

## **Duty of Disclosure**

*Before you enter an insurance contract with us, the Insurance Contracts Act 1984 requires you to provide us with the information we need to enable us to decide whether and on what terms your proposal for insurance is acceptable and to calculate how much premium is required for your insurance.*

*The Act imposes a different duty the first time you enter into the policy with us to that which applies when you renew, vary, extend, reinstate or replace the Policy.*

### **Your Duty of Disclosure when you enter into a Policy with us for the first time.**

*You will be asked various questions when you first apply for the Policy. When you answer these questions, you must:*

- *Give us honest and complete answers,*
- *Tell us everything that you know, and*
- *Tell us everything that a reasonable person in the circumstances could be expected to tell us.*

### **Your Duty of Disclosure when you renew, vary, extend, reinstate or replace the Policy.**

*When you renew, vary, extend, reinstate or replace the Policy, your duty is to tell us before the renewal, variation, extension, reinstatement or replacement is made, every matter known to you which:*

- *You know, or*
  - *A reasonable person in the circumstances could be expected to know,*
- is relevant to our decision whether to insure you and whether any special conditions need to apply to the policy.*

### **What you do not need to tell us for either duty**

*You do not need to tell us about any matter:*

- *That diminishes our risk,*
- *That is common knowledge,*
- *That we know or should know as an insurer, or*
- *That we tell you we do not need to know*

### **What do the two duties above apply to?**

*Everyone who is insured under the Policy must comply with the relevant duty.*

### **What happens if you do not comply with either duty?**

*If you or they do not comply with the relevant duty, we may cancel the Policy or reduce the amount we pay if you make a claim.*