



**INSURANCE BROKERS**

## **Important Notice & Information**

We have prepared this document to assist you to understand important issues relating to your insurances. Please contact your Broker if you have any questions or require further advice/assistance.

ABN: 31 743 481 355 AFSL 491024

## **ESSENTIAL READING OF POLICY WORDING**

The policy wordings for your insurances are essential reading to understand what is protected by each policy. Read them carefully as soon as possible and contact us if you have any concerns about the extent of your cover.

## **YOUR DUTY OF DISCLOSURE**

Before you enter into a contract of general insurance and up until the commencement of the insurance, you have a duty, under the Insurance Contracts Act 1984 to either provide answers to questions or disclose specific information to the Underwriter. You have the same duty before you renew, extend, vary or reinstate an insurance contract.

For policies taken out or renewed with a start date prior to the 5<sup>th</sup> October 2021 and are Eligible Contracts (Eligible Contracts involve individuals purchasing insurance for motor vehicles with carrying capacity under 2 tonne, motorcycle, home building and contents, residential strata, travel, personal accident and sickness and consumer credit) your only duty is that you must tell the underwriter anything you know a reasonable person in the circumstances would include when answering questions asked of you by them.

For policies taken out or renewed with a start date on or after the 5<sup>th</sup> October 2021 and are Consumer Insurance Contracts, (Consumer Insurance Contracts are defined as insurance that is obtained wholly or predominantly for the personal, domestic or household purposes of the insured) your only duty is to take reasonable care not to make a misrepresentation when answering questions asked of you by the underwriter.

In all other situations you must tell the underwriter about anything that you know or could be reasonably expected to know taking into account the nature and extent of the insurance cover to be provided and the class of persons who would ordinarily be expected to apply for such insurance cover. You do not need to tell the underwriter anything that reduces the risk of the underwriter, that is of common knowledge; that the underwriter knows or, in the ordinary course of business, ought to know or that the underwriter has waived your duty to tell them about.

## **DUTY OF GOOD FAITH**

Both parties to an insurance contract, the insurer and the insured, must act towards each other with the utmost good faith. If you fail to do so, the insurer can cancel your insurance. If the insurer fails to do so, you may be able to sue the insurer.

## **AVERAGE OR CO-INSURANCE**

Some policies contain an Average or Co-insurance clause. This means that if you insure for less than the full value of the property, your claim may be reduced in proportion to the amount of the under-insurance.

Some business interruption policies contain an Average/Co-Insurance clause which has a different application. Check your policy and contact us with any questions.

## **CONTRACTS AND LEASES YOU SIGN**

If you sign a contract with an indemnity, "hold harmless" or release, it can invalidate your insurance – unless you obtain the Insurer's consent in advance.

These clauses are often found in leases and other contracts you sign from time to time relating to your business. Do not sign a contract or lease without contacting us and/or taking legal advice as to whether the contract terms will prejudice your policy.

## **LEASING, HIRING AND BORROWING PROPERTY**

When you lease, hire or borrow property, make sure that the contract clearly identifies who is responsible for insuring the property.

Industrial Special Risks policies automatically cover property which you are responsible to insure, subject to the policy excess. Public liability insurance may assist you meet claims relating to property damage to property which you lease or hire. A sub-limit usually applies to the amount you can claim for damage to property in your care, custody or control.

## **ADDITIONAL INSURED AND NOTING INTERESTS**

If a person is to be named on your policy or insured as a co-insured or joint insured, notify us immediately so we can request this in advance from the insurer. Your property and liability policies will not provide automatic cover for the insurable interest of other parties (e.g., mortgagees, lessors).

Check with us whether the insurer will include someone else as an insured or note their interests before you agree to this in a contract or lease. We cannot guarantee that an insurer will agree to include someone as an insured under your policy or to note their interests on your policy.

## **CLAIMS OCCURRING POLICIES**

Most of your policies do not provide indemnity in respect of events that occurred before the insurance commenced. They cover events that occur during the policy period.

## **CLAIMS MADE POLICIES**

Some policies (e.g. professional indemnity insurance) provide cover on a "claims made" basis. This means that claims first advised to you (or made against you) and reported to your insurer during the policy period are insured under that policy, irrespective of when the incident causing the claim occurred. If you become aware of circumstances which could give rise to a claim, notify the insurer during the policy period.

Report all incidents that may give rise to a claim against you to the insurers immediately after they come to your attention and before the policy expires.

## **INSURER SOLVENCY**

We do not warrant or guarantee the current or ongoing solvency or financial viability of the insurer because we have no control over the insurer's performance and this can be affected by many complex commercial and economic factors.

## **UNAUTHORISED FOREIGN INSURERS**

In limited cases, we may recommend that you insure with an unauthorised foreign insurer. An unauthorised foreign insurer is an insurer that is not authorised under the Insurance Act 1973 (**Act**) to conduct insurance business in Australia and is not subject to the system of financial supervision of general insurers in Australia that is monitored by the Australian Prudential Regulation Authority.

If the insurer becomes insolvent, you will not be protected by the Federal Government's Financial Claims Scheme provided under Part VC of that Act.