



FINANCIAL SERVICES GUIDE

AUGUST 2020

Allegiant IRS

A McCullough Robertson Company

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FINANCIAL SERVICES GUIDE

1. Purpose of this document

This Financial Services Guide (FSG) explains –

- + our products and services,
- + how we and our associates are paid,
- + other important information relating to our services.

Our FSG is an important document that provides you with information to help you decide whether to use the financial services we offer.

We aim to provide you with insurance products and services that protect you and/or enhance your business.

To help us achieve this, it's important that you understand what we do as your insurance advisor.

Our FSG contains important information about the products and services Allegiant IRS Pty Ltd (Allegiant IRS) offers. It also explains how we, and our representatives, may be remunerated and contains details of our internal and external complaints handling procedures.

By choosing Allegiant IRS to provide insurance services, you are, in the absence of another formal written agreement, agreeing to the delivery of our services and our remuneration as described in this FSG.

2. Who provides our services and how to contact us

Our financial services are provided by:

Licensee:	Allegiant IRS Pty Ltd, including its officers and employees
Phone:	(07) 3914 8300
Email:	general@allegiantirs.com.au
Australian Financial Services Licence Number:	454566
Australian Business Number:	94 167 325 117

3. Date and currency of this FSG

This FSG applies from **5 August 2020** and remains valid unless another FSG is issued to replace it.

If we give you a supplementary FSG or other documents relating to our services or any products, they will not replace this FSG however you should read them carefully.

4. The advice we give and other documents you may receive

If you are a Retail Client, then typically you will be provided with General Advice by Allegiant IRS.

General Advice does not consider your personal needs and financial circumstances at the time therefore you will need to consider whether this advice suits your requirements prior to acting upon it.

On these occasions, we will give you a General Advice Warning (GAW).

If you are a Retail Client and we agree to give you Personal advice, we will give you a Statement of Advice (SOA).

The SOA will contain advice we have given, the basis on which it was given, and details of relationships, associations, remuneration and other interests that may have influenced the advice we have given.

If we arrange an insurance policy for you, or if we recommend you buy a particular insurance policy, we will also give you, or give you access to a Product Disclosure Statement (PDS). The PDS is produced by the insurer and is designed to give you important information about the policy you are considering purchasing.

5. Important information for retail clients

The *Corporations Act 2001* (The Act) provides Retail Clients with additional protection than other clients. Under the Act, a Retail Client is defined as –

- + Individuals,
- + a manufacturing business employing less than 100 people, or
- + any other business employing less than 20 people.

And, who purchase the following types of insurance cover (Retail Products) –

- + motor vehicle,
- + home building and/or contents and/or personal and domestic property,
- + sickness and accident,
- + travel,
- + pleasure craft,
- + caravan,
- + consumer credit.

It is important that you understand if this definition applies to you or your business, as some of the information and additional protection in this FSG only applies to Retail Clients.

If you do not fall within the above criteria, you are a Wholesale Client.

6. Important information for all clients

6.1 DUTY OF DISCLOSURE

The *Insurance Contracts Act 1984* requires insurance companies to provide certain information to people intending to insure with them. The information concerns the duty of disclosure of an intending Insured and the effect of certain clauses in a proposed insurance policy.

When a general Insurance Broker is involved in the transaction, the information is to be provided by the broker. In general terms, the kind of information that an insurance company or broker must give you is as follows:

Your Duty of Disclosure

Contracts of general insurance subject to Insurance Contracts Act:

Before you enter into a contract of general insurance with an Insurer, you have a duty, under the *Insurance Contracts Act 1984*, to disclose to the Insurer every matter that you know, or could reasonably be expected to know, that is relevant to the Insurer's decision whether to accept the risk of the insurance, and if so on what terms.

You have the same duty to disclose those matters to the Insurer before you renew, extend, vary, or reinstate a contract of general insurance. Your duty, however, does not require disclosure of matter –

- + that diminishes the risk to be undertaken by the Insurer,
- + that is of common knowledge,
- + that your Insurer knows or, in the ordinary course of its business, ought to know,
- + as to which compliance with your duty is waived by the Insurer.

