

# FINANCIAL SERVICES GUIDE



**V-INSURANCE  
GROUP**

CORPORATE AUTHORISED REPRESENTATIVE OF Willis

V-Insurance Group Pty Ltd  
Authorised Representative No. 432898  
ABN: 67 160 126 509  
Date of issue 1 November 2014

[www.vinsurancegroup.com](http://www.vinsurancegroup.com)

# FINANCIAL SERVICES GUIDE

**This Financial Services Guide (FSG) is designed to assist you in deciding whether to use any of the financial services provided by V-Insurance Group. This FSG contains information on:**

- The services V-Insurance Group are authorised to provide to you
- Remuneration earned
- The internal and external dispute resolution procedures; and
- Other important information.

## WHO IS V-INSURANCE GROUP?

V-Insurance Group Pty Ltd, Corporate Authorised Representative Number: 432898 and its employees listed below (collectively referred to as "V-Insurance Group" or "we") are authorised representatives of Willis Australia Limited ("Willis"), Australian Financial Service Licence Number: 240600.

V-Insurance Group is authorised to provide advice on and deal in certain general insurance products, as an insurance broker to retail and wholesale clients.

## WHO ARE OUR EMPLOYEES:

The individuals named below are employees of V-Insurance Group Pty Ltd and have been sub-authorised to provide financial services to our clients:

**Rob Veale** Authorised Representative number: 433041

**Chad Armstrong** Authorised Representative number: 433044

**Paul Watson** Authorised Representative number: 452626

**Sauna Hewitt** Authorised Representative number: 455908

This FSG applies to V-Insurance Group.

Willis has approved the distribution of this FSG by V-Insurance Group.

## HOW TO CONTACT US?

You can contact V-Insurance Group on:  
Address: Level 25 Angel Place, 123 Pitt Street, Sydney NSW 2000  
Phone: +61 2 8599 8660 or toll free on 1300 945 547  
Email: admin@vinsurancegroup.com

You can contact Willis on:  
Address: Level 16 Angel Place, 123 Pitt Street, Sydney NSW, 2000  
Phone: +61 2 9285 4000

## OTHER DOCUMENTS YOU MAY RECEIVE FROM US STATEMENT OF ADVICE (SOA)

If you are an individual or small business and purchase retail or personal insurance, V-Insurance Group may provide you with personal advice that takes into account your personal needs, objectives or financial situation. If you receive personal advice, V-Insurance Group will provide you with a Statement of Advice (SoA) which will contain, the advice, the basis of the advice, any commission, fees and any other benefits, where possible, in actual dollar amounts, and any associations V-Insurance Group have with insurers or other parties which may have influenced the advice provided.

## PRODUCT DISCLOSURE STATEMENT (PDS)

If you are an individual or small business and purchase retail or personal insurance, where applicable, V-Insurance Group will give you a Product Disclosure Statement (PDS) when recommending to you a particular insurance product. The PDS is prepared by the insurer and contains information about the product recommended, to help you make a more informed decision about whether or not to purchase the product.

## WHAT ARE OUR SERVICES?

Where V-Insurance Group acts as your insurance broker, we will discuss with you your insurance requirements, including the scope of cover and limits to be sought, and cost. Upon receipt of your instructions, whether written or oral, V-Insurance Group will endeavour to satisfy your insurance requirements.

During the course of the placement of your insurance, V-Insurance Group will keep you informed of the progress of our negotiations and identify any inability to obtain coverage sought by you. We will use reasonable endeavours to implement your insurance programme, subject to available insurers, before the intended date of inception, renewal or extension of cover (whichever is appropriate).

V-Insurance Group will provide you with information about the insurance cover that we will advise and recommend to you to enable you to decide whether to accept the insurance cover available. We will answer any questions you may have about the available cover, its benefits, restrictions, exclusions and conditions.

V-Insurance Group does not offer advice in relation to tax, accounting, regulatory or legal matters. You should take separate advice as you consider necessary regarding such matters.

