



## CERBEROS BROKERS PTY LTD

### FINANCIAL SERVICES GUIDE

This FSG applies from on 1<sup>st</sup> October 2018 (*Version 18*) and remains valid unless a further FSG is issued to replace it.

Cerberos Brokers Pty Ltd ABN 61 106 769 886 offer the financial services referred to in this Financial Services Guide (FSG) and is responsible for those services. We are an Australian advisory firm holding an Australian Financial Services Licence Number 260668 under the Corporations Act 2001 and are authorised to provide advice and deal in general insurance products. We are members of:

**National Insurance Brokers Association (NIBA)** and subscribe to the Insurance Brokers' Code of Practice.

**Insurance Broking Network of Australia (IBNA)** is a group of insurance brokers working together to increase their buying power on behalf of their clients.

This Financial Services Guide describes the services we provide. It is designed to assist you in deciding whether to use any of our services, and it describes how we are remunerated for our services, our professional indemnity insurance and how we handle any complaints you may have.

#### Our services

We can provide general insurance broking services under our Australian financial services licence which we conduct in an honest, efficient, fair and transparent manner. As an insurance broker, we provide our services as your agent.

Our services include:

- Reviewing and advising on your general insurance needs;
- Arranging and renewing general insurance on your behalf;
- Assisting you with general insurance claims;
- Arranging premium funding;

Under the trading name Tailored Underwriting we have binder agreements for certain types of Insurance and we deal under these binder agreements on behalf of the insurer/s. This means for that type of insurance we act as the insurer's agent to arrange insurance policies and not on your behalf. For example, under a binder agreement the insurer may authorize us to arrange insurance and enter into contracts and/or settle claims on behalf of that insurer. In this event we shall disclose to you any such binder agreement.

#### Advice and documents we give Retail Clients

A retail client is an individual or small business who receives advice or service in relation to Motor Vehicle (2 tonnes or less); Home Building & Contents; Sickness & Accident; Consumer Credit; Travel; Personal and Domestic Property; or Medical Indemnity Insurance products. These products are also referred to as Prescribed or Eligible Products.

**Personal Advice:** In most cases we will give you personal advice tailored to your needs after we have taken into account your individual objectives, financial situation and/or needs. When you ask us to recommend an insurance policy for you we will usually only consider the policies offered by the insurers 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 those insurers we deal with regularly.

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

**General Advice:** When we have given you advice of a general nature, rather than personal advice, we will tell you so and refer you to the relevant Product Disclosure Statement for you to decide if it is right for you.

We may give you other documents when providing our services including:

- **Statements of Advice-** If we provide you with advice about your personal circumstances in relation to a sickness and accident policy or consumer credit insurance we will give you a Statement of Advice. This will confirm the advice we have given and explain our fees for arranging the insurance we have recommended. For any other types of insurance, you can ask us for a copy of the record of the advice we give you by calling us.
- **Product Disclosure Statements -** If we recommend a particular insurance product to you, or you ask us to arrange insurance, we will also provide you with a Product Disclosure Statement containing information about the policy.

#### How can you instruct us?

You may instruct us in person, by phone, fax or email. It is important that you provide us with complete and accurate information about the risk to be insured otherwise the advice we give you may not be appropriate for your needs.

If your circumstances change, our recommendations may no longer be appropriate. Please tell us about any changes in your circumstances so that it can be confirmed that your insurance continues to be suitable for your needs.

Our contact details are set-out below. You can give us instructions by post, phone, fax or email. Our website address for further service and product information is: [www.cerberos.com.au](http://www.cerberos.com.au)

**Cerberos Brokers Pty Ltd**  
PO Box 1305  
Spring Hill QLD 4004  
Telephone: 61 7 3088 2070 or 1300 880 306

**Cerberos Brokers Pty Ltd**  
PO Box 6009  
Dural Delivery Centre NSW 2158  
Telephone: 1300 880 306

**Cerberos Brokers Pty Ltd**  
Suite 3, 333 Wantirna Rd  
Wantirna VIC 3152  
Telephone: 61 3 9021 9090  
Facsimile: 61 3 8621 8999

#### How we are paid

<b>Commission</b>	We receive a commission from the insurer with whom we place your insurance. The amount varies depending upon the product, but is in the range of 5% –35% of the premium (excluding taxes and statutory charges). The commission is included in the premium quoted to you. Commission is our main source of income and also covers the costs of operating our business.
<b>Fees</b>	We may also charge you a fee for arranging the insurance. The amount depends upon the type of insurance we arrange. This fee is payable in addition to the premium.
<b>Profit Share</b>	At the end of the financial year, we may receive a profit share commission from any of the insurers which we deal with, depending on the performance and profitability of the portfolio placed with the insurer(s).
<b>Non-monetary benefits</b>	Some insurers provide other benefits such as expense reimbursements e.g. training costs or resources or lunches/corporate gifts. These benefits may change from year to year. We do not permit our advisers to accept this type of benefit where the value is greater than \$1,000 in any year.

