

Secondary Disclosure Statement (Authorised Financial Adviser)

Contact Details

Name and registration number of Authorised Financial Adviser:

Simon Washington Smith (FSP61841)

Address: 41 Tarbert Street Alexandra

Trading names: Commercial & Rural Insurance Brokers Limited trading as

Commercial & Rural Insurance Brokers

Telephone number: 03 448 7139

Fax number: 03 4489142

Email address: simon@crbroker.co.nz

This disclosure statement was prepared on: 1st July 2011

Services I provide financial adviser services on

I have been authorised to provide you with financial adviser services of the following categories:

- Financial Advice

Financial products I provide financial adviser services on

I provide financial adviser services in respect of the following types of financial products:

- Fire & General Insurance
- Life, Health, Personal Sickness & Accident Insurances
- Performance Bonds

I may also, on request, provide financial adviser services in relation to other financial products which you already hold or on which you seek my services. I have an agreement with third party providers to sell other financial products or services. I provide these financial adviser services through my relationship with Future Financial Solutions Limited. These financial adviser services are provided independently of my relationship with Commercial & Rural Insurance Brokers Limited and are provided as part of my role as an AMP Adviser under AMP's Qualifying Financial Entity. Commercial & Rural Insurance Brokers Limited does not take any responsibility when I provide these financial adviser services to you. Before I provide you with these financial adviser services I must provide you with a separate disclosure statement in relation to these services.

Relevant Fees

Commercial & Rural Insurance Brokers Limited may charge fees within the premium that you pay for the Fire & General products you purchase. These fees may vary depending on the type of business you do with us.

Relevant interests, relationships and associations

Commercial & Rural Insurance Brokers Limited

I am an employee of Commercial & Rural Insurance Brokers Limited, a Fire & General Brokerage company.

Commercial & Rural Insurance Brokers Limited is a member of the Brokerweb Group. Brokerweb Management negotiate with some underwriters to provide enhanced policy wordings and training to a group of regional broking companies within New Zealand

Future Financial Solutions Limited

The trustees of the RW & ID Family Trust hold 33% of the shares in Future Financial Solutions Limited. I am a beneficiary of the RW & ID Family Trust. As a result I have an indirect interest in the profits of Future Financial Solutions Limited., some of which may be directly or indirectly related to my sales of financial products or providing financial advice.

AMPCO Insurance Services Limited

AMPCO Insurance Services Limited has a contract for services with Future Financial Solutions Limited. The trustees of the RW & ID Family Trust hold 81.9% of the shares in AMPCO Insurance Services Limited. My mother and father each personally hold 9% of the shares in AMPCO Insurance Services Limited. I hold the remaining 0.1% of AMPCO Insurance Services Limited. As a result I and persons associated with me have an interest in the profits of AMPCO Insurance Services Limited.

Other than those disclosed above, neither I nor any associated person of mine has or will have or may have any other interest, relationship, or association that a reasonable client would find reasonably likely to materially influence me in providing the financial adviser services.

Relevant Remuneration

Commercial & Rural Insurance Brokers Ltd may receive commission when fire & general products are sold:

All commission is paid by the particular product provider. Commission on all products is paid from the product provider to Commercial & Rural Insurance Brokers Limited which then pays the operating costs of the business including wages & salaries of employees.

I am paid a salary from Commercial & Rural Insurance Brokers Ltd for the services I provide as an employee.

Depending on the total volume of business Commercial & Rural Insurance Brokers Limited place with a particular product provider, I may receive from that product provider, invitations to conferences, hosted entertainment events, corporate gifts, professional training and marketing support. Product providers may also from time to time offer sales incentive competitions, with rewards such as gifts, travel and conferences.

Whether or not I will receive rewards and benefits such as those outlined above, and the value of such rewards or benefits, is not known to me at this time, and I will not know whether I am entitled to such rewards or benefits until some time after I have provided the financial adviser service to you. Whether or not I receive such non-cash rewards and benefits, such as those outlined above, and the value of such rewards or benefits, is not dependent on the financial adviser service I provide to you. Instead, these rewards and benefits may be based on the collective business I generate for that product provider.

