

FINANCIAL SERVICES GUIDE

Who provides the services described in this Financial Services Guide (FSG)?

Praden Pty Ltd (Praden). Praden is a Corporate Authorised Representative (No.1260182) of **Cerberos Brokers Pty Ltd (Cerberos)** who hold an Australian Financial Services Licence No. 260668.

Praden's offices are located at Level 21, 133 Castlereagh Street, Sydney NSW 2000.

Other Contact Details:

Telephone: +61 (2) 8379 1272

Email: enquiries@praden.com.au

Please note that any references to 'we', 'us' or 'our' in this FSG are references to Praden, except where such terms are used with specific reference to Praden and another party (e.g. Cerberos).

From when does this FSG apply?

This FSG applies from 1st October 2019 (Version 19) and remains valid unless a further FSG is issued to replace it. Alternatively, we may alter this FSG by issuing you a supplementary FSG.

About Cerberos

Cerberos (ABN 61 106 769 886) is an Australian advisory firm holding an Australian Financial Services Licence No.260668 under the Corporations Act 2001. Cerberos is responsible for the financial services that Praden (CAR No.1260182) provides to you when giving advice and dealing in general insurance products.

Cerberos is a member of:

- National Insurance Brokers Association (NIBA) (<https://www.niba.com.au/>)
- Steadfast Group (<http://www.steadfast.com.au/>)

Our Services

This Financial Services Guide (FSG) describes the services that Praden provides. It is designed to assist you in deciding whether to use any of the services described below, and it describes how Praden is remunerated for these services, our professional indemnity insurance and how any complaints you may have are handled.

Praden can provide general insurance broking services, which will be conducted in an honest, efficient, fair and transparent manner. Praden will provide these services to you as your agent.

These services include;

- reviewing and advising on your general insurance needs;
- arranging and renewing general insurance on your behalf;
- assisting you with general insurance claims; and
- arranging premium funding.

Advice and documents we give to 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 Praden will give you personal advice tailored to your needs after taking into account your individual objectives, financial situation and/or needs. When asking Praden 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 these policies we will not have compared these 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 it is given. We will review your insurance arrangements when you inform us about changes in your circumstances.

General Advice

When advice is given 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 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 any fees for arranging the insurance Praden has recommended. For any other types of insurance, you can ask Praden for a copy of the record of the advice that has been given to you by contacting us.
- **Product Disclosure Statements** - If a particular insurance product is recommended 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 Praden?

You may instruct us in person, by phone, fax or email. It is important that you provide complete and accurate information about the risk to be insured otherwise the advice given to 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 at the end of this FSG. You can give instructions by post, phone, fax or email.

How we are paid

Commission	Cerberos may receive 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. Praden will receive between 70% and 90% of the commission paid to Cerberos.
Fees	Instead of and / or in addition to Commission, we may charge a fee for arranging the insurance. The amount depends upon the nature and scope of the services provided and the types of insurance being arranged and is payable in addition to the premium. Fees will be paid to Cerberos and Praden will receive between 70% and 90% of the amount of the fee received by Cerberos.
Profit Share	At the end of the financial year, Cerberos 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 insurer(s).
Outward Referrals	Praden may receive fees and / or commissions from third parties under referral or introducer agreements where we refer clients or prospective clients to those third parties.

Non-monetary Benefits Some insurers provide benefits such as expense reimbursements (e.g. for training or related resources), lunches or corporate gifts. These benefits may change from year to year. In many instances, these benefits are associated with networking, training and / or relationship management activities. The receipt and declaration of these benefits will be managed in accordance with Praden's gifts and conflict of interest policies. Copies of these policies can be provided upon request.

Remuneration other than as is outlined above may be received from time to time. Where such remuneration is derived from the placement of your insurance program or the services being provided to you, such remuneration will be declared to you.

How we pay

Advisers Praden Advisers are usually paid a salary with, in some instances, agreed bonuses and incentives. These bonuses and incentives will generally be based on a number of factors including the achievement of company objectives.

Inward Referrals If you are referred to Praden, the person who referred you may be paid a fee or commission for doing so. If commission is payable, this can be up to 100% of the commission earned for placing your insurance. If a fee is payable, this will vary depending on the terms of any agreement that may be in place between the referring party and Praden.

Conflicts of interest

Cerberos Brokers Pty Ltd 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 - 1% commission for each product arranged by us with those Partners.

Cerberos and Praden 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, Cerberos and Praden 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.

Professional Indemnity Insurance

Cerberos maintain professional indemnity insurance which covers Praden for any errors or omissions relating to their services in accordance with the Corporations Act, in the interest of protecting Cerberos and Praden clients. The insurance policy has been continuous since Cerberos first obtained an Australian Financial Services Licence and prior to Cerberos' commencement of trading. The insurance arranged extends to cover claims in relation to the conduct of current employees and authorised representatives, as well as previous authorised representatives and employees.