#### How we pay

<b>Advisers</b>	Our advisers are usually paid in two ways, salary or commission and bonus or incentives which are based on a number of factors including achievement of company goals.
<b>Referees</b>	If you are referred to us, we pay the person who referred you up to 100% commission and fees we earn for placing your insurance.

We may refer you to a life insurance adviser/ financial planner if you need help with life insurance, financial planning etc. We may receive a commission if our clients use their services.

#### Conflicts of interest

Mr. Ian Barker is a Director and shareholder in Cerberos Brokers Pty Ltd. Mr Barker is also a shareholder of Claims Management Australasia Pty Ltd (hereinafter CMA). CMA handles claims on behalf of insurers for some Cerberos clients.

We are a Shareholder of IBNA Limited (IBNA). IBNA is a national marketing group that provides us with access to a range of resources and develops products and services for our clients. IBNA will receive between 0.25% - 2% commission from the Insurer towards marketing and administration for each IBNA product arranged by us.

These payments are used to operate IBNA. Depending on the operating costs of IBNA (including the costs of member services provided to us and other shareholders) and the amount of total business we place with the participating insurers in any financial year, we may receive some of that commission at the end of each financial year.

As an IBNA shareholder, we can access services including operating and compliance tools, advice and assistance from professional bodies, group insurance arrangements, product comparison and placement support, claims support and purchasing arrangements. These member services are either funded or subsidised by IBNA or available exclusively to shareholders for a fee. A copy of the IBNA FSG is available at [www.ibna.com.au](http://www.ibna.com.au)

#### Professional Indemnity Insurance

We maintain professional indemnity insurance which covers us for any errors or omissions relating to our services in accordance with the Corporations Act, in the interest of protecting both our clients and our business. The insurance policy has been continuous since we first obtained our financial services licence and prior to our commencement of trading. The insurance arranged extends to cover claims in relation to the conduct of current employees and authorised representatives and also previous authorised representatives/employees.

#### What Codes do Cerberos Brokers comply with?

We comply with the NIBA Code of Practice and subscribe to the Insurance Brokers Code of Practice.

#### What to do if you have a complaint

Cerberos Brokers Pty Ltd (hereinafter referred to as Cerberos) is a member of the Australian Financial Complaints Authority (AFCA) to whom client's complaints may be referred for a determination. A copy of the Insurance Brokers Code of Practice is available from the Internet at: [www.niba.com.au/codeofpractice/index.cfm](http://www.niba.com.au/codeofpractice/index.cfm)

We sincerely hope that your dealings with the Insurance Industry in general and with Cerberos in particular will be pleasant and conducted on a professional basis. However, there may be occasions where opinions differ concerning various aspects of your insurances or on a question of insurance cover in the event of a claim.

In such circumstances we will endeavour to solve the problem to your satisfaction. If, however, the complaint remains unsolved and you wish to refer the matter for arbitration, please contact our office and provide full details of your complaint. A member of our staff will provide you with a dispute reference number and complete a "Customer Complaint Form" from the information that you provide.

The matter with the completed complaint form will be referred to our Complaints Manager for resolution through our internal facility and will be followed up within seven (7) working days and resolved within twenty (20) working days.

If after the above period your complaint remains unresolved, we are a member of the Australian Financial Complaints Authority (AFCA) and you have the right to refer the matter to them. AFCA can be contacted at GPO Box 3, Melbourne, VIC 3001, on the telephone 1800 931 678, fax 03 9613 6399, email [info@afca.org.au](mailto:info@afca.org.au) or access their website [www.afca.org.au](http://www.afca.org.au)

For complaints under an insurance policy issued by Cerberos Brokers Pty Ltd trading as Tailored Underwriting acting under a binding agreement, we are agent of the insurer:-

- The above steps apply;
- We will inform the relevant insurer who also has dispute resolution in place;
- If any dispute remains unresolved after 15 business days, you will be referred to AFCA which is a free consumer service in relation to Financial Service Providers.

For more information call AFCA on 1800 931 678 or visit [www.afca.org.au](http://www.afca.org.au).