Non-disclosure

If you fail to comply with your duty of disclosure, the Insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, the Insurer may also have the option of avoiding the contract from its beginning.

A few examples (by no means exhaustive) of matters that could be considered of importance in relation to your duty of disclosure are as follows –

- + matters relating to physical risk including alteration of risk, new or changed business activities or locations,
- + past uninsured losses and/or claims,
- + refusal, cancellation, or increased premiums by insurers,
- + fines or penalties,
- + criminal convictions,
- + insolvency or bankruptcy matters.

Your disclosure requirement may not be limited to specific questions in any application form or questionnaire, or matters applying to you alone. It also includes other matters like past business or private insurance and applies to all persons and entities to be insured under the policy.

Please note that your duty continues to apply when you seek to renew, extend, alter, or reinstate a policy.

6.2 MATERIAL CHANGE OF CIRCUMSTANCES

Most policies of insurance require written notification of any material change to the risk insured to enable them to decide whether or not to insure the changed risk, and if so, on what terms.

To help you protect your interests, we need to be advised of any change of risk or changes to your circumstances upon which we may have based our advice.

Some examples are changes to the –

- + insured name or interested parties,
- + location, fire and burglary protection, construction,
- + sums insured,
- + type of business activities, products, area of operation or markets,
- + business or personal assets or liabilities,
- + financial circumstances, objectives or needs of the business,
- + type and extent of cover required.

If you are unsure about whether you should tell us and/or the insurer about a change or whether changed circumstances could affect your insurance needs, urgently seek our advice.

6.3 UNDERINSURANCE / AVERAGE / CO-INSURANCE

Before you buy insurance, you should carefully consider whether your sum insured is adequate to cover any loss. You should insure for the full value of your property taking into consideration the type of insurance cover arranged e.g. replacement, re-instatement, indemnity, or market value.

Many policies covering property e.g. Business Insurance, Fire, and Business Interruption contain a Co-insurance Clause.

In simple terms, a Co-insurance Clause provides that if you are underinsured, your claim may be reduced in proportion to the amount of that underinsurance.

As an example –

- + If full Replacement Value of your property is \$1,000,000 and you chose a Sum Insured of \$500,000, you would effectively be self-insured for 50% of the Replacement Value.
- + If a claim occurred for \$200,000, the amount payable by the insurer would be 50% of the \$200,000, i.e. \$100,000.

6.4 INSURED NAME AND INTERESTED PARTIES

Always ensure you advise us of every entity or party that may have an insurable interest so that each can be properly advised to the insurer and noted as insured and/or for their respective rights and interests, as required.

6.5 TAX INVOICE AND PAYMENT

We will issue you a Tax Invoice and a summary of cover, which states the amount payable and summary of the policy and/or changes to your policy in the case of an endorsement (change) to the insurance contract.

Each component of the amount payable and payment options will be clearly displayed along with the payment due date.

The Tax Invoice will state the amount of GST payable. You should ask your Accountant for advice about any possible tax deductions.

If you do not pay as and when required by us and/or the insurer, cover may not commence or may not continue.

6.6 CLAIMS

You should immediately notify us of any claim or potential claim or circumstance that may give rise to a claim. We strongly recommend that you notify us of any losses, whether you intend to make a claim or not. In presenting a claim, it is your duty to disclose to the insurer all facts which are material to the claim.

Insurers often place Conditions upon Insureds in their policies in relation to claim notification and handling. The insurer may reduce the claim settlement or decline the claim if you do not comply with such Conditions. You should immediately take reasonable actions necessary to prevent further loss.

If you have a loss or claim involving a third party, you must not admit liability even if you think you are at fault.

6.7 'CLAIMS-MADE' POLICIES

Some policies such as Professional Indemnity / Errors & Omissions Liability, Directors & Officers Liability, Management Liability, and Statutory Liability are issued on a 'claims-made' basis.

This means that any claim or potential claim must be notified to the insurer while the policy is current and comply with any Condition in relation to timing and method of notification.