## HOW CAN YOU INSTRUCT V-INSURANCE GROUP ABOUT YOUR INSURANCE?

You may instruct V-Insurance Group about your insurance by telephone or in person, by fax or email, or by other means as we agree with you.

## WHO DOES V-INSURANCE GROUP ACT FOR?

As an insurance broker, V-Insurance Group normally acts for you as your agent.

We will tell you if V-Insurance Group is not acting on your behalf in providing any of the financial services.

## WHAT IF V-INSURANCE GROUP HAS A CONFLICT OF INTEREST?

Circumstances may arise where V-Insurance Group has a conflict of interest in, or otherwise has a material interest in or related to, a matter in which we are acting. For example, V-Insurance Group may find that the interests of two of the clients for whom V-Insurance Group act, conflict.

We have conflict management procedures and V-Insurance Group will seek to avoid conflicts of interest but where a conflict which is unavoidable V-Insurance Group will explain the position fully and manage the situation in such a way as to avoid prejudice to any party.

The insurance market is complex and there could be other relationships not described here which might create conflicts of interest. Whatever the circumstances, V-Insurance Group will act in your best interests and, if a conflict arises for which there is no practicable solution, we will withdraw unless you wish V-Insurance Group to continue to act for you and you provide your written consent to that effect.

## WHAT ARE OUR PROFESSIONAL INDEMNITY PROVISIONS?

V-Insurance Group and Willis each have Professional Indemnity cover in place in accordance with the provisions of the Corporations Act 2001. Subject to the terms and conditions of such cover, this includes coverage for existing and former employees.



### **WHAT SHOULD YOU DO IF YOU HAVE A COMPLAINT?**

Willis has a formal complaints procedure. Should you have a complaint please contact your V-Insurance Associate in the first instances. Alternatively, you may contact the Willis Complaints Officer on (02) 9285 4068. We will acknowledge your complaint within 5 business days of receipt and will advise you of the person dealing with it.

Willis are members of the Financial Ombudsman Service (FOS), an external dispute resolution facility. If you are not happy with the response to your complaint you have the right to take your complaint to the FOS.

FOS can be contacted on 1300 780 808.

### **WHAT IS YOUR DUTY OF DISCLOSURE?**

In order to make our business relationship work, you must provide complete and accurate information and instructions in a timely manner, so that V-Insurance Group can assist you fully.

Please bear in mind that there is no duty on insurers to make enquiries of you. You have a duty to disclose to the insurer before a contract of insurance is entered into, every matter that is known to you that is relevant to the decision of the insurer whether to accept the risk.

Failure to comply with your duty of disclosure may allow insurers to avoid liability for a particular claim or to void the policy. This duty of disclosure applies equally on taking out new insurance policies and on renewal or any change (variation, extension or endorsement) to your policies. V-Insurance Group will not be responsible for any consequences which may arise from any delayed, inaccurate or incomplete information.

### **WHAT IF THERE IS A CHANGE IN YOUR CIRCUMSTANCES?**

You must advise V-Insurance Group as soon as reasonably practicable of any changes in your circumstances that may affect the services to be provided by V-Insurance Group or the cover provided under your insurance policy. We may need to give you advice as to the suitability of the insurance for your changed circumstances to ensure it remains appropriate for your needs, objectives and financial situation.

### **HOW DO YOU PAY FOR OUR SERVICES?**

Remuneration to V-Insurance Group will be either brokerage, which is a percentage of the insurance premium paid by you and allowed to V-Insurance Group by the insurer with whom the insurance contract is placed, a fee as agreed with you, or a combination of fee and brokerage depending on your programme and the various businesses within our Company that provide services to you.

A policy administration fee (on a per invoice basis) may also apply. V-Insurance Group will advise you of the amount of the policy administration fee when V-Insurance Group provide you with the insurance quote.

The range of brokerage V-Insurance Group earn on the insurance products it places will vary depending on the product purchased, but will generally range from 0% to 35%.

Willis retains up to 20% of the brokerage received by V-Insurance Group.