## CERBEROS BROKERS PTY LTD

Please refer all complaints or disputes in the first instance to the complaints officer, Cerberos Brokers Pty Ltd, PO Box 1305, Spring Hill Qld 4004. Telephone 07 3088 2070.

We encourage you to take advantage of the facilities offered by AFCA in the event of a dispute or claim, as the service is free to you the customer and most disputes and complaints are resolved this way.

### HOW WE LOOK AFTER YOUR INSURANCE NEEDS

#### Insurer Security

The security of your insurance is important to us. To ensure your needs are met, we periodically assess the financial soundness of insurers and markets using public information including rating agencies. However, the financial standing or condition of any insurer or market can change after your policy has been arranged. We can accept no responsibility for the financial standing or performance of any insurer or market and will not be responsible in any circumstance in the event they are unable to meet their obligations to you. If you have concerns about the security of any insurer, please contact us immediately.

#### Key Factors Affecting Premiums

Risk factors vary between types of insurance and factors affecting premium include but are not limited to, claims history for that class of insurance, the sum insured selected, the events covered by the policy, the insurers limit of liability and the period of insurance.

#### New Business

Contact us as soon as possible if you need cover for a risk or property that is not insured. If you need immediate cover, we may be able to secure an interim contract of insurance (which is generally valid for one month or less). To arrange this, we will need details of the property or risk to be insured and all other information that may be required by a prospective insurer which you need to provide as part of your ongoing duty of disclosure.

We will then send you a proposal for completion. You will need to complete, sign and return it to us as soon as possible and before the interim cover expires.

We will send the original insurance policy documents as soon as they are issued correctly by your insurer. As these are legal documents, you should keep them in a safe place.

#### Renewals

We will give you at least 14 days notice of expiry of any insurance policy which we arranged or previously renewed for you.

If you wish us to renew your insurance, please provide us with written instructions to do so and pay the premium and other charges before the date shown on the invoice. In some circumstances it may be possible to arrange for the insurer to cover you temporarily before payment is received, but this cannot be guaranteed.

We will notify you when renewal has been effected.

If you arrange or renew your insurances directly with an insurer or through another broker, we will not be not responsible for notifying you of expiry or arranging further renewals unless you ask us to do so and we accept those instructions.

#### Variations

You should carefully review your insurance policies on a regular basis to ensure that they are and remain adequate and appropriate for your needs and circumstances.

If you want to vary any cover, (e.g. by increasing the sum insured or adding other property), please provide us with details of the changes you require and any other information feel may be relevant or require disclosure to your insurer. We will arrange the variation with the insurer and notify you when it is arranged.

#### Claims

When you need to make a claim, we can advise you if it is covered under that policy and assist you to prepare and submit the claim to the insurer. If there is uncertainty about whether a claim is covered under your policy we will advise you.

If the insurer appoints a loss adjustor we shall, with your permission, pass on your contact details and co-ordinate meetings. For major losses, we can attend the initial meeting with the loss adjustor if you wish us to.

We will promptly forward to you all claims documentation, insurance company settlement cheques and other information.

If you decide to terminate our appointment as your insurance broker and there are any claims outstanding, we will provide details of the claim(s) to your new insurance broker so that they may continue to negotiate settlement on your behalf.

#### Cancellation

We cannot cancel a contract of insurance without written instructions from a person authorised to represent each of the parties who are named as insureds. We cannot cancel any contract of insurance which is subject to the Marine Insurance Act 1909. If you cancel your insurance mid-term, you may be entitled to a premium refund depending on the terms and conditions of your insurance. Fees or commission for arranging the insurance will not be refunded.

#### Privacy Statement

We are committed to protecting your privacy. We use the information you provide to advise about and assist with your insurance needs. We provide your information to insurance companies and agents that provide insurance quotes and offer insurance terms to you or the companies that deal with your insurance claim (such as loss assessors and claims administrators). Your information may be given to an overseas insurer (e.g. certain underwriters at Lloyd's) if we are seeking insurance terms from an overseas insurer, or to reinsurers who are located overseas. We will try to tell you where those companies are located at the time of advising you. We also supply your information to the providers of our policy administration and broking systems that help us to maintain our products and services to you.



## CERBEROS BROKERS PTY LTD

We do not trade, rent or sell your information.

If you don't provide us with full information, we can't properly advise you, seek insurance terms for you, or assist with claims and you could breach your duty of disclosure.

