



Financial Services Guide

The financial services referred to in this Financial Services Guide (FSG) are offered by:

Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone

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965-967 Pacific Highway PYMBLE NSW 2073
T: (02) 9488 8300 | F: (02) 9488 8455 |
E: info@watkinstaylorstone.com.au

Insurance Broking Pty Limited ABN 98 611 845 035

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Angelo Indorato

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Distributors

Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone may appoint a licensed Real Estate Agent as a Distributor under a distribution agreement, to deal in general insurance products on its behalf. Our authority does not allow the licensed Real Estate Agent to give financial product advice.

Our distributors may be paid a commission or fee out of our commission and fees (not in addition to those amounts), in the range of 0% to 25% for arranging a new policy for you or renewing an existing policy on your behalf.

Who is responsible for the financial services provided?

Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone is responsible for the financial services that will be provided to you or through you to your family members, by our Representatives and Distributors, including the distribution of this FSG.

Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone holds a current Australian Financial Services License numbered 244427. The contact details for Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone, its Authorised Representatives and Distributors are on the front of this FSG.

This FSG sets out the services that we can offer you. It is designed to assist you in deciding whether to use any of those services and contains important information about:

- the services we offer you.
- how we and others are paid.
- any potential conflict of interest we may have.
- our internal and external dispute resolution procedures and how you can access them.
- arrangements we have in place to compensate clients for losses.

Further information when personal advice is given – Retail Clients only.

We will provide you with further information whenever we provide you with personal advice which takes into account your objectives, financial situation and needs. This information may include the advice that we have given you, the basis of the advice and other information regarding our fees, commission or other payments, we, our representatives, our associates or anyone referring you to us (or us to any insurer) will receive in relations to the policies. This information may be contained in a statement of advice (SOA).

When you ask us to recommend an insurance policy for you, we will usually only consider the policies offered by the insurers or insurance providers that we deal with regularly. In giving you advice about the costs and terms of recommended policies we have not compared those policies to other policies available, other than from those insurers we deal with regularly.

Product Disclosure Statement

If we offer to arrange the issue of an insurance policy to you, we will also provide you with, or pass on to you, a product disclosure statement (PDS), unless you already have an up to date PDS. The PDS will contain information about the particular policy which will enable you to make an informed decision about purchasing that policy.

From when does this FSG apply?

This FSG applies from 1 July 2016 and remains valid unless a further FSG is issued to replace it. We may give you a supplementary FSG. It will not replace this FSG but will cover services not covered by this FSG.

How can I instruct you?

You can contact us to give us instructions by post, phone, fax or email on the contact number or details mentioned on page 1 of this FSG.

Does my policy have a Cooling Off Period?

A cooling off period may apply to an insurance policy issued to you as a retail client. During the period you may return the policy. Details of your cooling off rights will be included in the relevant Product Disclosure Statement.

What kinds of financial services are you authorised to provide to me and what kinds of financial product/s do those services relate to?

Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone is authorised to issue, advise and deal in general insurance products to wholesale or retail clients. We will do this for you as your broker, unless we tell you otherwise.

Our Authorised Representatives have been authorised by us to issue, advise and deal in general insurance products to wholesale or retail clients. They will do this for you as your broker, unless they tell you otherwise.

Sometimes we will act under a binder or agency from the insurer. When we act under a binder or agency we will be acting as the agent of the insurer. This means that we represent and act for the insurer, not for you. We will tell you when we act under a binder or agency to arrange your insurance or advise you about your insurance needs.

Will I receive tailored advice?

Maybe not in all cases. However, we may need information about your personal objectives, details of your current financial situation and any relevant information, so that we can arrange insurance policies for you or issue insurance policies to you or to give you advice about your insurance needs. We will ask you for the details that we need to know.

In some cases we will not ask for any of this information. If we do not ask, or if you do not give us all of the information we ask for, any advice you receive may not be appropriate to your needs, objectives and financial situation.



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You should read the warnings contained in any SOA, or any other warnings that we give you, carefully before making any decision about an insurance policy.

