



## CAMBRIDGE INSURANCE BROKERS PTY LTD

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## FINANCIAL SERVICES GUIDE

Before seeking our advice, you probably have a number of questions you would like to ask about Cambridge Insurance Brokers Pty Ltd (Cambridge Insurance Brokers). You have the right to ask us about our charges, the type of advice we will give you and what you can do if you have a complaint about our services. Key information is set out in answer to the questions below. If you need more information or clarification, please ask us. This Financial Services Guide is issued with the authority of Cambridge Insurance Brokers.

You should also be aware that, retail clients are entitled to receive a statement outlining information about remuneration and/or other benefits we may receive and any interests or associations we may have that may influence us in providing this advice. This information will be included within our standard letter attached to your Tax Invoices.

In the event we make a recommendation to acquire a particular financial product or offer to issue or arrange the issue of a financial product, we must also provide you with a Product Disclosure Statement containing information about the particular product which will enable you to make an informed decision in relation to the acquisition of that product.

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. We undertake a review of all insurers with which we deal with regularly on an annual basis. When considering the renewal of your insurance policy, we will only seek additional quotes where the premium quoted by your current insurer is greater than 10% of the prior year premium.

### BEFORE YOU GET OUR ADVICE

#### Who will be responsible for the advice given to me?

Your adviser is an employee of Cambridge Insurance Brokers Pty Ltd (the Licensee) and accordingly the Licensee 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.

Cambridge Insurance Brokers Pty Ltd (Licensee) holds a current Australian Financial Services Licensee Number 236202 and are authorised to advice and deal in general insurance products to wholesale and retail clients.

Cambridge Insurance Brokers is a subscriber to the Insurance Brokers Code of Practice (the Code). The Code has been developed by the National Insurance Brokers Association (NIBA) as part of a national self-regulatory scheme and is intended to promote good relations between insurance brokers, policyholders and others in the insurance industry, as well as efficiency in transactions by laying out standards of good practice and levels of service that are expected of brokers.

Cambridge Insurance Brokers are also a Member of the Steadfast Group Limited (Steadfast) and must comply with Steadfast's Code of Ethics and Rules of Professional Conduct.

#### What advisory services are available to me?

Cambridge Insurance Brokers offers you advisory and broking services in General Insurance Products only.

In particular we offer these services for the following products:

##### *Retail Products*

Motor Vehicle Insurance Products	Home Building Insurance Products
Home Contents Insurance Products	Sickness & Accident Products
Consumer Credit Insurance Products	Travel Insurance Products
Personal & Domestic Property Insurance Products	

##### *Wholesale Products*

Business Packs	Trade Packs
Construction Insurance	Workers Compensation

#### How you can instruct us?

You can contact us to give us instructions by phone, post, fax or email. When requesting to cancel a policy, in all cases we require your instructions in writing (this can be achieved by post, fax or email).

#### How will I pay for the service?

You are entitled to know how and what we will charge for our services. At the time of issuing this Financial Services Guide we are unable to provide you with the exact amount of remuneration and/or benefits we may receive in relation to your policy/ies, **however for retail clients**, we will, either when the advice is given, or as soon as practicable after, disclose of the exact dollar amount of any remunerations and/or benefits we will receive. This will be included in our Standard Letter attached to your Tax Invoice.

Cambridge Insurance Brokers will be remunerated in one of the following ones or a combination of them:

- A fee paid by you to our representative invoiced through Cambridge Insurance Brokers. This is referred to as “fee for service” or “broker fee”; and / or
- Commissions paid to our representative as a consequence of insurance products recommended. Such commissions are based on the premium you pay in respect of the Financial Product acquired.

#### **How are fees and commissions calculated and deducted?**

The initial and renewal commission is calculated as a percentage of the annual cost of the insurance policy and will be based on the following formula:

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

In this formula:

X = the commission

Y% = the percentage commission paid to us by the insurer

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

The amount of commission payable range between 0% to 30% of the base premium depending on the product type and the insurer. This will typically be as follows:

Motor Vehicle	0 – 11.0%
Home & Contents	0 – 22.5%
Personal Accident	0 – 20.0%
Pleasure Craft	0 – 20.0%
Travel	0 – 30.0%
Wholesale Products	0 – 23.0%

#### *Sunrise*

We may be entitled to receive additional commissions where we use electronic data interface (Sunrise) to process your policy with certain underwriters. Where this is the case, the amount will be included in the commission declared in your Standard Letter, attached to your Tax Invoice.

#### *Referrers*

Where you decide to proceed with our advice, referral fees may be payable and will range between 25% to 50% of the base premium. Full details of any referral fees payable will be disclosed in our Standard Letter attached to your Tax Invoice.

We may also charge you a Broker Fee for the advice we provide. Cambridge Insurance Brokers’ fees are based upon the time spent providing you with the advisory services you require. Our likely broker fee is illustrated in the table below (all fees are inclusive of GST):

	<b>New Business, Renewals &amp; Renewal Transfers</b>	<b>Policy Changes</b>
Private Motor Vehicle, Household & Pleasure Craft	\$49.50	\$22.00
Business Packs, ISR & Commercial Motor	\$165.00	\$22.00
Workers Compensation	\$165.00	\$49.50
Trades Packs	\$104.50	\$22.00

In the event of mid term cancellations, Cambridge Insurance Brokers will not refund to you any part of the commission or broker fee that may arise due to the cancellation.

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.

#### *Terms of Payment*

We will invoice you for the premium, statutory charges (stamp duty, GST, etc) and any fees we charge for arranging your insurances. You must pay us within 14 days of the policy inception date or, in the case of 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*

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 are paid by 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 we become entitled to the commission.