For more information about how to access the personal information we hold about you and how to have the information corrected and how to complain if you think we have breached the privacy laws, ask us for a copy of our Privacy Policy by phone (07) 3088 2070 or visit our website [www.cerberos.com.au](http://www.cerberos.com.au)

### **Our payment terms**

#### **Invoices**

We will invoice you for the premium, statutory charges (e.g. stamp duty, fire services levy, etc) and any fees we charge for arranging your insurances. You must pay us within the period specified on the invoice or, in the case of a renewal, before the expiry date of the contract of insurance.

If you do not pay the premium on time, the insurer may cancel the contract of insurance and you will not be insured. The insurer may also charge a short term penalty premium for the time on risk.

#### **Premium funding**

Premium funding products enable you to pay your premiums by instalments. Premium funders do charge interest and they take a power of attorney over your insurance policy.

We can arrange premium funding on your behalf if you require it. We may receive a commission based on a percentage of the premium from the premium funder for doing so. Please note that our policy for refunds following cancellation of a policy applies to any policies cancelled as a result of a premium funding default.

#### **Credit card fees**

If you pay by credit card you may be charged a non refundable credit card fee. This fee will be shown on the documentation we provide you.

### **Important information about your insurance**

#### **Your duty of disclosure**

When you apply for insurance, you need to tell us certain information which would affect our decision to insure you. If you do not give us this information, it may affect your Policy. The duty of disclosure appears in full below. Please ensure you read this carefully.

The duty of disclosure notice will also appear on your renewal invitation and the duty of disclosure also applies to any endorsements or variations you request.

Before you enter into an insurance contract you have a duty of disclosure under the Insurance Contracts Act 1984.

If we ask you questions that are relevant to our decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions.

You have this duty until we agree to insure you, vary or endorse the insurance contract.

When renewing your insurance contract we may give you a copy of anything you have previously told us and ask you to tell us if it has changed. If we do this, you must tell us about any change or tell us that there is no change.

If you do not tell us about a change to something you have previously told us, you will be taken to have told us that there is no change.

You have this duty until we agree to renew the insurance contract.

#### **If you do not tell us something**

If you do not tell us anything you are required to, your insurer may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, your insurer may refuse to pay a claim and treat the contract as if it never existed.

#### **Material Changes**

You must also notify your insurer of any significant changes which occur while the policy is on risk or under negotiation. If you do not, your insurances may be inadequate to fully cover you.

We can assist you to tell the insurer about changes and to ensure that your contract of insurance is altered to reflect those changes if necessary.

#### **Cooling Off Period – this only applies to Retail Insurance**

You may change your mind about a contract of retail insurance, within 14 days (or longer if the insurer allows it) from the date you receive confirmation of the insurance and 5 days after the insurance policy was arranged (whichever occurs earlier).

You must tell the insurer in writing that you wish to return the insurance policy and have the premium repaid. The insurance policy will be terminated from the time you notify the insurer. The insurer may retain its reasonable administration and transaction costs and a short-term premium.

You cannot return the contract of insurance if it has already expired or if you have made a claim under it.



## CERBEROS BROKERS PTY LTD

### **Sums Insured – Average and Co-Insurance**

Some insurance policies require you to bear a proportion of each loss or claim if the sum insured is inadequate. These provisions are called 'average' or 'co-insurance' clauses.

If you do not want to bear a proportion of any loss, when you arrange or renew your contract of insurance ensure that the amount for which you insure is adequate to cover the full potential of any loss. If you insure on a new for old basis, the sum insured needs to be sufficient to cover the new replacement cost of the property.

### **Interests of other Parties**

Some insurance policies do not cover the interest in the insured property or risk of anyone other than the person named in the contract. Common examples are where property is jointly owned or subject to finance, but the policy only names one owner or does not name the financier.

Please tell us about everyone who has an interest in the property insured so that we can ensure that they are noted on the policy.

### **Contractual Liability / Waiver of Rights**

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.

### **Standard Covers**

Insurance laws prescribe minimum standard cover provided by motor vehicle, home buildings, home contents, sickness and accident, consumer credit and travel insurance policies (including a minimum amount of insurance).

If an insurer wants to offer different cover or less than the minimum amount of insurance, they must clearly inform you in writing that they have done so. They can do this by providing you with a Product Disclosure Statement and a copy of the insurance policy wording.

### **Unusual Terms**

If an insurer wants to rely on a term in an insurance policy which is not usually included in policies that provide similar cover, they must clearly inform you in writing of that term. Again, they may do so by providing you with a Product Disclosure Statement and a copy of the insurance policy wording.

### **Have you any questions?**

If you have any questions about this FSG or the financial services we provide, please contact us. We suggest you retain this document for your reference and any future dealings with us.

End of FSG.