



FINANCIAL SERVICES GUIDE

This FSG applies from on 1st November 2018 (Version 18) and remains valid unless a further FSG is issued to replace it.

Cerberos Brokers Pty Ltd (Cerberos) ABN 61 106 769 886, under the trading name Tailored Underwriting (Tailored) offer the financial services referred to in this Financial Services Guide (FSG) and are responsible for those services. Cerberos 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

Cerberos can provide general insurance broking services under our Australian Financial Services Licence Number **260668**, which we in an honest, efficient, fair and transparent manner.

Cerberos 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 our trading name Tailored Underwriting we have binder agreements for certain types of Insurance. 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.

Therefore, Cerberos as an insurance broker provides services as your agent. Under the trading name Tailored Underwriting; we deal under binder agreements on behalf of the insurer/s.

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 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 that we give it. 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 we can confirm that your insurance continues to be suitable for your needs.

Our contact details are set-out below at the bottom of this page. You can give us instructions by post, phone, fax or email. Our website addresses for further service and product information are: www.cerberos.com.au, and www.tailoredunderwriting.com.au.

Cerberos Brokers Pty Ltd
PO Box 1305
Spring Hill QLD 4004
Telephone: 61 7 3088 2070 or 1300 880 306
Facsimile: 61 7 3088 2079

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

Tailored Underwriting
Suite 3, 333 Wantirna Rd
Wantirna VIC 3152
Telephone: 61 3 9021 9090
Facsimile: 61 3 8621 8999

How we are paid

Commission	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% –30% 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.
Fees	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.
Profit Share	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 we place with the insurer(s).
Non-monetary benefits	Some insurers give 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

Advisers	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.
Referees	If you were 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.

Cerberos is 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

Professional Indemnity cover

We maintain professional indemnity insurance which covers us for any errors or mistakes 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 authorised representatives/employees 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. Copies of these codes are available on request. We also comply with the General Insurance Code of Practice when placing business under our Tailored Underwriting binders.

What to do if you have a complaint

We sincerely hope that your dealings with the Insurance Industry in general and with Cerberos and our trading company Tailored Underwriting in particular, will be pleasant and conducted on a professional manner. However, there may be occasions when our 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 unresolved 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 complaint reference number and complete a "Customer Complaint Form" from the information that you provide.

Your complaint together 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. We aim to resolve your complaint within fifteen (15) working days.

If we are unable to resolve your complaint within 15 working days, we will refer the matter to your Insurer who will attempt to resolve your complaint. For insurance policies underwritten by certain Underwriters at Lloyd's please refer to the Lloyd's Leaflet "What to do if you have a Complaint" on Tailored's website www.tailoredunderwriting.com.au.

Cerberos Brokers Pty Ltd is a member of the Australian Financial Complaints Authority (AFCA) to whom client's complaints may be referred for a determination. We encourage you to take advantage of the facilities offered by AFCA in the event of a disputed complaint, as the service is free to you, the customer, and most disputes and complaints are resolved this way. The AFCA can be contacted at GPO Box 3, Melbourne, Vic 3001 or on 1800 931 678 or visit www.afca.org.au

In the first instance please refer disputes to the Complaints Officer, Cerberos Brokers Pty Ltd, PO Box 1305, Spring Hill Qld 4004. Telephone (07) 3088 2070.



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 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 can usually obtain an interim contract of insurance (which is generally valid for a month or less). To arrange this, we will need details of the property or risk and all other information which you need to disclose to the insurer.

We will then send you a proposal for completion. You will need to complete and sign this 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 last renewed for you.

If you wish us to renew your insurance, let us have your written instructions to do so and pay the premium and other charges before the date shown on the invoice. In some circumstances we may be able to arrange for the insurer to cover you temporarily before payment is received, but we cannot guarantee this.

We will notify you when renewal has been affected.

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

Variations

You should carefully monitor and review that your insurance policy is adequate to cover your assets or business activities.

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 you need to disclose to the 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 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 any claims are outstanding when you terminate our appointment as your insurance broker, 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, we will refund the net premium we receive from your insurer. We will not refund our fees or commission for arranging the insurance.

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. 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. 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.tailoredunderwriting.com.au

Our payment terms

Invoices

We will invoice you for the premium, statutory charges (eg 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 the option provided may charge you a non refundable credit card fee. This fee will be shown on the documentation.

Important information about your insurance

Your duty of disclosure

To make an informed assessment of the risk and calculate the appropriate premium, your insurer needs information about the risk you are seeking to insure.

For this reason, before you enter into a contract of insurance, you have a duty under the Insurance Contracts Act 1984 to disclose to your insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk and, if so, on what terms. The duty also applies when you renew, extend, vary or reinstate a contract of insurance.

You do not have to disclose anything that:

- Reduces the risk to be undertaken by the insurer;
- Is common knowledge;
- Your insurer knows, or in the ordinary course of its business, ought to know; or
- If the insurer has waived your obligation to disclose.

If you do not comply with your duty of disclosure, your insurer may be entitled to reduce its liability in respect of a claim or may cancel your contract of insurance. If the non-disclosure was fraudulent, the insurer may be able to avoid (or cancel) the contract of insurance from its beginning. This would have the effect that you were never insured.

One important issue to be disclosed is the history of losses suffered by the person seeking insurance or any closely associated person or entity. As you are responsible for checking that you have made complete disclosure, we suggest that you keep an up to date record of all such losses and claims.

If you have any questions about whether information needs to be disclosed to your insurer, do contact us.

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.

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 any one 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.

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.

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.