

Your Duty

In order to make an informed assessment of the risk and to calculate the appropriate premium, your insurer needs information about the risk you are asking it to insure.

Your Duty To Take Reasonable Care Not To Misrepresent – Consumer Products

When purchasing insurance wholly or predominantly for personal, domestic or household purposes, you have a duty to take reasonable care not to make a misrepresentation to the insurer. This means that it is essential that you answer questions honestly and to the best of your knowledge, including when you confirm or update information when you enter into, vary, extend, reinstate or renew a Policy.

The responsibility to take reasonable care not to make a misrepresentation applies to everyone who will be insured under the policy. If you answer questions on behalf of others, the insurer will treat your answers or representations as theirs.

If you do not meet the above Duty, the insurer may refuse or not fully pay your claim and/or cancel your policy. If the misrepresentation was deliberate or reckless, the insurer may refuse to pay a claim and treat your policy as if it never existed.

Your Duty of Disclosure – Products Other than Consumer Products

Before you enter into a contract of insurance, you have a duty under the Insurance Contracts Act 1984 to disclose to your insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk and, if so, on what terms. The duty applies when you enter into, vary, extend, reinstate or renew a contract of insurance.

You do not have to disclose anything that:

- Reduces the risk to be undertaken by the insurer
- Is common knowledge
- Your insurer knows, or in the ordinary course of business, ought to know or
- The insurer has waived your obligation to disclose

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

If you have any questions about whether information needs to be disclosed, please contact us.

General Advice Warning

The information on this website is general advice only and does not take into account your personal objectives, financial situation or needs. You should therefore consider the appropriateness of the information, in light of your objectives, financial situation or needs before deciding whether to purchase a general insurance product.

Please obtain a copy of, and consider the Product Disclosure Statement (PDS) applicable to the general insurance product before making any decision.