

## **IMPORTANT NOTICES AND INFORMATION**

### **General Advice Warning**

Unless we have indicated you otherwise, this advice does not take into account any of your particular objectives, financial situation or needs. For this reason, before you act on this advice, you should consider the appropriateness of the advice taking into account your own objectives, financial situation and needs.

Before you make any decision about whether to acquire the policy, you should obtain and read the product disclosure statement for the policy.

### **Non-Disclosure**

Policies which are not governed by the Insurance Contracts Act 1984 such as marine, (other than marine inland transit insurance and pleasure craft) and insurance required by statute such as Compulsory Third Party (CTP) motor vehicle insurance and workers compensation, the Insurer may be able to recover against the Insured in the event of misrepresentation, misstatement or non- disclosure.

If you are uncertain as to whether particular information is relevant to the insurer's decision to insure, please contact us and we can help you identify whether the information should be disclosed to the insurer on the application or upon renewal or variation of the insurance.

### **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, you may prejudice any claim.

### **Change or Alteration in Risk**

It is our duty as 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, circumstances or products such as alteration of risk, changes in location, mergers and acquisitions or any new or changes in activities (including overseas) which may have a bearing on the adequacy of your insurance coverage.

### **Average or Co-Insurance**



Some policies contain an Average clause. This means that if you insure for less than the full value of the property, your claim may be reduced in proportion to the amount of the under-insurance. These clauses are also called “Co-Insurance” clauses.

A simple example is as follows:

Full (Replacement) Value	\$1,000,000
Sum Insured	\$ 500,000

Therefore you would be self insured for 50% of the Full Value.

Amount of Claim	\$100,000
Amount payable by Insurers as a result of the application of Average/Co-Insurance (ie: 50%)	\$ 50,000

Some Business Interruption policies contain an Average/Co-insurance clause, but the calculation is different. Generally, the Rate of Gross Profit, Revenue or Rentals (as applicable) is applied to the Annual Turnover, Revenue or Rentals (as applicable) (after adjustment for business trends or other circumstances).

### **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 as most policy conditions will exclude indemnity to other parties (eg: Mortgagees, Lessors, Principals. etc) unless their interest is noted on the policy.



### **Claims Occurring prior to commencement**

Your attention is drawn to the fact that most of your policies do not provide indemnity in respect of events that occurred before the insurance commenced. They cover events that occur during the time the policy is current.

### **Subrogation and/or hold harmless**

You may prejudice your rights with regard to a claim if, without prior agreement from your insurer, you make any agreement with a third party that will prevent the insurer from recovering the loss from that third party or another party who would be otherwise liable.

When you enter into a contract you should take particular note of what the contract contains with respect to insurance requirements, hold harmless clauses, indemnity clauses, waivers or subrogation and/or recovery, remedies, penalties and the like.

### **Leasing, Hiring and Borrowing Property**

When you lease, hire or borrow property, make sure that the contract clearly identifies who is responsible for insuring the property. This will help avoid arguments after a loss and ensure that any claims are efficiently processed.

If the responsibility to insure lies with the owner, we recommend you try to ensure the lease or hire conditions waive any rights of recovery against you, even when the damages is due to your negligence. This will prevent the owner's Insurer making a recovery against you.

If there are no conditions relating to responsibility to insure in the hire or lease contract, you should write to the owner asking who is to insure the property.

### **Claims Made During the Period of Insurance (Claims Made Policies)**

Your attention is drawn to the fact that some policies (for example, professional indemnity insurance, D&O Liability and Crime) provide cover on a "claims made" basis.

This means that claims that are first advised to you (or made against you) and reported to your insurer during the period that the policy is current are insured under that policy, irrespective of when the incident



causing the claim occurred (unless there is a date beyond which the policy does not cover – this is called a “retroactive date”).

If you become aware of circumstances which could give rise to a claim and notify the insurer during the period that the policy is current, a claim later arising out of those circumstances should also be covered by the policy that is current at the time of the notification, regardless of when the claim is actually made or when the incident causing the claim occurred.

In order to ensure that your entitlement to claim under the policy is protected, you must report all incidents that may give rise to a claim against you to the Insurers without delay after they come to your attention and before the policy expires.

### **Non Renewable Insurance**

Cover under your policies terminates on the date shown on our tax invoice or adjustment note. While insurers will send renewal offers for most insurance policies, there are some which are not “renewable”.

For these, if you wish to effect similar insurance for a subsequent period, you will need to complete a further proposal form/declaration before the current policy expires so that we can seek terms of insurance and quotations on your behalf.

### **Essential reading of policy wording**

The policy wordings for your insurances have either been provided to you or will be sent to you as soon as they are received from your Insurers.

We recommend that you read these documents carefully as soon as possible and advise us in writing of any aspects which are not clear to you or if any aspect of the cover does not meet with your requirements.



### **Refund of Premium**

If there is a refund or reduction of premium owed to you as a result of a cancellation or alteration to a policy, we will retain any fee we have charged you.

Australian Broker Network will retain any commission that was paid to them by the insurer for the policy and we may retain the portion of the commission that was paid to us by Australian Broker Network.

We and the insurer may also charge you a cancellation fee.

### **Cancellation of Policy or Deficient Cover Due to Non Payment of Premium**

We shall not be held responsible for the cancellation of your policy, a deficiency in cover, or the denial of a claim by your Insurer where you have not paid, or did not pay, any amount of premium due to us or your Insurer, or instalments to your premium financier.

### **NSW Emergency Services Levy**

Currently individuals and businesses insuring property in NSW contribute to the Emergency Services Levy as part of their insurance premiums.

This levy supports the work of Fire and Rescue NSW, the NSW Rural Fire Service and the NSW State Emergency Service. These vital community services help NSW residents and businesses protect their property from fire, flood, storms and other natural disasters.

For policies commencing from 1 July 2017, the NSW Government intended that the Emergency Services Levy will no longer be included as part of the cost of your property insurance. It has since repealed this change to reinstate the levy back onto insurance premiums.

The levy may not be applied to your insurance premium at this time. This is due to different insurers re-instating the ESL at different times and at different rates to meet the repealed legislation via their insurance systems.

If you have any questions about this change please refer to information available at Emergency Services Levy Insurance Monitor Act 2016.



If you would like further information on the insurance side of Emergency Services Levy Reform and the removal of the ESL you can contact the Monitor on Ph: 1300 607 723, [enquiries@eslinsurancemonitor.nsw.gov.au](mailto:enquiries@eslinsurancemonitor.nsw.gov.au), or [www.eslinsurancemonitor.nsw.gov.au](http://www.eslinsurancemonitor.nsw.gov.au).

If you require further information about the property levy side of Emergency Services Levy Reform and the new ESPL, please email your enquiries to [ESPL.info@treasury.nsw.gov.au](mailto:ESPL.info@treasury.nsw.gov.au).

### **General**

Many areas of insurance are complex and some implications may not be evident to you. If there are any aspects of your insurances that you do not understand or you require further explanation, please contact us immediately.

### **Disclosure**

This above information is not comprehensive. It provides only a summary of the subject matter covered and is not tailored specifically to your business or private situation. You should make your own assessment of this information and rely on it wholly at your own risk.