



MIKE HENRY
AN ARTHUR J. GALLAGHER COMPANY

REVENUE DISCLOSURE

How Mike Henry Insurance Brokers earn revenue

This section details what we will charge for our services and other remuneration we may receive. If you have any questions about this please contact your broker.

Unless we have agreed a set fee structure with you, we are paid brokerage by the Insurers we do business with when we arrange your insurance. As a general rule, the brokerage we receive is a percentage of the Insurer's base and earthquake premium (*i.e premium excluding fire services levy if applicable, GST or any other Government charges, taxes, or levies*).

We may charge you a service margin to enable us to deliver and maintain a high level of service.

For the Financial Year ending March 2010, our broker revenue (*brokerage and service margin*) as a % of the invoice value to customers (*all nett of GST*) averaged approximately 18%. The actual broker revenue (*brokerage and service margin*) charged on a particular invoice will vary on a client by client/risk basis and can be significantly more or significantly less than average.

Please contact your broker if you want to know what brokerage and service margin is payable in relation to any particular invoice.

Broker revenue is our main source of revenue and covers the cost of providing services to you, including administration and processing costs related to servicing and arranging your insurance covers.

This revenue also covers any distribution functions we may perform for the insurer such as marketing, annual renewal marketing and underwriting. Broker revenue is the income from which we cover all normal business overheads including staff costs, IT, travel and so on.

We sometimes attract business from referrals. If a person has referred you to us, we may pay them a commission. This will not result in any additional cost to you.

Some of the Insurers we do business with give us other benefits such as sponsorship of conferences, training and invitations to social business functions. Our employees or advisers may from time to time also receive small gifts and gratuities. These benefits do not result in any additional cost to you for the services provided.

We have payment arrangements with insurers as provided in the Insurance Intermediaries Act 1994. As a result we earn investment income from handling premium funds.