

# Your Duty of Disclosure

*Applicable to non-consumer insurance policies that are generally commercial insurance policies for business related insurance.*

## **Before you enter into a contract of insurance**

you have a duty under the Insurance Contracts Act 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 insurance proposed and on what terms.

## **When does this duty apply?**

This duty applies until a contract is entered into and before a contract is renewed, extended, varied or reinstated.

## **What you don't need to disclose**

Your duty does not require you disclose any matter:

- that diminishes the risk to be undertaken by the insurer; or
- that is of common knowledge; or
- that the insurer knows or, in the ordinary course of their business as an insurer, ought to know; or
- the insurer waives your duty to tell them about

## **Non-disclosure**

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce their liability under the contract in respect of a claim, cancel the contract, or both.

## **Fraudulent non-disclosure**

If your non-disclosure is fraudulent, the insurer may avoid the contract from its beginning as if it never existed.

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### **Your duty is continuous, so tell us when things change**

without delay so that we can advise the insurer and act to avoid policy coverage issues which could also result in a declined claim or a delayed or reduced settlement.

*The word "insurer" in this advice includes an existing insurer and any prospective insurer.*

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