



IMPORTANT NOTICES & INFORMATION

We have prepared this document to assist you to understand important issues relating to your insurances. We recommend that you read it carefully. Please contact your Account Manager if there is anything you do not understand, or if you have any questions.

ESSENTIAL READING OF POLICY WORDING

The policy wordings for your insurances have either been provided to you or will be sent to you as soon as they are received from your Insurers. We recommend that you read these documents carefully as soon as possible and advise us in writing of any aspects which are not clear to you or if any aspect of the cover does not meet with your requirements.

YOUR DUTY OF DISCLOSURE

Before you enter into an insurance contract, you have a duty to tell the insurer anything that you know, or could reasonably be expected to know, that may affect their decision to insure you and on what terms.

You have this duty until they agree to insure you. You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell the insurer anything that:

- reduces the risk they insure you for; or
- is common knowledge; or
- they know or should know as an insurer; or
- they waive your duty to tell them about.

If you do not tell the insurer something

If you do not tell the insurer something you are required to, they may cancel your contract or reduce the amount they will pay you if you make a claim, or both. If your failure to tell them is fraudulent, they may refuse to pay a claim and treat the contract as if it never existed.

DUTY OF GOOD FAITH

Both parties to an insurance contract, the insurer and the insured, must act towards each other with the utmost good faith. If you fail to do so, the insurer may be able to cancel your insurance. If the insurer fails to do so, you may be able to sue the insurer.

FLOOD EXCLUSION

Please note that, unless specifically mentioned on the Insurer's policy schedule, there is no cover afforded by your policy for claims arising out of incidents of flood.

Flood is defined by different insurers in different ways. You should read your policy wording or Product Disclosure Statement (PDS) for more information.

UNDERINSURANCE

Underinsurance occurs when you have not insured the full repair or replacement value of your property/asset. If you are underinsured, your insurer may rely on any 'Average' or 'Co-insurance' clause in the insurance policy. This means you may not receive full compensation for your loss and would have to bear part of the loss yourself.

Reviewing the sums insured and declared values on a regular basis and at each renewal will help you to ensure that you have maximum protection under your policies.

You need to decide whether to increase the sums insured or declared values of insured property/assets, and whether you require replacement on a 'new for old' basis. It is also important to consider other costs such as removal of debris and any additional costs that may be required to replace the damaged property/asset. The value of the property/assets insured may need to be updated if you change locations, renovate or expand your premises, or purchase new property/assets (especially if your purchases are substantial).

In some cases, insured property (like a motor vehicle) may depreciate in value or you may want to reduce the insured values to ensure that you are paying a competitive premium.

If you want to discuss whether insured property/asset values should be changed in your policies, please contact your Account Manager for assistance.

AVERAGE OR CO-INSURANCE

Some policies contain an Average clause. This means that if you insure for less than the full value of the property, your claim may be reduced in proportion to the amount of the under-insurance. These clauses are also called "Co-insurance" clauses.

A simple example is as follows:

Full (Replacement) Value	\$1,000,000
Sum Insured	\$ 500,000

Therefore, you would be self-insured for 50% of the Full Value.

Amount of Claim, say	\$ 100,000
Amount payable by Insurers as a result of the application of Average/Co-Insurance, i.e. 50%,	\$ 50,000

Some Business Interruption policies contain an Average/Co-Insurance clause, but the calculation is different. Generally, the Rate of Gross Profit, Revenue or Rentals (as applicable) is applied to the Annual Turnover, Revenue or Rentals (as applicable) (after adjustment for business trends or other circumstances).

If you are in any doubt about whether and how Average/Co-Insurance clauses apply to your insurances, please contact your Account Manager for assistance.

SUBROGATION AND/OR HOLD HARMLESS AGREEMENTS

You can prejudice your rights to claim under your insurance if you make any agreement with a third party that will prevent or limit the Insurer from recovering the loss from that party (or another party who would otherwise be liable). This can occur when you sign a contract containing an indemnity clause, “hold harmless” clause or a release – unless you obtain the Insurer’s consent in advance.

This is because some policies contain a ‘contractual liability exclusions’ that mean the Insurer can refuse to pay or reduce the amount it is liable to pay by the extent to which it is unable to recover from the third party. These exclusions are often found in public and products liability, broadform liability and professional indemnity policies.

These clauses are often found in leases and other contracts you sign from time to time relating to your business. Do not sign a contract or lease without contacting us and/or taking legal advice as to whether the contract terms will prejudice your policy.

LEASING, HIRING AND BORROWING PROPERTY

When you lease, hire or borrow property, make sure that the contract clearly identifies who is responsible for insuring the property. This will help avoid arguments after a loss and ensure that any claims are efficiently processed.

Industrial Special Risks policies automatically cover property which you are responsible to insure, subject to the policy excess. Public liability insurance may assist you meet claims relating to property damage to property which you lease or hire. A sub-limit usually applies to the amount you can claim for damage to property in your care, custody or control.

If there are no conditions relating to responsibility to insure in the hire or lease contract, you should write to the owner asking who is to insure the property.

ADDITIONAL INSURED AND NOTING INTERESTS

If a person is to be named on your policy or insured as a co-insured or joint insured, notify us immediately so we can request this in advance from the insurer. Your property and liability policies will not provide automatic cover for the insurable interest of other parties (e.g., mortgagees, lessors).

Check with us whether the insurer will include someone else as an insured or note their interests before you agree to this in a contract or lease. We cannot guarantee that an insurer will agree to include someone as an insured under your policy or to note their interests on your policy.

CLAIMS OCCURRING POLICIES

Most of your policies do not provide indemnity in respect of events that occurred before the insurance commenced. They cover events that occur during the policy period.

CLAIMS MADE POLICIES

Some policies (for example, Professional Indemnity, Management Liability, Molestation cover and some other liability policies) provide cover on a “claims made” basis.

This means that claims that are first advised to you (or made against you) and reported to your insurer during the period that the policy is current are insured under that policy, irrespective of when the incident causing the claim occurred (unless there is a date beyond which the policy does not cover – this is called a “retroactive date”).

If you become aware of circumstances which could give rise to a claim and notify the insurer during the period that the policy is current, a claim later arising out of those circumstances should also be covered by the policy that is current at the time of the notification, regardless of when the claim is actually made or when the incident causing the claim occurred

In order to ensure that your entitlement to claim under the policy is protected, you must report all incidents that may give rise to a claim against you to the Insurers without delay after they come to your attention and prior to the expiration of the policy period.

NON-RENEWABLE INSURANCE

Cover under your policies terminates on the date shown in the policy schedule or as indicated in our tax invoice or adjustment note.

While insurers will send renewal offers for most insurance policies, there are some which are not “renewable”. For these, if you wish to effect similar insurance for a subsequent period, you will need to complete a further proposal before the current policy expires so that we can seek terms of insurance and quotations on your behalf.

UNAUTHORISED FOREIGN INSURERS

In limited cases, we may recommend that you insure with an unauthorised foreign insurer. An unauthorised foreign insurer is an insurer that is not authorised under the Insurance Act 1973 (**Act**) to conduct insurance business in Australia and is not subject to the system of financial supervision of general insurers in Australia that is monitored by the Australian Prudential Regulation Authority.

If the insurer becomes insolvent, you will not be protected by the Federal Government’s Financial Claims Scheme provided under Part VC of that Act.