

Notices required by the Insurance Contracts Act 1984

The Insurance Contracts Act 1984 has been proclaimed as from 1 January 1986. The Act changes aspects of Insurance Law in Australia, much of which is directed towards the protection of the consumer. The Act requires certain notices to be provided to the Insured, and these, as applicable are now given to you. If you have any inquiry on these matters, please contact us.

1. 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 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 the disclosure of matter:

- that diminishes the risk to be undertaken by the Insurer;
- that is of common knowledge;
- that your Insurer knows, or in ordinary course of his business, ought to know;
- as to which compliance with your duty is waived by the Insurer;

2. 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 to 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.

3. Average / Co-Insurance

Most policies covering property contain an Average or Co-Insurance provision whereby the liability of the Insurer may be reduced where the sum insured is less than the actual or replacement value of the property/interest insured by the policy.

Also, most policies of a consequential Loss nature contain an Average provision of a similar reducing effect should the sum insured be less than that appropriate to the basis of settlement applicable to the policy. It is essential therefore that you ensure that full and correct amounts of cover are established at the time you enter into the contract of Insurance.

4. Third Parties

The policy covers only the interest of the Insured, and does not extend to include the interest of a third party contract.

5. Subrogation

The liability of the Insurer may be limited or excluded should the Insured be a party of an Agreement which limits or excludes the right of the Insured to recover from a third party.

6. Utmost Good Faith

Insurance contracts are subject to the doctrine of utmost good faith and this is embodied in the Act. Utmost good faith must be strictly adhered to by both parties. Insured and Insurer – and failure by the Insured to do so may prejudice any claim.

SUPPLEMENTARY NOTICES

1. Code of Practice & Disputes Facility

We subscribe to the Insurance Broker' Code of Practice and the Insurance Broker' Dispute Facility, a free consumer service. Further information is available from our office. If you are not satisfied with any of our services, please contact our Director of Broking Services.

2. Fees, Cancellations & Refunds

We are generally remunerated by brokerage from the relevant insurer whenever you enter into an insurance policy arranged by us (including renewal and some variations). In addition we may charge you a broker fee in addition to brokerage (if any) allowed by the Insurer when you enter into an insurance policy, a flat fee for arranging an insurance policy or a fee based upon the time we spend advising you and/or an annual management fee.

If there is a refund of premium as a result of the cancellation or adjustment of a policy, this will be provided net of any remuneration that we have received in relation to the placement of the insurances on your behalf.

Should you require any information regarding the nature and amount of any fee involved please contact us.