What Codes do Cerberos and Praden comply with?

The Insurance Brokers Code of Practice and NIBA Code of Practice (www.niba.com.au/codeofpractice/).

What to do if you have a complaint

We sincerely hope that your dealings with the Insurance Industry in general and with Praden 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 unresolved and you wish to refer the matter for arbitration, please contact the office of Cerberos and provide full details of your complaint. A member of the Cerberos 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 the Cerberos Complaints Manager for resolution through the Cerberos 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, Cerberos is 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, by telephone 1800 931 678, fax 03 9613 6399, email info@afca.org.au or through their website www.afca.org.au.

Please refer all complaints in the first instance to the Director of Praden at Praden Pty Ltd, Level 21, 133 Castlereagh Street, Sydney NSW 2000. Complaints may be made via telephone to 02 8379 1272 or by email to enquiries@praden.com.au.

You are encouraged 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.

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. Praden and Cerberos can accept no responsibility for the financial standing or performance of any insurer or market and will not be responsible in any circumstance where one of your insurance providers is unable to meet its 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 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 a month or less) for you with limited information pending receipt of more comprehensive particulars.

To arrange insurance for you, we will need details of the property or risk to be insured and all other information that may be required by a prospective insurer and 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 and sign this and return it to Praden as soon as possible and before the interim cover expires.

We will send the insurance policy documents to you as soon as they are issued correctly by your insurer. These documents may be issued electronically. As these are legal documents, you should store them safely and securely.

Renewals

You will be given at least 14 days' notice of expiry of any insurance policy which we have arranged or previously renewed for you.

If you wish us to renew your insurance, please provide us with your written instructions to do so and pay the premium and other charges payable by you before the date shown on your 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.

You will be notified when renewal has been effected.

If you arrange or renew your insurance directly with an insurer or through another broker, Praden will not be responsible for notifying you of expiry or arranging further renewals unless you instruct 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 your insurance coverage, (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 feel may be relevant or require disclosure to your insurer/s. We will arrange the variation with your insurer/s and notify you once it is arranged.

Claims

When you need to make a claim, we will advise you if it is covered under any of your insurance policies and assist you to prepare and submit the claim to your insurer/s. If there is uncertainty about whether a claim is covered, we will advise you as such.

Once a claim is notified, we will provide you with claims management services for all above deductible claims. Where a Service Agreement has been executed between you and Praden, our claims management service offering will be as outlined in that agreement.

If you decide to terminate our appointment as your insurance broker at any time, this decision will also apply to the management of any open or outstanding claims. In such circumstances, we are able to send details of such claims to your new insurance broker so that they may continue to manage any open or outstanding claims 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. Further, 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

Praden and Cerberos 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 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 from Praden by phone (02) 8379 1272 or visit our website www.praden.com.au/privacy-policy/ or from Cerberos by phone (07) 3088 2070 or visit their website www.cerberos.com.au.

PAYMENT TERMS

Invoices

We will invoice you for the premium, statutory charges (e.g. stamp duty, fire services levy, etc) and any fees charged for arranging your insurances. You must pay the total premium and charges within the period specified on the invoice or, in the case of a renewal, within the relevant credit terms (such terms will be advised to you).

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 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. Commission may be received based on a percentage of the premium from the premium funder for doing so. Please note that our standard policy for refunds following cancellation of a policy also 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 provided to 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 an insurer's decision to insure you. If you do not give us this information, it may affect your coverage. 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 an insurer's decision to insure you and on what terms, you must tell us everything that you know and that a reasonable person in the circumstances would include in answering the questions.

You have this duty at all times, including up until an insurer agrees to insure you, and if and when you need to vary or endorse the insurance contract.

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

If you do not tell us something

If you do not tell us anything that you are required to, your insurer/s may cancel your insurance contract or reduce the amount paid to you in the event of you making a claim, or both.

If your failure to tell us is fraudulent, the claim may be refused and treated as if the insurance contract never existed.

Material Changes

You must notify your insurer/s of any significant changes that occur during the policy period and whilst it is under negotiation (pre-placement or in the lead up to renewal). If you do not, your insurances may be inadequate to fully cover you.

We can assist you to tell the insurer about any changes and to ensure that your contract of insurance is altered to reflect such changes if and as 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 or 5 days after the insurance policy is arranged (whichever first occurs).

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 and 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 such 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 Praden provides, please contact us. Please ensure that you retain this document for your reference and for any future dealings with Praden.

Contact Details:

**Praden PTY LTD,
Level 21, 133 Castlereagh Street,
Sydney NSW 2000
Telephone: +61 (2) 8379 1272**

End of FSG.