results of Our Recommendations:

Maryanne wishes to apply for cover through AIA Australia's Priority Protection product, with TPD on "Own Occupation" terms.

## Client's Decision:

### Have you chosen to accept my recommendations:

Apply for cover through AIA Priority protection (Client directed)

## Explanatory Information:

### A brief summary of the main risk insurance products currently in the marketplace:

#### Life Cover

This type of insurance provides a lump sum payment to a beneficiary, third party or an Estate in the event of your death. It would also be normal for all or part of the benefit to be paid should you be diagnosed as terminally ill.

#### Total & Permanent Disablement

This type of insurance provides a lump sum payment if you become totally & permanently disabled. The meaning of total & permanent disability is defined in each policy document. Some occupations have an option as to which meaning of total & permanent disability can be insured. The benefit is normally provided as an advance payment of a death benefit or on a stand-alone basis.

#### Trauma

This type of insurance provides a lump sum payment in the event of you being diagnosed with one of a specified range of critical illness or injuries. The list of conditions covered is often optional, and varies between companies, as do the definitions of those conditions. The benefit can be provided as either an advance payment of a death benefit or on a stand-alone basis.

#### Income Protection

This type of insurance provides you with a regular source of income should you be unable to work for a period due to sickness or injury. You can generally insure for up to 75% of your normal income and there are a number of options available relating to waiting periods and benefit periods.

#### Business Overheads

This is a specialised form of risk insurance designed for people who are self employed or in a partnership. It provides for a regular payment to cover the fixed costs of running the business should you be unable to work for a period due to sickness or injury.

## Staying on Target:

### Ongoing Service:

A Risk Insurance Portfolio requires regular review in order to ensure that it continues to meet your needs. The review process should address the following:

- Your changing needs and objectives
- The pricing of your policy
- The quality of your insurance benefits
- Any change to your health that may have a positive impact (eg stopping smoking).

All these factors are subject to change and these changes may have significant impact on the suitability of your portfolio. Ongoing reporting and advisory services are available on request (costs may apply). This will enable you to review your financial strategy regularly and to alter your risk insurance portfolio as required.

## Remuneration:

Our objective is not merely to give sound initial recommendations on the selection of insurance policies, but to establish and maintain a strong ongoing relationship with you. We recognise that insurance needs and policy benefits change over time therefore it is necessary to monitor and update insurances from time to time.

Naturally, the initial needs analysis and selection of the most appropriate policies is the most time consuming. Our costs for the initial recommendation are therefore higher than ongoing.

Where a life insurance company product has been recommended and a policy issued, neither Synchron nor our Authorised Representative will invoice you for the services provided. Instead Synchron has elected to receive brokerage from the issuers of the products. Brokerage paid to Synchron is not an additional cost to you, but is spread by the issuer of the product as part of the cost of distribution. If you do not continue with the life insurance product purchased for a full 12 months and the brokerage received by Synchron is returned to the insurance company, then Synchron reserves the right to invoice you for services rendered.

Once your application(s) has/have been accepted by the insurance company/ies they will pay Synchron brokerage, which generally uses a percentage of your first year premium as a basis of calculation. Synchron will then pay your Adviser the balance of brokerage remaining after deduction of their fees (see below). For policies put in place, Synchron will be entitled to the following brokerage

Product	Total Initial Brokerage received by Synchron		Ongoing Brokerage received by Synchron	
	%	\$	%	\$
AIA Priority Protection	110%	263.22	11%	26.32

*As your adviser we will be paid 91% of the above brokerage received by Synchron. These funds are used to provide our income after paying expenses incurred in the running of our business such as office accommodation, vehicle, computer, stationery, professional fees, staff, compliance costs etc. These costs allow us to provide you with a high level of customer service.*

## Other Benefits:

Synchron and our Authorised Representative may receive “additional benefits”, from product providers we deal with. These will include sponsorship for the purpose of making available professional development to our Authorised Representatives, and may also include lunches, invitations to sporting events, theatre tickets, branded promotional items, and occasional gifts such as Christmas hampers and bottles of wine on special occasions etc. A register of any such payments or support received in value in excess of \$300.00 is maintained at Synchron’s office and in the office of our Authorised Representative and may be viewed on request. “Additional benefits” are not permitted to be paid to our Authorised Representative if they are as a result of, or conditional on, the amount of business an Authorised Representative gives to a product provider. Outside of normal brokerage sharing arrangements, Synchron may be entitled to bonuses, incentives or expense rebates from product providers based on the total income generated from certain products. These amounts are paid out of the product providers own administration fees and do not increase the management fees you pay, or the Management Expense Ratio above what you would normally pay if these payments were not in place. Synchron has such arrangements with AXA, OnePath, MLC, Asgard and Tower Life.