Where we provide you with advice about your insurance arrangements, that advice is current at the time that we give it. We will review your insurance arrangements when you inform us about changes in your circumstances.

Contractual Liability and your insurance cover

Many commercial or business contracts contain clauses dealing with your liability (including indemnities or hold harmless clauses). Such clauses may entitle your insurers to reduce cover, or in some cases, refuse to indemnify you at all. You should seek legal advice before signing and accepting contracts. You should inform us of any clauses of this nature before you enter into them.

What information do you maintain in my file and can I examine my file?

We maintain a record of your personal profile, including details of insurance policies that we arrange or issue for you. We may also maintain records of any recommendations or advice given to you. We will retain this FSG and any other FSG given to you as well as any SOA or PDS that we give or pass on to you for the period required by law.

We are committed to implementing and promoting our privacy policy, which will ensure the privacy and security of your personal information. A copy of our privacy policy is available on request or via our website, www.watkinstaylorstone.com.au.

If you wish to look at your file please ask us. We will make arrangements for you to do so.

How will I pay for the services provided?

For each insurance product the insurer will charge a premium that includes any relevant taxes, charges and levies. We often receive a payment based on a percentage of this premium (excluding relevant taxes, charges and levies) called commission, which is paid to us by the insurers. However, in some cases we will also charge you a fee. You can choose to pay by any of the payment methods set out in the invoice. You are required to pay

Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone within the time set out on the invoice.

If there is a refund or reduction of your premium as a result of a cancellation or alteration to a policy, or based on a term of your policy (such as a premium adjustment provision), we will retain any fee we have charged you. We will also retain commission depending on our arrangements with the insurer, or charge you a cancellation fee equal to the reduction in our commission.

When you pay us your premium it will be banked into our trust account. We retain the commission from the premium you pay us and remit the balance to the insurer in accordance with our arrangements with the insurer. We will earn interest on the premium while it is in our trust account or we may invest the premium and earn a return. We will retain any interest or return on investment earned on the premium.

How are any commissions, fees or other benefits calculated for providing the financial services?

Our commission will be calculated based on the following formula:

$$X = Y\% \times P$$

In this formula:

X = our commission

Y% = the percentage commission paid to us by the insurer. Our commission varies between 0% and 30%.

P = the amount you pay for any insurance policy (less any government fees or charges included in that amount).

Any fees that we charge you will be based on the amount of time to place and maintain the policy of insurance for the insured period.

We may pay commissions, fees or benefits to others who refer you to us or refer us to an insurer. We pay commissions to those people out of our commission or fees (not in addition to those amounts), in the range of 0% to 50% of our commission or fees.

If your rental property is managed by a licensed real estate agent, they may be paid a commission or fee out of our commission or fees (not in addition to those amounts), in the range of 0% to 40% for

arranging a new policy on your behalf or renewing an existing policy for you.

Our employees that will assist you with your insurance needs will be paid a market salary.

In respect of insurance arranged by Authorised Representatives, Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone deducts a management fee of between 0% and 35% from the total commission and broker fee received, the remainder of the amount received is paid to the Corporate Authorised Representative.

If we give you personal advice, we will inform you of any fees, commission or other payments we, our associates or anyone referring you to us (or us to any insurer) will receive in relation to the policies that are the subject of the advice.

See below for information on the Steadfast association and commission.

Do you have any relationships or associations with the insurers who issue the insurance policies or any other material relationships?

Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone is a Steadfast Group Limited (Steadfast) Network Broker. Steadfast has exclusive arrangements with some insurers and premium funders (Partners) under which Steadfast will receive between 0.5 - 2% commission for each product arranged by us with those Partners. Steadfast is also a shareholder of some Partners.

We may receive a proportion of that commission from Steadfast at the end of each financial year (or other agreed period).

As a Steadfast Network Broker we have access to member services including model operating and compliance tools, procedures, manuals and training, legal, technical, banking and recruitment advice and assistance, group insurance arrangements, product comparison and placement support, claims support and group purchasing arrangements. These member services are either funded by Steadfast, subsidised by Steadfast or available exclusively to Steadfast Network Brokers for a fee.

