



FINANCIAL SERVICES GUIDE

LSG Insurance Services (Pty) Ltd

Authorised Financial Services Provider – Licence Number 10598

LSG House, 12 Bell Crescent, Westlake Business Park, Westlake, 7945

Registration Number: 2001/025391/07

VAT Number: 4210219889

Welcome to LSG

LSG was established in 2001 and is a provider of short-term insurance solutions to consumer and corporate South Africa. We have an excellent track record and long-standing client partnerships. We regard this strategy and the solutions we offer as providing the "best of both" for our clients, matching expert local knowledge with deep international experience.

Today, LSG provides seamless, tailor-made insurance and risk solutions to privately owned businesses and private individuals. Our decades of local and international experience, local alliances, global links and buying power in the market remain unmatched by our competitors.

Efficiency is about doing things right. Effectiveness is about doing the right thing. At LSG we do both.

LSG Financial Services Guide

Our business ranges from helping individuals manage their personal risks, through to assisting large organisations to understand and manage risk on a global scale. This Financial Services Guide (FSG) is designed to provide a broad overview of information, some of which may not be relevant to you due to the wide scope of our offerings.

This FSG explains:

- Our products and services
- Our remuneration
- Other important information.

Please take the time to carefully read this FSG and keep it with your policy and other documents received from LSG, particularly those set out in the final section of this guide. This FSG is also available on our website www.lsginsurance.co.za which should always be referred to for the latest version.

Introduction

We aim to provide you with short-term insurance and risk management solutions that protect what is important to you and/or your business.

To help us achieve this, it is important that you understand what we do as your insurance broker and risk advisor.

Our FSG contains information about the products and services we offer. It also explains how we may be remunerated and contains details of our management of conflicts of interest and our complaints handling procedures.

In addition to the information contained in this FSG, if you are buying a financial product as defined in the Financial Advisory and Intermediary Services Act, 2002 (FAIS), such as a short-term insurance policy, we will give you a Disclosure Notice setting out information about LSG, our representatives, the product provider (insurer), how to report a claim against the product and details of how to lodge a complaint on our internal complaints system and/or with the FAIS Ombudsman or the Ombudsman for short-term insurance.

At the time of quoting we will also provide written information about the financial product you have purchased and our remuneration.

We provide information in order for you to make a fully informed decision about whether or not to purchase the financial product we have recommended. The information contained in these documents will also enable you to ensure the product or service continues to meet your needs and expectations. It will also provide details of how to lodge a claim against the product and/or a complaint against your product provider in respect of the product or against LSG in respect of our advice or service.

By continuing to engage LSG to provide insurance services, you are agreeing to the delivery of our services and our remuneration as described in this FSG.

Our products and services

As your insurance broker we are licensed to deal in and provide advice in relation to short-term insurance products. Under our licence, amongst other things, we can:

- Arrange insurance products to help you protect against insurable risks;
- Collect information that insurers require from you;
- Provide you with information and advice about your insurance products;
- Collect premium from you on behalf of insurers, and
- Where needed, assist you to make and monitor settlement of insurance claims.

We will always aim to arrange insurance that meets your specific risks and needs. However, as it is you who best understands your risks and needs, you should always consider the appropriateness of any advice we provide or any insurance we recommend to you before acting on our recommendations. We also rely on you for the accuracy and completeness of information you provide to us.

Finally, please note that we cannot guarantee the availability of insurance for your risks or the solvency of insurers.

Arranging your insurances

While cost is always important, the quality of insurance cover offered by a policy is equally important. Insurance that does not match your needs is worthless, no matter how cheap the premium.

Because our clients and the risks they face vary in size and complexity, we are committed to serving each client in the way best suited to their specific needs. This ranges from entirely bespoke consultation, insurance design and placement, to highly efficient standardised solutions designed around the needs of defined groups of clients.

