

IMPORTANT NOTICES

The Insurance Contracts Act 1984 came into operation on the 01/01/1986. The provision of the Act is very important to all parties to any contract of insurance or proposed contract of insurance ("the contract"). Some of them require Insurers to provide certain notices, documents and information to the Insureds. After reading this, if any matter relating to the policy wording or proposal is unclear to you or you have any questions at all in relation to the insurance, please contact us for answer or explanation as soon as possible.

Your Duty of Disclosure

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 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; or
- as to which compliance with your duty is waived by 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.

Insuring the Interest of Other Parties

If you require the interest of a party other than the named insured to be covered, you **MUST** request this. Most policy conditions will exclude indemnity to other parties (e.g. mortgagees, lessors, principals, etc.) unless their interest is properly noted on the policy.

Average or Co-Insurance – Under Insurance

It must be noted that Fire, Consequential Loss, Industrial Special Risks, Home Building and Contents and some other policies contain an Average or Co-Insurance Clause. This means you must insure for the full value and this of course varies with the type of cover you take - indemnity or replacement. If you are under-insured your claim may be reduced in proportion to the amount of under-insurance.

An example of the application of Average or Co-Insurance is:

Full Value \$200,000: Sum Insured \$100,000: Therefore you are your own insurer for 50%

Claim Damage \$50,000: Claim 50% of \$50,000 = \$25,000. This means the insurer only pays \$25,000, you pay \$25,000

NOTE: The Co-Insurance Clause will not normally apply if the sum insured represents at least 90% of the full value of the Insured Property for commercial property or 80% for residential property.

Utmost Good Faith

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

Hold Harmless – Subrogation – Waiver Clauses

You will prejudice your rights of a claim if without prior agreement from our insurer you make any agreement that will prevent the insurer from recovering the loss from a third party.

These “hold harmless” clauses are often found in leases, maintenance and supply contracts. You should not sign any agreement which contains such a clause without reference to us.

Change of Risk or Circumstances

It is our duty as brokers to give you sound professional advice, but that advice can only be sound and valid if we are kept properly informed of changes to your business operations or circumstances.

It is imperative that you advise us of location changes, of new business activities, products or any radical departure from your normal course of business.

In order to ensure proper protection, please consult with us if you are in doubt as to whether an insurer should or should not be told of certain changes. We would rather provide you with additional service by answering any queries that you may have rather than allow you to take the risk of losing proper indemnity under your insurance policy.

Cancellation

“If cover is cancelled before the expiry of the period of insurance, we will refund to you only the nett return premium which we receive from the insurer. We will not refund any part of the commission we receive from arranging the cover, unless otherwise agreed in writing”.

Financial Ombudsman Service Limited

Clients who are not fully satisfied with our services should contact our customer relations/complaints officer. Insure Group also subscribes to the Financial Service Ombudsmen Service Limited ABN 67 131 124 448, a free customer service, and the General Insurance Brokers Code of Practice.

General advice warning

Unless we have specifically taken into consideration your personal circumstances and issued you with a Statement of Advice (SOA), the advice provided is General Advice.

Our recommendations have not taken into account your objectives, financial situations or needs. Before acting on it, you should consider the appropriateness of our advice, in the light of your own objectives, financial situations or needs.

We recommend that you obtain and consider the Product Disclosure Statement (PDS) for that product before making any decision. You can obtain a copy from our office.