

Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the Insurance Contract Act 1984, to disclose to the insurer every matter that 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.

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.

You do not need to tell us about any matter:

- that diminishes our risk
- this is of common knowledge
- that we know or should know; or
- that we tell you we do not need to know

Who does the duty apply to?

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

What happens if you or they breach the duty?

If you or they do not comply with the relevant duty, the insurer may cancel the policy 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.