

Duty of Disclosure

Before a contract of general insurance with an insurer is entered into, you have a duty under the Insurance Contracts Act 1984 to disclose to the insurer every matter that you know at the time 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.

You will be asked various questions when you apply for a policy. When answering these questions you must:

- give an honest and complete answer;
- tell us everything you know; and
- tell us everything that a reasonable person in the circumstances could be expected to tell us.

Your duty however does not extend to disclosure of matters:

- that diminishes the risk to be undertaken by the insurer;
- that is of common knowledge;
- that we know or, should know; or
- that we tell you we do not need to know.

The duty of disclosure applies to you and everyone that is an insured under the policy.

Non-Disclosure

If the duty of disclosure is not complied with the insurer may cancel the policy and/or reduce the amount they pay if you make a claim. If fraud is involved the insurer may treat the policy as if it never existed and pay nothing.