

Your duty of disclosure

Before you enter into or renew an insurance contract, you have a duty of disclosure under the *Insurance Contracts Act 1984*. You have this duty until the insurer agrees to insure you or to renew the policy.

Before you enter into an “eligible” class of insurance, if the insurer asks you questions that are relevant to their decision to insure you and on what terms, you must tell them anything that you know and that a reasonable person in the circumstances would include in answering the questions.

Before you renew an “eligible” contract of insurance, if the insurer asks you questions that are relevant *to their decision to insure you and on what terms, you must tell them anything that you know and that a reasonable person in the circumstances would include in answering the questions. Also, the insurer may give you a copy of anything you have previously told them and ask you to tell them if it has changed. If they do this, you must tell them about any change or tell them that there is no change. If you do not tell them about a change to something you have previously told them, you will be taken to have told them that there is no change.

For other classes of insurance, you must 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 the same duty 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, is common knowledge, that the insurer should know as an insurer or where the insurer waives your duty.

The “eligible” classes of insurance are motor vehicle, home buildings or contents, sickness and accident, consumer credit or travel.

If you do not tell the insurer something

If you do not tell the insurer anything 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.