We have many clients in similar businesses and situations with similar risks and needs. This enables us to gather deep insights in selected areas which together with similar insights assist us in designing and developing insurance products specifically for these groups. We refer to these as *LSG Products (Fit Sure, Agent Sure and Income Sure)*, offering clients cost effective and efficient access to the industry's most innovative solutions provided by leading insurers who are committed to providing exemplary service.

Where we believe it best meets your risks and needs, we will only recommend a LSG Product. Where we do not have an LSG Product suitable to your risks and needs we will, by agreement with you, seek quotes from appropriate insurers and help you identify an alternative insurance product.

Who do we act for?

In establishing your risk profile and providing advice in respect of your general risk management and insurance needs, we act as your consultant.

When we identify an insurance product that best suits these needs, we act as an independent intermediary between you and your insurer in the sale and support of your short-term insurance policy. We will provide you with a reasonable and appropriate general explanation of the nature and material terms of the policy and other related information and disclosures as required under FAIS. We will intermeditate between you and your insurer in respect of the operation of the policy and any claims you may have under the policy during and after the period of cover.

In some instances, we may not act for you in providing certain parts of our overall activity in relation to your insurance product. For example, an insurer may give us 'binding authority' to arrange or enter into insurance products on their behalf. We could also agree to administer policies or settle or administer claims on an insurer's behalf. This is outsourced to our Policy Administrator Blue Realm (Pty) Ltd and in such instances, we act as a service provider to the insurer. We are audited and reviewed by a Insurer Regulatory Specialist to evaluate and improve business process. We will inform you of any such relationships and the remuneration we earn in respect of any product we recommend to you.

Our team

We provide our services to you through employees who are registered as representatives of LSG in terms of the FAIS Act (where they are involved in providing any recommendation, guidance or proposal of a financial nature in respect of the purchase of any financial product such as a short term insurance policy).

Our representatives are required to show you their certificate of representation. Should any representative be working under supervision, this will be disclosed on the certificate.

Client excellence is one of our strategic pillars. Each of our clients has unique needs, so it makes sense that our professionals – coordinated by the LSG client relationship manager – have specialised by product line, function and client niche or industry expertise in order to better serve you. By truly listening and adopting a partnership approach with you we can best develop solutions that work seamlessly for your business or personal insurance needs.

Our remuneration

Unless we have agreed in writing otherwise, our remuneration for acting as your insurance and risk advisor and as an independent intermediary will comprise the following:

- A commission paid to us by the insurer;
- A broker fee, agreed with you beforehand; or
- A combination of commission and fee.

The commission paid to us by an insurer is standard for insurance brokers in South Africa in accordance with rates prescribed in the Short-term Insurance Act and typically ranges from up to 12.5% of the premium for a motor policy and up to 20% for any other short-term policy. This commission is paid to us from the premium you pay to your insurers and is in respect of the intermediary services we perform related to the sale and support of the insurer's product.

In addition, we may also receive the following:

- A *broker fee* which is traditionally applied to our LSG Products. Where this service is provided in relation to a product where we are collecting a premium for an insurer, this charge will appear on our Premium Notification document or alternatively, where not related to a particular policy or premium, the fee will be invoiced by us separately. The fee will vary depending on the work involved;

- In some cases you may need specific risk advice or work performed (such as a risk control survey or advice and recommendations on alternative risk financing). We charge a *broker mandated fee* for these services which we will agree with you beforehand;

We will always advise you of the full amount of the commission we receive from insurers in respect of your policy and we will show our broker fees separately.

Please note that we treat commission receipts as fully earned when you pay your premium. This includes policy-related broker service fees. Other non policy-based fees and broker mandated fees are invoiced in line with individual agreements.

In the event of any mid-term cancellation of a policy or future downward adjustment of policy values, we are required by law to rebate a portion of any commission earned pro-rata to the unexpired period of the cover. However as most of our service to you is provided at the time of sale, it is our policy and you agree that we may retain our broker service fees in full.