Therefore, such policies will generally not cover any claim, or potential claim, which is notified to the insurer after the expiry date of the policy.

Under Section 40(3) of the Insurance Contracts Act, if your policy is a 'claims-made' policy, and if you give notice in writing to the insurer of facts or circumstances that might give rise to a claim against you as soon as is reasonably practicable after you become aware of those facts but before the period of insurance expires, the policy will cover (subject to other policy terms and conditions) any subsequent claim against you that arises from those facts or circumstances, even if that claim is not made until after the period of insurance has expired.

You must consider whether there are any facts or circumstances that should be notified to your present insurer before that policy expires.

6.8 SEVERAL LIABILITY

If a policy is arranged with more than one insurer, each insurer is responsible only to the extent of their individual proportion and there is no obligation for an insurer to cover any payment shortfall of the other.

6.9 HOLD HARMLESS, INDEMNITIES AND CONTRACTING OUT

You may prejudice your right to a claim if, without prior agreement with your insurer, you agree to the removal of subrogation rights (i.e. the right of recovery/recourse against another party who contributed or causes a loss) that could prevent the insurer from recovering monies from a third party.

For the same reason, you must be cautious about 'contracting out', 'indemnity' and/or 'hold-harmless' clauses which are commonly found in leases and contracts for maintenance, supply, construction, or repair.

These contracts or agreements will generally require you to assume liabilities more than liabilities imposed by statute or common law.

If you are in any doubt, you should forward a copy of the contract to us for an insurance review and seek legal counsel on the balance of the contract before signing.

7. Receiving instructions

We will either ask for your instructions in writing or we will confirm your verbal instructions back to you in writing as agreed.

Your instructions will be carried out promptly and confirmed to you in writing followed by the relevant formal documentation which includes our Tax Invoice and summary of insurance; Certificate of Currency; Insurer Product Disclosure Statement and/or the Policy Wording(s).

8. Who we act for

We act for you as your insurance adviser unless we advise you otherwise.

Allegiant IRS does not act for any insurer under any binding arrangement or as their agent.

9. Our services

As your insurance adviser, we hold an Australian Financial Services Licence (AFSL) issued by the Australian Securities and Investments Commission (ASIC) to deal in and provide advice in relation to general insurance products to Retail and Wholesale Clients.

Under our licence, amongst other things, we can –

- + collect information that insurers require from you to assess your insurable risk profile and arrange general insurance products to help you protect against insurable risks,
- + provide you with information and qualified advice about general insurance products,
- + where needed, assist you to make insurance claims.

We will endeavour to arrange insurance that meets your risks and needs.

However, you should always consider the appropriateness of any advice we provide or any insurance we recommend to you in the context of your requirements before acting on our recommendations.

We also rely on you for the accuracy and completeness of information you provide to us.

We usually provide our services using Allegiant IRS employees and other specialist consultants as required to meet your requirements.

Allegiant IRS does not use 'Authorised Representatives'.

'Authorised Representatives' are third parties whom we may authorise to provide financial services on our behalf.

10. Our remuneration

Unless we have agreed in writing otherwise with you, our remuneration will comprise of a fee structure which will be agreed with you before, and payable when, we place an insurance contract on your behalf. If you would like further details, please contact us within 7 days of receiving this FSG and prior to obtaining any financial services from us.

Allegiant IRS does not accept any commission payments, of any nature, from insurance companies. We act entirely on your behalf.

A 'commission' or 'brokerage' is normally paid by the insurer as a percentage of the premium you pay. This is a standard remuneration practice for insurance brokers and the rates of commission typically range from 5% to 30% of the premium, before any government fees or charges, depending on the insurer and the type of insurance.

Allegiant IRS removes these commissions from insurance premiums which lowers the cost of the insurance program.

Allegiant IRS does not have any arrangements with insurance companies for profit share payments, volume bonus commissions/payments, contingent commissions, facility/platform payments, or distribution brokerage payments on our clients' accounts.