Our commission rates for premium funding are in the range of 0% 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.

In addition to this commission payment, we may be entitled to receive the following;  
Macquarie Premium Funding - Steadfast (see 'Important Relationships') has a shareholding in Macquarie Premium Funding. Under its agreement with Macquarie Premium Funding, Steadfast will receive 0.5% of your insurance premium (including government fees or charges) as Administration Fee.

#### *Other Benefits*

From time to time our advisers may receive certain 'hospitality benefits' (such as tickets to sporting events, movies, meals, bottles of wine, hampers). The receipt of these benefits is not based upon the volume of business placed with the provider but are more of an ad hoc reward. The maximum value of these during the year is \$1,000. Details of these are available on a specially maintained Register which is available for your viewing. Please ask your adviser if your wish to view our register.

Cambridge Insurance Brokers representatives are remunerated by way of an annual salary and may receive incentive payments from time to time.

#### **Important Relationships**

Cambridge Insurance Brokers is a shareholder of Steadfast Group Limited (**Steadfast**). Steadfast has exclusive arrangements with some insurers under which Steadfast will receive between 0.5 - 1% commission for each product arranged by us with those insurers. These payments are used to operate Steadfast.

Depending on the operating costs of Steadfast (including the costs of member services provided by Steadfast to us and other Steadfast shareholders) and the amount of total business we place with the participating insurers in any financial year, we may receive a proportion of that commission at the end of each financial year.

As a shareholder of Steadfast 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 shareholders for a fee.

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

We may also receive a profit share commission from insurers in the future if a particular portfolio of business reaches a certain level of profitability. We have arrangements in place with Allianz where a 2.5% Commission Override is payable on New Commercial Package Business. This is to assist with cost of business transfer to Allianz and does not impact the overriding payment made to Steadfast.

Steadfast is also a shareholder of Miramar Underwriting Agency Pty Limited (**Miramar**). As a shareholder, Steadfast may receive dividends from Miramar. These amounts will indirectly contribute towards the benefits we receive from Steadfast. We may also qualify for reward points under the Miramar rewards program for insurance we arrange with Miramar. The number of points we earn will depend on the premium paid to Miramar for the insurance products we arrange with them, subject to a minimum threshold. The points may be redeemed for certain goods or flights.

Steadfast is also a shareholder of Macquarie Premium Funding (**Macquarie**). Under its agreement with Macquarie, Steadfast may also receive dividends from profits of Macquarie. The amount of the Steadfast dividend is based on the share of profit attributable to funding arranged by the Steadfast shareholders. These payments are used to operate Steadfast. Depending on the operating costs of Steadfast and the amount of total business we place with Macquarie in any financial year, we may receive a portion of those amounts at the end of each financial year.

#### **WHEN YOU GET OUR ADVICE**

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##### **Will you give me advice that is suitable to my needs and circumstances?**

Yes, but to do so our representative will need to find out your specific needs, relevant financial situation as well as make any other enquires with you to enable to better service your needs before an informed product recommendation is made to you.

You have the right not to divulge this information to our representative, if you do not wish to do so. In these circumstances, we are required to warn you about the possible consequences of not having your full personal information. You should read the warnings carefully, as this shall specify the scope of the financial product advice being sought.

As your general insurance broker, we act on your behalf when providing advice to you unless otherwise specified.

#### *Material Changes*

You must also notify your insurer of any significant changes which occur during the period of insurance. If you do not, your insurances may be inadequate to fully cover you.

**What should I know about any risks of the recommendations to me?**

Our representative will explain to you any significant risks associated with the recommendations made to you, including the risk of not acting upon recommendations, within time frames specified. If they do not do so, you should ask them to explain those risks to you.

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

Our representative will maintain records of recommendations made.

Cambridge Insurance Brokers is committed to ensuring the privacy and security of your personal information in accordance with the principles of the Privacy Amendment (Privacy Sector) Act 2001 (Privacy Act).

You have the right to examine the relevant contents of your file. A copy of our Privacy Statement is available upon your request. Should you wish to examine your file, please contact our Privacy Officer on 08 9248 7944 who can make the necessary arrangements to provide you with the relevant information.

**What compensation arrangements are in place?**

Cambridge Insurance Brokers confirms that it has arrangements in place to ensure it continues to maintain Professional Indemnity insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular our Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to the Sum Insured for Cambridge Insurance Brokers and our representatives/employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue to provide such coverage for any representative/employee who has ceased work with Cambridge Insurance Brokers for work done whilst engaged with us.

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**IF YOU HAVE ANY COMPLAINTS**

**Who can I speak to if I have a complaint about the services received?**

We are committed to providing quality advice to our clients. This commitment extends to providing accessible complaint resolution mechanisms for our clients. If you have any complaint about the service provided to you, you should take the following steps:

1. Contact your representative and tell them about your complaint.
2. If your complaint is not satisfactorily resolved within 7 days please contact our Complaints Officer Darren Thompson at Cambridge Insurance Brokers on (08) 9248 7944 or put your complaint in writing and send it to us at, Cambridge Insurance Brokers PO Box 2650 Malaga WA 6944. We will try and resolve your complaint quickly and fairly.
3. If we cannot reach a satisfactory resolution, you can raise your concerns with the Financial Ombudsman Service (FOS) which is an ASIC approved dispute resolution facility and Cambridge Insurance Brokers is a member. You can contact FOS on 1300 780 808 or via email at [info@fos.org.au](mailto:info@fos.org.au). The address for FOS is L12, 717 Bourke Street, Melbourne (GPO Box 3, Melbourne, Vic 3000), website: [www.fos.org.au](http://www.fos.org.au)

**From what date does this FSG apply?**

This FSG applies from 1st September 2011 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.