



Important Information

Duty to take reasonable care not to make a misrepresentation

A contract of insurance is a consumer insurance contract if the insurance is obtained wholly or predominantly for personal, domestic or household purposes of the insured. It includes general insurance contracts (such as consumer credit, motor vehicle, home and contents, sickness and accident and travel insurances) and life insurance contracts.

When you apply for home insurance, car insurance or any other insurance that is wholly or predominantly for personal, domestic or household use we will ask you specific questions that are relevant to the insurers decision to insure you and on what terms including the premium that the insurer will charge. When you take out, renew, extend or vary your insurance policy, it is important that you understand you are answering questions for yourself and anyone else to be covered by the policy. You should always provide us with complete and honest answers to all the questions we ask you, by answering questions about yourself and other named policyholders to the best of your knowledge. This is your duty to take reasonable care not to make a misrepresentation.

If you breach your duty, the insurer may be entitled to refuse to pay your claim, reduce the amount payable for a claim or cancel your policy. If your breach is fraudulent, your policy may be cancelled from the beginning.

Changes to your circumstances

During the term of your contract of insurance, we ask that you inform your insurer of any changes to the details on your Certificate of Insurance that are no longer accurate. Any changes may affect the premium and excesses applied to your policy or your insurances 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.

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

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 his 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 his 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 commencement.

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