

NOTICE TO INTENDING INSURED

TO ENSURE PROPER PROTECTION YOU, THE INSURED, HAVE VARIOUS DUTIES BOTH BEFORE YOU ENTER INTO A NEW INSURANCE CONTRACT AS WELL AS AT RENEWAL OR WHENEVER YOUR CONTRACT CHANGES. FAILURE TO OBSERVE THESE DUTIES COULD LEAD TO THE REJECTION OR REDUCTION OF AN OTHERWISE PROPER CLAIM.

THE 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 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.

Your duty, however, does not require disclosure of a matter;
that diminishes the risk to be undertaken by the insurer;
that is of common knowledge;
that your insurer knows or, in the ordinary course of his business, ought to know;
to which compliance with your duty is waived by the Insurer.

Non-disclosure

If you fail to comply with your duty of disclosure, the Insurer may be entitled to reduce its liability under the contract in respect of claims or may cancel the contract.

If your non-disclosure is fraudulent, the Insurer may also have the option of avoiding the contract from the beginning.

N.B. The disclosure required is especially important in matters relating to physical risk, past claims, cancellations of insurance covers, the imposition of increased premiums, etc., and any matter that might affect the acceptance of the moral risk such as insolvency or criminal convictions.

THE AVERAGE CLAUSE – UNDER-INSURANCE

Many insurance policies, including, Fire and Consequential Loss policies, Industrial Special Risks cover and Home Building and Contents policies contain an average clause. This means that you must insure for the "full value" and this, of course varies with the type of cover you take...market value, indemnity or replacement. If you are under-insured your claim may be reduced in proportion to the amount under-insurance.

HOLD HARMLESS AGREEMENTS, CONTRACTING OUT, REMOVAL OF SUBROGATION RIGHTS

You will prejudice your rights of claim, if, without prior agreement from your Insurer, you make any agreement that will prevent the Insurer from recovering the loss from a third party.

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 policies will exclude indemnity to other parties (eg: mortgagees, lessors, principals, etc.) unless their interest is properly noted on the policy.

REFUND PREMIUMS

In the event of any refund premium being allowed for the cancellation or adjustment of this insurance policy, Cranston Australia reserves the right to retain all brokerage fees and charges.

CHANGE OF RISK OR CIRCUMSTANCES

It is imperative that you advise us of location changes, of new business activities or any unusual departure from your normal form of business. For example, an insurer may well accept an engineering risk but no longer give cover if a woodworking activity is entered into. In liability insurance, underwriters must be aware if the nature of your business changes, and specifically in Products 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 could prejudice your cover.

PUBLIC LIABILITY AND PROFESSIONAL INDEMNITY INSURANCE

Where Public Liability insurance is the subject matter or part thereof of the schedule of cover outlined overleaf, the contract is on a "claims occurring basis" and not a "claims made basis". Should the subject matter of this insurance be Professional Indemnity insurance, the contract will be on a "claims made basis" and not a "claims occurring basis".

CODE OF PRACTICE

Clients who are not fully satisfied with our service should contact our customer relations / complaints officer. Cranston Australia also subscribes to the Insurance Brokers Dispute Facility (IBDF), a free customer service, and the General Insurance Brokers Code of Practice. Further information is available from this office.

RETAIL CLIENTS

Under the Financial Services Reform Act (The Act) Retail Clients are provided with additional levels of protection from other insurance purchasers. The Act defines Retail Clients as:

- Individuals or a small manufacturing business employing less than 100 people or any other business employing less than 20 people.
- And that are being provided a financial service or product that relates to the following insurance covers:
- Motor Vehicle (under 2 tonne), Home building, contents, personal and domestic, Sickness and Accident or Travel, Consumer Credit and other classes as prescribed by regulations.

IMPORTANT NOTICE – WHAT ADVICE IS BEING PROVIDED (RETAIL CLIENTS ONLY)

If you are a RETAIL CLIENT (refer above) and a Statement of Advice has not been provided to you with this invoice then the advice that we are giving you related to this transaction is General Advice. For information regarding commission earned by us for this transaction, please contact the office.

General Advice is advice that has been prepared without considering your current objective's, financial situation or needs. Therefore, before acting on this advice, you should consider the appropriateness of the advice having regard to your current objective's, financial situation or needs.

If the advice provided relates to the acquisition or possible acquisition of a new insurance policy and the insurer has prepared a Product Disclosure Statement (PDS) we will have attached the PDS for your review. You should consider the PDS prior to making the decision to purchase this product.