### **WHAT REMUNERATION IS RECEIVED BY EMPLOYEES?**

Employees of V-Insurance Group and Willis receive an annual salary that may include discretionary annual bonuses based on pre-determined business performance criteria such as client service standards and business profitability. They may also from time to time be eligible to receive incentives or bonuses based on business retention or generation.

In addition, Willis employees may be eligible to participate in any Willis Group share plan that may be offered on a discretionary basis from time to time.

### **WHAT OTHER REMUNERATION DOES V-INSURANCE GROUP RECEIVE?**

#### **Insurers**

We may have contracts or other arrangements with various insurers pursuant to which we provide certain services, such as performing risk management surveys or those under binding authorities and delegated claims settlement arrangements (for example, providing statements of the business accepted, issuing certificates of insurance cover or settling claims on behalf of insurers). Under these arrangements we may be paid by the insurers for the services provided to them in addition to any brokerage we may receive for placing your insurance cover.

#### **Premium Funding**

You may also choose to use a Premium Funding Finance company or other service provider in connection with the insurance V-Insurance Group place for you or the services V-Insurance Group provide. If V-Insurance Group receives any remuneration from any such provider by reason of your use of their service, this amount is disclosed as part of the Premium Funding Quote. The remuneration we receive will be between 0% and 4% of the premium. The actual amount of remuneration received depends upon the premium payable. Please ensure you review this remuneration before you make a final decision to use that service provider.

#### **Referrals**

If you are an individual or small business and purchase retail or personal insurance and you have been referred to us by someone else, we may pay the referrer a share of our fee or brokerage in relation to that referral, generally ranging from a minimum of 1% to a maximum of 50%.

### **WHAT ASSOCIATION DO WE HAVE WITH RELATED SERVICE PROVIDERS?**

#### **Other entities**

It may, at times, be appropriate (and for your benefit) for V-Insurance Group to use other parties such as wholesale brokers, excess and surplus lines brokers, underwriter managers, managing general agents or reinsurance intermediaries. These parties may also earn and retain commissions for their role in providing products and services for you. If any such parties are part of the Willis Group, we will disclose the form of compensation they will earn before insurance is purchased.

### **WHAT ASSOCIATION DO WE HAVE WITH RELATED SERVICE PROVIDERS?**

When arranging cover for you, V-Insurance Group may recommend that you use the services of Richard Oliver Underwriting Managers Pty Limited ("ROUM") (AFSL License Number 238334), a member of the Willis Group. Willis may receive brokerage from this company if one of their insurance products is purchased, generally ranging from a minimum of 0% to a maximum of 35%.

Willis Reinsurance and ROUM, both members of the Willis Group, may act for insurers with whom your risks are insured, in the placement and administration of the insurer's risks. These activities are separate contracts subject to their own terms and conditions including those relating to remuneration, between the insurer and ROUM or Willis Reinsurance.

#### **Interest**

Willis may also receive interest on client and insurer monies from the date when Willis receives funds until Willis settles with those due to receive them. Willis confirms that Willis shall retain that interest rather than pay it to you or the insurer (as the case may be).



### Market-Derived Income

Willis or other members of the Willis Group have contracts with various insurers under which the Willis Group provide certain services, such as those under binding authorities, managing general agency and lineslip arrangements (for example, providing statements of the business accepted and the issuance of certificates of insurance cover). The Willis Group may also provide reinsurance broking services for insurers. The Willis Group may also enter into service agreements with certain insurers in order to assist the development of insurance products for our clients.

Under these arrangements the Willis Group may be paid by the insurers for the services the Willis Group provide to them in addition to any fees or commissions the Willis Group may receive from you for placing your insurance cover.

### Contingent Compensation

Willis Group may accept certain forms of contingent compensation in locations where they are legally permissible, and meet standards and controls to prevent conflicts of interest. Because insurers account for contingent payments when developing general pricing, the price our clients pay for their policies is not affected if Willis Group accepts contingent payments. If a Willis client prefers that we not accept contingent compensation related to their account, we will request that the client's insurer(s) exclude that client's business from their contingent payment calculations.