### Product Interest:

Synchron holds no interest in or investments in any product provider.

### Referral Fee:

No fees have been or are due to be paid to any other party as a referral fee.

## Important Information:

### Disclaimer:

All due care and diligence has been taken by the Authorised Representative of Synchron in the preparation of this Statement of Advice. The Authorised Representative and Synchron accept no responsibility for any errors or omissions made by the client when giving details. This Statement of Advice has been prepared on the assumptions stated previously and on information you have provided. You should seek specialist advice with regard to accounting, taxation and estate planning issues. The Directors of the Licensee and Authorised Representatives may hold interests in the recommended Risk product. You will be advised if this is the case. All products recommended in this Statement of Advice have been selected following research prepared by or for Synchron. If you select products other than those we have researched and recommended, we may be unable to provide appropriate information on those products.

### Currency of Recommendations & Use of Statement of Advice::

The information in this Statement of Advice is only current for a period of 30 days. After expiration of this time, the recommendations should not be implemented as your needs and circumstances may have changed. Any implementation of the recommendations in this Statement of Advice after this date should only be made in consultation with your adviser. This Statement of Advice has been prepared solely for the use of the nominated person. The scope, content and recommendations are relevant only for your use.

## Action to Proceed:

Apply for insurance with AIA Priority Protection (Life & TPD Own Occ.)

## Replacement Policy Advice Record:

	Existing Policy	Proposed New Policy
Life Insured	n/a	Maryanne Lapira
Policy No.	n/a	TBC
Company	n/a	AIA Australia
Type of Policy	n/a	Life & TPD (Own Occ.)
Date of Commencement	n/a	TBC
Termination Charge	n/a	Nil
Entry fee for new policy	n/a	Nil
Duplication of initial costs	n/a	Nil
Sum Insured	n/a	\$172,000 Life / \$172,000 TPD (Own Occ.)
Premium	n/a	\$29.91 /mth

### Is there any loss of benefit (temporary or otherwise) resulting from the replacement?

No

### The recommended policy is more suitable than your existing policy/ies for the following reasons:

n/a – Specific level of cover requested (Client Directed)

### The following options are alternatives to switching to the recommended policy:

1. Obtain insurance via another provider: All major insurers were considered. Costs (under Own Occupation TPD) range from \$26/mth to \$50/mth. AIA's rates compared favourably.
2. Structure policy through superannuation: while this improves cash flow, after grossing up to account for tax on TPD benefits the total after tax cost would be greater. This is still an option later, particular as clients age and their tax liability on TPD is reduced.
3. Self-insure.
4. Provide coverage via alternative insurance product (income protection etc.)

### This is a list of some possible consequences if you change from your current policy to the recommended policy. The adviser has ticked the boxes next to the matters discussed with you.

- Higher premiums may be payable because the life insured is older
- Changes in the life insured's health may affect insurability and may result in restrictions and/or higher costs.
- The delay, before a suicide or trauma claim can be made, may start again.
- Replacement of an existing policy may mean duplication of costs as there may be a double up in monthly premiums between the end of your existing policy and the start of your new policy.
- For Replacement Trauma Policies, the 90-Day exclusion period on some claims (see Client Information Brochure) may recommence. Additional conditions are covered by the new policy that were not covered by existing policy.
- A change in tax status including a reduction or complete loss of tax advantages may occur

## Adviser Declaration:

I declare that this Statement of Advice is an accurate and complete record of the advice and recommendations that I gave to the client.

Adviser's Name	Joel Mitchell
Adviser's Signature	
Date	

## Client Declaration:

I declare that this Statement of Advice is an accurate and complete record of the advice and recommendations given to me by the adviser. I declare that I have read and understood the advice given in this Statement of Advice.

Client's Name	
Client's Signature	
Date	