You can obtain a copy of Steadfast's FSG at www.steadfast.com.au

If we arrange premium funding for you we may be paid a commission by the premium



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funder. We may also charge you a fee (or both). The commission that we are paid by the premium funder is usually calculated as a percentage of your insurance premium (including government fees or changes). If you instruct us to arrange or issue a product, this is when we become entitled to the commission.

Our commission rates for premium funding are in the range of 0% to 3% of funded premium and subject to a minimum of \$50.00. When we arrange premium funding for you, you can ask us what commission rates we are paid for that funding arrangement compared to the other arrangements that were available to you.

Some directors of Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone have a financial interest in Combined Premium Funding Pty Ltd, which is one of the premium funding companies used for the benefit of clients of Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone.

Watkins Taylor Stone enter into specific agreements with a limited number of insurers under which we receive fees or other remuneration for the retention or growth of various insurance portfolios. The remuneration Watkins Taylor Stone receives from these agreements is variable, and is based on factors such as business retention, the volume of products arranged or the profitability of the portfolio of products arranged.

QBE arrangements

We advise that we have entered into a profit share agreement with QBE Insurance (Australia) Limited (QBE), which will provide additional benefits to our business. QBE is seeking to form a close relationship with Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone by providing the following benefits:

- Greater access to senior Underwriting staff for a faster response to queries and acceptances of risks,
- Priority claims services,
- Ongoing assistance, education and training in meeting our legislation compliance requirements,
- The potential for us to earn a profit share (assessed annually).

Under this arrangement, we may earn additional income above the level of our

standard commission, although this is not guaranteed. Whether we are entitled to additional income will depend on the profitability of the portfolio of QBE policies that we arrange in an agreed period.

What should I do if I have a complaint?

1. If you have a complaint, please contact us and tell us about your complaint. We will do our best to resolve it quickly.
2. If your complaint is not satisfactorily resolved within 21 days, please contact Anthony Scott on (02) 9488 8300 or detail your complaint in writing and send it to Anthony Scott either by fax, email or post. All contact details are noted at the beginning of this FSG. We will try and resolve your complaint quickly and fairly.
3. Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone is a member of the Financial Ombudsman Service (FOS). Complaints involving our Authorised Representatives and Distributors are also covered by FOS. If your complaint cannot be resolved to your satisfaction by us, you have the right to refer the matter to the FOS at no cost to you.
4. If you have a complaint about a policy that we arranged under a binder that cannot be resolved to your satisfaction by us, you have the right to refer the matter to the FOS at no cost to you.
5. The FOS can be contacted at:

Street Address: Financial Ombudsman Service, Level 12, 717 Bourke Street, Docklands 3008

Mailing address - Financial Ombudsman Service, GPO Box 3, Melbourne, VIC 3001

T: 1300 780 808 | **F:** 03 9613 6399 |

E: info@fos.org.au | **W:** www.fos.org.au

What arrangements do you have in place to compensate clients for losses?

Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone has a professional indemnity insurance policy (PI policy) in place.

The PI policy covers us and our representatives (including our authorised representatives and distributors) for claims made against us and our representatives by clients as a result of the conduct of us, our employees or representatives in the provision of financial services.

Our PI policy will cover us for claims relating to the conduct of representatives who no longer work for us.

Codes of Practice

Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone is a proud member of the National Insurance Brokers Association and we subscribe to the Insurance Brokers Code of Practice. We are committed to fair and timely resolution of issues, the promotion of informed and effective relationships between us, our clients, insurers and others involved in the insurance industry. A copy of the Insurance Brokers Code of Practice can be found on our website www.watkinstaylorstone.com.au.

Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone adheres to the General Insurance Code of Practice in our capacity as an agent of an underwriter when acting under a binder agreement. We are committed to providing clients the services standards described in the General Insurance Code of Practice. A copy of the General Insurance Code of Practice can be found on our websites www.watkinstaylorstone.com.au.

Any questions?

If you have any further questions about the financial services Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone provides, please contact us.

Please retain this document for your reference and any future dealings with Watkins Insurance Brokers Pty Ltd T/As Watkins Taylor Stone.

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