Your Duties under the Insurance Contracts Act

Your Duty of Disclosure

(applicable to non-consumer insurance policies that are generally insurance policies for business or commerce related insurance)

Before you enter into a contract of insurance you have a duty 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.

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

Your duty does not require you to 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

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.

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

Your Duty to Not Make a Misrepresentation

(applicable to consumer insurance policies including but not limited to Home & Contents, Landlords, Residential Strata, Motor Vehicle, Pleasure Craft, Accident &/or Sickness and Travel insurance)

This duty applies before you enter into a policy, and also before you renew, extend, vary, or reinstate the policy.

Before you do any of these things, you may be required to answer questions and provide information.

The insurer will use the answers and information you provide in deciding whether to insure you, and anyone else to be insured under the policy, and on what terms.

To ensure you meet your duty, your answers to the questions and information you provide must be truthful, accurate and complete.

This also applies to information you have previously told us that is relevant to your policy, which we passed on to the insurer.

The insurer requires you to contact us to tell us if this information is incorrect, or if it has changed.

If you do not tell us about a change to something you have previously told us, the insurer will take this to mean that there is no change.

If you fail to meet your Duty to take Reasonable Care to Not make a Misrepresentation, the insurer may be able to cancel your policy or reduce the amount it will pay if you make a claim, or both.

If your failure is fraudulent, the insurer may be able to refuse to pay a claim and treat the policy as if it never existed.

Questions?

Do not hesitate to call us with any queries, questions or concerns about Your Duties including if you have anything to declare to us or to your insurer, or you're just not sure. Don't delay; we're here to help!