

## **PRICING STRUCTURE POLICY**

**Version: 2.01**

**Date of Currency: 01.01.2018**

### **THE AIM OF THIS POLICY**

This policy details the “fair value” of the advice services that we charge clients.

The Practice adheres to the Best Interest Duty and Client Advice Fee Policies when determining the value of advice fees charged to clients, and when providing advice to new and existing clients.

The Pricing Policy is as follows:

#### **Initial Advice/Plan Preparation Fee:**

- a) Plan preparation fee: \$550 – \$11,000 (inclusive of GST). Anything outside these parameters can be negotiated with approval from Responsible Manager.

The Plan Preparation Fee may be rebated to the client if they proceed with the advice provided in the Statement of Advice.

#### **Ongoing Advice Fees:**

Insight’s Ongoing Advice Service Arrangements (OASAs) using the following methodology:

- a) Based on an hourly fee:

Charge an hourly rate of \$220 - \$550 (inclusive of GST) per hour. Anything outside these parameters can be negotiated with approval from Responsible Manager.

The client/entity will be invoiced at the completion of the service provided.

- b) Based on a flat fee:

Charge a flat annual fee of \$550 - \$11,000 (inclusive of GST). Anything outside these parameters can be negotiated with approval from Responsible Manager.

The client/entity will be invoiced at the completion of the service provided.

The flat fee may be deducted from the clients account each month by the platform administrator

- c) Based on a percentage of Funds Under Management:

0.55% - 1.10% (inclusive of GST). Anything outside these parameters can be negotiated with approval from Responsible Manager.

The percentage based fee will be deducted from the clients account each month by the platform administrator.

The adviser may use discretion when choosing to charge the Ongoing Advice Fee on funds held in the cash account.

## **Insurance Commission:**

### **Commission Structure**

Generally, Authorised Representatives will receive insurance commissions from providers under the either an Upfront, Hybrid or Level Structure. If a provider has more than one hybrid structure, the Representative may choose which Hybrid Structure they wish to receive.

From the 1st January 2018, Authorised Representatives may receive a maximum of 88% of the first year's premium as an upfront commission. They may also receive a maximum of 22% of the annual premium as an ongoing commission each year.

### **Premium Discounting**

Where it is in the client's best interest, Representatives are authorised to 'dial down' commissions to reduce the annual premium payable by the client. For example, where the client may have cash flow restrictions to meet insurance premiums. Alternatively, where the insurance premium may be excessive due to age, occupation, loadings etc.

In these circumstances, the representative must provide the client with 'Alternate Strategies' to ensure that the client is adequately covered and understands the risks of obtaining a smaller sum insured, waiting period, benefit period and/or reduced policy benefits.