

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

**CKA Risk Solutions Pty Ltd (CKA)**

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This FSG is designed to assist you in deciding whether to use any of those services. It 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 other important information. .

**Who is CKA?**

CKA is a subsidiary of Willis Australia Limited, a general insurance intermediary, and our ultimate parent is Willis Towers Watson PLC, a company incorporated in the Republic of Ireland and listed on NASDAQ.

**General Advice Warning**

Typically CKA only provides general advice to our retail clients\*. General advice does not take into account your personal needs and objectives and you should consider the appropriateness of this advice to your circumstances before acting on it. We will provide you with a general advice warning in such cases.

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.

**Further information when personal advice is given to retail clients\***

CKA will provide you with further information whenever we provide you with advice which takes into account your objectives, financial situation and needs. This information may be contained in a Statement of Advice (SoA) and may include the advice that we have given you, the basis of the advice and information on our remuneration and relevant associations or interests.

**Product Disclosure Statement**

If CKA offer to arrange the issue of an insurance policy to you and you are a retail client\*, 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<sup>st</sup> April 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 provide details not covered by this FSG.

**How can I instruct you?**

You can contact us to give us instructions verbally, by post, phone, fax or email on the contact number or details mentioned on the top of this page. We recommend that your verbal instructions always be confirmed in writing.

**Who is responsible for the Financial Services provided?**

CKA is responsible for the financial services that will be provided to you or through you to your family members, including the distribution of this FSG. CKA holds a current Australian Financial Services Licensee no: 276915.

**What financial services are you authorised to provide and what kinds of financial product(s) do those services relate to?**

CKA is authorised to advise and deal in general insurance products to wholesale and/or retail clients. We will do this for you as your broker unless we tell you otherwise. Sometimes we will act under a binder or agency from the insurer, and in this case 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?**

In some cases, CKA may need information about your personal objectives, details of your current financial situation and any relevant information, so that we can arrange or issue insurance policies for you or to give you advice about your insurance needs. We will ask you for the details that we need to know. 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. 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?**

CKA 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 a privacy policy, which will ensure the privacy and security of your personal information. A copy of our privacy policy is available on request. A copy is also available on our website, [www.ckarisksolutions.com](http://www.ckarisksolutions.com). 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. CKA 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. If you are a Retail Client\* and we give you Personal Advice, commission amounts will be provided in any SoA or (where an SoA is not required to be provided) included on any relevant invoices. For all other clients full commission information (including dollar amounts) can be provided on request. You can choose to pay by any of the payment methods set out in the invoice. You are required to pay us within 14 days being our normal credit terms.

## What about refunds of premiums?

If you are entitled to a refund of premium from the insurer, CKA will refund the premium (less any commission and broker fee charged) to you as soon as this is received from the insurer. CKA do not refund brokerage or broker fees as these have been earned by us in placing and servicing the relevant policies, irrespective of the period they have been in force.

When you pay CKA your premium it will be banked into our trust account. CKA 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?

CKA's 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 25%. 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 dependent upon the time, complexity and nature of the insurance involved.

We do not often pay any commissions, fees or benefits to others who refer you to us or refer us to an insurer. If we do, we will pay commissions to those people out of our commission or fees (not in addition to those amounts).

CKA employees are remunerated by way of an annual salary. Based on the performance of the employee over the year and pre-determined business performance criteria such as client service standards and business profitability, they may be entitled to a bonus. In addition, employees may be eligible to participate in any Willis Towers Watson share plan that may be offered on a discretionary bonus.

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.

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

CKA 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. 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.

CKA participates in programs provided by some partners under which we may obtain additional remuneration by way of business support services and/or profit share or volume bonuses. If we have profit share arrangements that apply to a product we recommend to you we will advise you of this at the time of making the recommendation if the amount involved is material.

You can obtain a copy of Steadfast's FSG at [www.steadfast.com.au](http://www.steadfast.com.au).

