



IMPORTANT NOTICES & INFORMATION

We have prepared the following information to assist you to understand important issues relating to your insurances. We recommend you read this carefully. If there is any part that you do not understand or require further explanation, please contact your Broker immediately.

Your Duty to Your Insurers

Utmost Good Faith

Every contract of insurance is based on 'utmost good faith' requiring each party (i.e., you and the insurer) to act towards the other party in respect of any matter arising under the contract, with the utmost good faith. If you fail to do so, you may prejudice any claim.

Your Duty of Disclosure / Duty to Not Misrepresent

Duty of Disclosure – (non-consumer insurance contracts only)

Before you enter into an insurance contract, you have a duty to tell the insurer anything that you know, or could reasonably be expected to know, that may affect the insurer's decision to insure you and on what terms.

You have this duty until the insurer agrees to insure you.

You have the same duty before you renew, extend, vary, or reinstate an insurance contract.

You do not need to tell the insurer anything that:

- reduces the risk they insure you for; or
- is common knowledge; or
- the insurer knows, or should know; or
- the insurer waives your duty to tell them about.

Duty to not make a misrepresentation – (consumer insurance contracts only) - Renewals

*(Note: if you are **renewing a consumer insurance contract**, which is an insurance policy obtained wholly or predominately in relation to personal, domestic or household insurance purposes, you must answer the specific questions asked by the insurer truthfully and accurately. In answering those questions, you must tell the insurer all information that's known to you and that a reasonable person would be expected to provide in answer to the questions).*

Before you renew your policy, you have a duty under the Insurance Contracts Act 1984 (ICA) to take reasonable care not to make a misrepresentation to the insurer (your duty).

Your duty applies only in respect of your policy that is a consumer insurance contract, which is a term defined in the ICA.

This notice includes information you have previously told us that is relevant to your policy, which we passed on to the insurer. The insurer requires you to contact us to tell us if this information is incorrect, or if it has changed. If you do not tell us about a change to something you have previously told us, the insurer will take this to mean that there is no change.

To ensure you meet your duty, when you contact us to advise of any information that is incorrect or has changed, the

updated information you give us must be truthful, accurate and complete.

Duty to not make a misrepresentation – (consumer insurance contracts only) - New Business and Variations
*(Note: if you are **applying for a new consumer insurance contract, or varying an existing consumer insurance contract**, which is an insurance policy obtained wholly or predominately in relation to personal, domestic or household insurance purposes, you must answer the specific questions asked by the insurer truthfully and accurately. In answering those questions, you must tell the insurer all information that's known to you and that a reasonable person would be expected to provide in answer to the questions).*

You have a duty under the Insurance Contracts Act 1984 (ICA) to take reasonable care not to make a misrepresentation to the insurer (your duty).

Your duty applies only in respect of a policy that is a consumer insurance contract, which is a term defined in the ICA.

Your duty applies before you enter into the policy, and also before you renew, extend, vary or reinstate the policy.

Before you do any of these things, you may be required to answer questions and the insurer will use the answers you provide in deciding whether to insure you, and anyone else to be insured under the policy, and on what terms. To ensure you meet your duty, your answers to the question must be truthful, accurate and complete.

If you are in any doubt whatsoever regarding your disclosure obligations, please contact our office to discuss.

Non-Disclosure

If you do not comply with your duty of disclosure & duty not to misrepresent, the 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 void (or cancel) the contract of insurance from its inception. This would have the effect that you were never insured.

If you do not comply with your duty of disclosure or your duty not to misrepresent and your insurance is compromised, we are not liable for any losses or expenses you incur as a consequence.

Examples of What You Should Disclose

You should disclose the history of losses suffered by you 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.

You should also tell us if you do something that affects your insurance. For example, if you lease the insured property, commence building or construction work; install a burglar alarm or fire protection.

Material Changes

You must also notify your Insurer of any significant changes, which occur during the period of insurance, e.g., if you change your business operations, start offering new products or services or start a new business venture. If you do not, your insurance may be inadequate to fully cover you.

We can assist you to do this and to ensure that your contract of insurance is altered to reflect those changes.



Average and Co-Insurance

Many insurance policies contain an ‘average’ or ‘co-insurance’ clause. This means that to ensure that your insured property or exposure is fully insured, you must insure for its full value. The full value will vary depending on whether you purchase replacement or market value cover.

If you do not insure for the full value, you will be underinsured and you will be treated as your own insurer for the difference. You will have to pay a rateable proportion of the loss. A simple example of how this applies is:

Full insurable value	\$100,000	You are your own insurer for 50%
Selected sum insured	\$50,000	
Cost of repair due to fire damage	\$40,000	You must pay the remaining \$20,000
Insurer pays	\$20,000	

For this reason, it is important to take care to ensure that your property or exposure is insured for its full value. We encourage you to obtain and regularly update valuations for the replacement cost of your assets including buildings, plant and equipment, jewellery and artwork.

Double Insurance

If more than one policy covers the loss, then each of the insurers are likely to be liable for an amount which is proportionate to the amount for which they have insured the property.

Hold Harmless / Subrogation / Waiver Clauses

You may prejudice your right to claim if you make any agreement that prevents the insurer from recovering a loss from a third party without first obtaining the insurers consent in writing. Be aware that if you enter into an agreement that imposes a contractual liability on you, that would not have existed but for the agreement, that liability is unlikely to be covered by your insurance.

These “hold harmless” clauses are often found in leases, maintenance and supply contracts, building or repair contracts, supplier agreements and the like. Please refer all such agreements to us prior to signing to ensure your insurance cover isn’t affected. We may recommend you obtain legal advice in some cases.

Insuring the Interest of other Parties

Most policies will exclude indemnity to other parties (such as mortgagees, lessors, principals etc.) unless their interest has been specifically endorsed or noted onto the policy.

You must tell us if you need to insure the interest of a party other than the named insured, so we can ask your insurer to extend the policy.

Claims Made Policies

Some insurance policies are written on a ‘claims made’ basis. This means that the policy will only respond to claims which are made against an insured and notified to the insurer during the policy period. If the policy expires, no additional claims can be made under the policy.

Run-Off Insurance

There is a potential for claims to be made against an insured after a business is wound up or a project is finished. If a claim is made at a time in the future and there is no insurance policy in place, there would be no protection for the insured. This is where a run-off insurance policy can prove to be very valuable.

A run-off insurance policy can be purchased prior to cessation of the business or finalisation of a project. It will provide coverage to an insured for future claims made against them which arise from acts, errors or omissions which occurred prior to the inception of the run-off policy. Run-off policies can be purchased on an annual basis or a multi-year basis.

The following policy types are generally written on a claims made basis and run-off insurance should be considered if ceasing business or finishing a specific project.

- Professional Indemnity
- Management Liability
- Directors’ & Officers Liability
- Association Liability
- Information Technology Liability
- Cyber Liability

Claims

All claims or possible claims must be notified immediately to our office as late notification may cause denial of liability.

Late Notification of Claims

Terms obtained on your behalf are based on the understanding that there will be no deterioration in the claims experience between the date the insurer quoted their terms and the renewal / inception date of the cover. If any claim(s) (or circumstances which may give rise to a claim) do occur during this period, the insurer has the right to revise the terms quoted or even withdraw their terms.

Workers’ Compensation Insurance

Workers’ Compensation Insurance is NOT a general insurance product and is a standalone product with its own policy number, legal processes and continuing compliance obligations. Please note, if a Business Insurance quote or cover is arranged on your behalf, it does not include Workers’ Compensation Insurance.