I manage any conflicts of interest that may arise from the receipt or possible receipt of the above types of remuneration in the following ways:

- I do not face any prescribed quotas or similar arrangements that require a minimum proportion of sales be placed with a particular provider.
- I am required to follow an advice process whereby client needs and objectives are identified and product recommendations are made on the basis of those needs.

- I must disclose and explain any perceived or potential conflicts of interest to each client when completing the advice process with that client.

It is not practicable for me to provide all relevant remuneration information that I am required to include in this disclosure statement, which relates to the specific remuneration I, or my employer may receive on providing a financial adviser service to you, which will be dependent on the products you purchase from us.

Please see attached Appendix A Remuneration Schedule, which shows the range of fees and commission rates that Commercial & Rural Insurance Brokers Ltd may receive.

Procedures for Handling Client Money

Commercial & Rural Insurance Brokers Limited operates a separate Trust account to protect client money held in trust.

In accordance with the Act an accounting system is used to manage and record the inflow and outflow of client premium and is available for audit.

Relevant Qualifications and Experience

I have the following qualification/s relevant to providing financial adviser services:

- The National Certificate in Financial Services (Financial Advice) Level 5, obtained on 29 March 2011.

I ensure my competence is maintained and tested on an ongoing basis through my continuing professional development plan. My plan is developed, maintained and kept up-to-date by:

- Undertaking and evidencing a minimum of 20 continuing professional development hours per year which involves a combination of structured and unstructured learning;
- By attending in-house and industry seminars and maintaining my continuing education requirements through the Institute of Financial Advisers (IFA) and Insurance Brokers Association of NZ (IBANZ).
- Completing and maintaining a personal record of my development needs and progress towards meeting those needs;;
- I receive frequent and regular communications to update me on regulatory changes.

I have over 3 years experience in the financial services industry.

I have been an employee of Commercial & Rural Insurance Brokers Ltd since March 2008.

Membership of a Professional Body

I am an individual member of Insurance Brokers Association of NZ (IBANZ).

Professional Indemnity Insurance

I have and Commercial & Rural Insurance Brokers Limited has Professional Indemnity Insurance covering myself and Commercial & Rural Insurance Brokers Limited in respect of a Wrongful Professional Act.

As with all insurance, these covers are subject to certain exclusions.

Declaration

I, **Simon Washington Smith** declare that, to the best of my knowledge and belief, the information contained in this disclosure statement is true and complete and complies with the disclosure requirements in the Financial Advisers Act 2008 and the Financial Advisers (Disclosure) Regulations 2010.

Signed: Dated:

APPENDIX A – Remuneration Schedule

Commercial & Rural Insurance Brokers Ltd gets paid commission on the General Insurance products we sell.

The amount of commission paid depends on the type of business you do with us.

The following list shows the range of commission rates applicable as at 1st July 2011

Class of Business	Commission Range
Domestic Insurances	10% - 23.75%
Vehicle Insurance	10% - 14%
Motorcycle	10% - 11.5%
Disaster Insurance	5%
Farm Insurances	10% - 22%
Bloodstock	10% -19%
Liability Insurances	15% - 23.5%
Professional Indemnity	19% - 23.5%
Material Damage	22%
Business Interruption	20% -22%
Machinery Breakdown	22%
Contract Works	20% - 21.5%
Trade Credit	10%
Forestry	10% - 20%
Aviation Insurances	7.5% - 20%
Marine Cargo	17.5% - 20%
Marine Hull	10% - 21.5%
Personal Accident	21.50%
Bonds	10% - 20%
Travel	20% - 22.5%

Commercial & Rural Insurance Brokers Ltd may also charge a policy fee.

This fee may vary between \$10 - \$30 per risk and would be included in any premium invoice you receive from us.

Should you decide to cancel a risk at any time, you may receive a refund of unexpired premium less any cancellation fees that may be applied.