### FINMAR - FINEX London Placements

A separate Business Unit within the Willis Group, FINMAR Market Services, provides a wide range of services directly to certain insurers involved in FINEX London placements. A separate fee is paid to FINMAR Market Services by insurers for the delivery of these services to them. This fee is calculated within a range of 3.125% and 6.25% (plus VAT) of the overall premiums placed depending on the scale of services provided. Unless otherwise stated, premiums paid in relation to FINEX London placements will not be increased as a result of these arrangements. Willis can advise you if this service applies to your placement.

### Panels

The Willis Group develops panels of insurers in certain market segments. Participating insurers are reviewed on a variety of factors. Commission rates on panel placements may be higher than rates paid on business placed outside of the panel process. Willis discloses its commission rates to clients on quotes obtained through the panel process prior to binding the coverage. In some instances, insurers pay an administration fee to participate in the panel process. Willis will provide you with additional information on Willis Panels upon request.

### Brokerage on Fee Business

In some territories, the Willis Group obtains brokerage on business where our client pays us a fee. Our intention is to seek remuneration for work that the Willis Group carries out for all parties in the insurance transaction but for which Willis is not otherwise sufficiently compensated. Some examples of this are the vastly-increased cost of regulation, distribution and infrastructure costs. This brokerage that the Willis Group receives is a set percentage and is not contingent on achieving any level of growth, retention or profit on the business concerned. You can choose to exclude your placements from being included in any of these carrier agreements.

### Subscription Market Brokerage

The Willis Group adds Subscription Market Brokerage in some of its core specialty businesses that place business into the subscription markets, predominantly in London. The principles underlying this Subscription Market Brokerage program include the following:

- The Willis Group is required to handle increased infrastructure costs such as those arising from presentations to and negotiations with multiple entities in the subscription market.
- The Willis Group performs additional administrative, regulatory, accounting and support functions in order to complete subscription market placements. These functions benefit our clients and insurers;
- Working groups of underwriters in the subscription market recognize these additional costs and agree that a negotiated percentage of the premium to account for these costs is appropriate and helps assure competitive access to that market.

The Willis Group believes that the best way to defray the cost of these functions is through this brokerage. The Willis Group will disclose the receipt of Subscription Market Brokerage to you.

### Facility Administration Charges and Profit Commissions

The Willis Group operates a number of "facilities" (Binders, Lineslips, Programs, MGAs and Arrangements) under which the Willis Group undertake a number of tasks. Some of those tasks are purely for the benefit of our clients, others are services that an insurer would be expected to perform.

The remuneration received by the Willis Group may reflect this multi-beneficiary approach with what is known as a facility administration charge that covers the cost of these activities. A facility administration charge is additional to the fee or brokerage that the Willis Group receives for placement and other services to clients. The Willis Group will disclose any such charges to you.

These facilities typically apply to straightforward, small business lines or specialist product areas, for example, commercial combined, motor, personal lines, personal accident and terrorism.

The type of business written in these facilities tends to be high-volume, low-premium business that would not be viable for insurers to write individually on the open market. By grouping this business together, clients enjoy the benefits of a broad product, suited to their needs and the cost savings of collective buying power.

In a very limited number of cases a portion of our remuneration may be driven by the underwriting profitability of the facility. There is a potential for us to earn such "profit commissions," but, because this business is grouped together, it is not possible to determine the extent to which the profitability of a book is affected by any single client.





## V-INSURANCE GROUP

CORPORATE AUTHORISED REPRESENTATIVE OF Willis

V-Insurance Group Pty Ltd  
(Authorised Representative No. 432898)  
Corporate authorised representative of Willis Australia Limited  
ABN 90 000 321 237, AFSL No: 240600  
Level 25 Angel Place, 123 Pitt Street, Sydney. NSW. 2000  
Phone +61 2 8599 8660 or 1300 945 547  
Fax +61 2 8599 8661

[www.vinsurancegroup.com](http://www.vinsurancegroup.com)