If we arrange premium funding for you we may be paid a commission by the premium funder. We may also charge you a fee (or both). The commission that we receive from the premium funder is usually calculated as a percentage of your insurance premium (including government fees or charges). If you instruct us to arrange or issue a product, this is when it becomes entitled to the commission. CKA's commission rates for premium funding range from 1% to 2% of funded premium. 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.

When arranging cover for you, we may recommend that you use the services of Richard Oliver Underwriting Managers Pty Limited (AFSL License Number 238334), a subsidiary of Willis Towers Watson. Willis Employee Benefits 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 subsidiaries of Willis Towers Watson, 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,**

## Other entities

It may, at times, be appropriate (and for your benefit) for us 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 Willis Towers Watson, we will disclose the form of compensation they will earn before insurance is purchased.

## Electronic Delivery of Disclosure Notices

We may provide correspondence and disclosure notices (including FSG and PDS) to you electronically, via email or links to websites etc. If you have provided your email address to us we will typically use that email address for this correspondence and disclosure notices. Should you not wish to be sent disclosure documents electronically, please advise us and we will update our records accordingly.

## What should I do if I have a complaint?

Contact us and tell us about your complaint. We will do our best to resolve it quickly and fairly. If your complaint is not satisfactorily resolved within 20 days, please contact Naser Kerimi on +61 8 9214 7400 or put your complaint in writing and send it to the address noted at the top of this FSG.

CKA is a member of the Financial Ombudsman Service Australia (FOS). If your complaint cannot be resolved to your satisfaction by us you have the right to refer the matter to the FOS. The FOS can be contacted at: Street Address: Financial Ombudsman Service Australia, Level 12, 717 Bourke Street, Docklands 3008. Mailing address - Financial Ombudsman Service Australia, GPO Box 3, Melbourne 3001 – Phone – 1800 367 287, Fax - 03 9613 6399, Email - [info@fos.org.au](mailto:info@fos.org.au), Website - [www.fos.org.au](http://www.fos.org.au)

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

CKA has a professional indemnity insurance policy (PI policy) in place. The PI policy covers us and our employees for claims made against us and our employees by clients as a result of the conduct of us or our employees in the provision of financial services. Our PI policy also covers us for claims relating to the conduct of representatives who no longer work for us.

## What other Remuneration arrangements are there within Willis Towers Watson?

### Market-Derived Income

We or other subsidiaries of Willis Towers Watson PLC (collectively referred to in this section as “Willis Towers Watson”) have contracts with various insurers under which Willis Towers Watson 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). Willis Towers Watson may also provide reinsurance broking services for insurers. Willis Towers Watson may also enter into service agreements with certain insurers in order to assist the development of insurance products for our clients.

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

### Contingent Compensation

Willis Towers Watson 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 Towers Watson accepts contingent payments. If a Willis Towers Watson 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.

### Panels

Willis Towers Watson 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 Towers Watson 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. Your Willis Towers Watson associate will provide you with additional information on Willis Towers Watson Panels upon request.

### Brokerage on Fee Business

In some territories outside of North America, Willis Towers Watson obtains brokerage on business where our client pays us a fee. Our intention is to seek remuneration for work that Willis Towers Watson carries out for all parties in the insurance transaction but for which Willis Towers Watson is not otherwise sufficiently compensated.

Some examples of this are the vastly-increased cost of regulation, distribution and infrastructure costs. This brokerage that Willis Towers Watson 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

Willis Towers Watson 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:

- Willis Towers Watson is required to handle increased infrastructure costs such as those arising from presentations to and negotiations with multiple entities in the subscription market;

- Willis Towers Watson 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.

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

#### **Facility Administration Charges and Profit Commissions**

Willis Towers Watson operates a number of “facilities” (Binders, Lineslips, Programs, MGAs and Arrangements) under which Willis Towers Watson 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.

Willis Towers Watson’s remuneration 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 Willis Towers Watson receives for placement and other services to clients. Willis Towers Watson 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.

*\* Under the Corporations Act 2001 retail clients are defined as individuals or a manufacturing business employing less than 100 people or any other business employing less than 20 people AND that purchase motor vehicle, home building, contents, sickness/accident/travel, consumer credit and/or other classes prescribed by the regulations.*