We want to be entirely transparent about our remuneration so please ask us if you want more information or have any questions.

Conflicts of interest

Conflicts of interest may arise in circumstances where some or all your interests as our client are, or may be, inconsistent with some or all of our interests.

In recognising this we have developed a conflicts of interest policy and procedure, including training and monitoring, to ensure that we identify and manage any conflicts of interest in a professional and ethical manner. Our company, staff and our representatives must comply with this policy and procedure. Where a conflict is unavoidable, we will consult with you and manage the conflict in such a way to avoid prejudice to any party.

We view our focus on transparency and fair dealing as a key element of the partnership we build with our clients. Naturally, as part of our codes of conduct and business policies we comply with all relevant legislation and regulations regarding disclosure of earnings.

Other important information

Professional Indemnity Insurance:

In accordance with the requirements of the Short-term Insurance and FAIS Acts, LSG maintains Professional Indemnity insurance at levels well more than the prescribed minimum.

This insurance cover extends to claims in relation to our conduct as a licensed financial service provider and our employees and representatives both past and present, to compensate clients or their beneficiaries for loss or damage suffered if we provide negligent service or advice.

Limitation of Liability:

LSG limits its liability to you to R2,5 million in the total aggregate in respect of the services we provide.

Value-added Tax (VAT):

We adopt industry practice in our documentation for and in our application of VAT.

In terms of a SARS ruling, the "time of supply" for insurance is upon payment of the premium by the insured to the insurer or its intermediary. This triggers the period in which insurers and insureds (if VAT vendors) must account for VAT. A Premium Notification document is therefore not a VAT invoice at the time of issue but becomes an alternative VAT invoice upon payment in full together with proof of payment.

All amounts referred to in our Premium Notifications and any separate invoices for services rendered, as well as all other policy values, unless stated otherwise, are shown inclusive of VAT and the rate at which VAT is charged. We usually also show the amount of VAT included in any VAT inclusive amount.

Privacy:

We value the privacy of personal information and are bound by both the Protection of Personal Information Act No 4 of 2013 (POPI) and FAIS when we collect, use, disclose or handle personal information. We collect personal information to offer, provide, manage, and administer the many financial services and products we and our group of companies are involved in.

Collection and use of corporate client information:

LSG gathers data containing information about its corporate and commercial clients and their insurance placements, including, but not limited to: names, industry codes, policy types, and policy expiration dates, as well as information about the insurance companies that provide coverage to its clients or compete for its clients' insurance placements.

Insurance Brokers Code of Practice

LSG is a member of the Financial Intermediaries Association of Southern Africa and is bound by the association's Code of Practice (the Code).

The Code sets out standards for brokers to follow when dealing with clients, including requirements to inform clients of remuneration arrangements and any conflict of interest.

The Code is available from the FIA website www.fia.org.za.

Service issues and complaints

We are committed to providing you with quality products and services. This commitment extends to giving you easy access to people and processes that can resolve a service issue or complaint.

If you have any comments or suggestions regarding our services or if you want to provide a compliment in respect of any of our representatives please refer to the "Contact us" tab on our website at www.lsginsurance.co.za.

If you have a comment or complaint about the service we have provided, please in the first instance address this to the staff member who provided the service. Should you require the complaint to be more formally addressed please do so in terms of our Complaints Policy and Procedure that you'll find under the [Legal Documents](#) tab on our website or simply send an email to complaints@lsginsurance.co.za.

Receipt of formal complaints will be acknowledged within 2 days of lodgement when we will also provide the contact details of the person responsible for resolving the complaint. We will always attempt to resolve any complaint within 30 days, however when acknowledging receipt of a formal complaint we will notify the complainant of their right to refer the complaint to the FAIS Ombud's office if the complaint has not been resolved to their satisfaction within 6 weeks and up to 6 months of the date of lodging the complaint with us.