

IMPORTANT INFORMATION ABOUT YOUR INSURANCES

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

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, may affect their decision to insure you and on what terms. You have this duty until they agree to insure you and 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 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.

CHANGE OF RISK OR CIRCUMSTANCE

It is our duty as insurance brokers to give you sound professional advice, but that advice can only be sound and valid if we are kept properly informed of changes to your business, operations or circumstances.

It is imperative that you advise us of location changes, of new business activities/products or any departure from your normal form of business. For example, an insurer may well accept an engineering risk but will no longer give cover if a woodworking activity is entered into; in respect of liability, if your product range changes or you are involved in products not previously referred to underwriters; in personal accident insurance a change in occupation or sporting activities could prejudice your cover.

In order to ensure proper protection, please consult with us if you are in doubt as to whether an insurer should or should not be told of certain changes as we would rather give you the extra service by answering these queries than allow you to take the risk of losing your proper indemnity under your insurance policies.

SUBROGATION AND HOLD HARMLESS AGREEMENTS

You may prejudice your rights in respect to a loss if without prior agreement from your Insurer, you make any agreement that will prevent the Insurer from recovering the loss from a third party. "Hold Harmless" clauses are often found in leases, maintenance, supply and tender contracts. You should refer to us, prior to signing any agreement which contains such a clause.

INSURING THE INTEREST OF OTHER PARTIES

If you require the interest of a party other than the Named Insured to be covered, you MUST request this. Most policy conditions will exclude indemnity to other parties (e.g. mortgagees, lessors, principals etc.) unless their interest is properly noted on the policy.

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.

AVERAGE CLAUSE – UNDERINSURANCE

Your contract of insurance may contain an average or under-insurance or co-insurance clause. It is most important that you insure your property for the full replacement value. If you under-insure, your insurer will only pay the relevant proportion of the loss in accordance with the Average formula. A simple example of the application of Average/Co-insurance is:

Full Value:	\$200,000
Sum Insured:	\$100,000
Therefore, you are your own insurer for	50%
Fire/Storm etc. damage claim:	\$50,000
Claim 50% of \$50,000	\$25,000
This means the insurer only pays:	\$25,000 – you pay \$25,000

NB: The co-insurance clause will not normally apply if the sum insured represents at least 90% of the Insured Property, please refer to your policy to clarify