Our officers and employees who provide financial services to you receive an annual salary. They may also receive an annual bonus, calculated as a percentage of their annual salary, if Allegiant IRS achieves its revenue and profit targets for a financial year. If you would like further details, please contact us within 7 days of receiving this FSG and prior to obtaining any financial services from us.

11. Payment arrangements

You can pay for the insurance premium and services provided through any method described on our Tax Invoice. You need to pay us within the time stipulated on the invoice. If you would like further details, please contact us within 7 days of receiving this FSG and prior to obtaining any financial services from us.

When you pay the premium to us it will be banked into our trust account where, as allowed by law, we will earn interest, or we may earn a return by investing the premium; such interest or investment return will be retained by us.

12. Cancellation and refunds

Please note that we treat our remuneration as fully earned when we issue you with a tax invoice, unless we have a written agreement with you that will vary this statement.

You agree that we may retain all our fees in full in the event of any mid-term cancellation of a policy or future downward adjustment of premium.

13. Insurance premium funding arrangements

In addition to our agreed fee, we may receive payment from an insurance premium funder if we arrange this service on your behalf. The amount we receive from the premium funder is usually calculated as a percentage of the total amount funded.

It is important to note that Allegiant IRS offers and arranges premium funding as agent of the premium funder and not as your credit provider or finance broker. We also may act as the premium funder's agent in cancelling any insurance policies where you have failed to meet your repayment obligations to the premium funder.

14. Relationships, associations and referrals

Allegiant IRS has no specific financial relationships, associations or referral arrangements that influence us in providing our recommendation for general insurance products and/or associated services.

Allegiant IRS is a wholly owned company of McCullough Robertson Lawyers. With appropriate authorisation from clients, Allegiant IRS and McCullough Robertson Lawyers work together on client accounts.

15. Protection for you if we provide negligent advice

As an AFS licensee we must maintain adequate Professional Indemnity insurance to compensate you or your beneficiaries for loss or damage suffered because of our provision of negligent advice to you.

Our representatives and we are covered under professional indemnity insurance that complies with the requirements set down by ASIC. The insurance (subject to its terms and conditions) will continue to cover claims in relation to our representatives / employees who no longer work for us but who did at the time of the relevant conduct.

Allegiant IRS is a member of the National Insurance Brokers Association and subscribes to the Insurance Brokers Code of Practice that is designed to help ensure our services are provided diligently and professionally.

16. Complaints and disputes

If you should have any concern, complaint, or dispute (complaint) about the service we have provided you, please contact us and tell us about it.

You can call our Complaints Manager on –

(07) 3914 8300

Or, you can put your complaint in writing to us at –

**Complaints Manager
Allegiant IRS Pty Ltd
Level 11, 66 Eagle Street
BRISBANE QLD 4000**

Or, **complaints@allegiantirs.com.au**

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website – **www.afca.org.au**

Email – **info@afca.org.au**

Telephone – **1800 931 678 (free call)**

In writing to –

Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

17. Privacy

We collect your personal information to ensure we can offer or provide you with products and services most appropriate to your needs, as outlined in this FSG, to provide you with ongoing information about our products and services, and for the other purposes set out in our Privacy Policy.

If the personal information you provide is incomplete or inaccurate, we may not be able to provide you with the services you seek.

We store your personal information in Australia and are not likely to disclose it overseas unless we approach overseas insurers on your behalf (e.g. Lloyds of London).

We value your privacy and are bound by the Australian Privacy Principles, the *Privacy Act 1988*, and any relevant registered privacy codes. We comply with these obligations as part of our commitment to maintain client confidentiality in the collection, use, disclosure, or handling of personal information.

Our Privacy Policy contains details of how you can access and ask for correction of your personal information, and how you can complain about privacy-related matters.

For further information about our Privacy Policy, or to obtain or view a copy of it, please email –

privacy@allegiantirs.com.au

www.allegiantirs.com.au
info@allegiantirs.com.au

Level 11 Central Plaza Two, 66 Eagle Street,
Brisbane QLD 4000
GPO Box 1855, Brisbane QLD 4000
T +61 7 3914 8300
AFSL 454566

Allegiant IRS |

A McCullough Robertson Company