



## Your side of the bargain

### Your duty of disclosure

Remember, your premium and insurance cover will be based specifically on the details you provide and the Insurance Contracts Act 1984 sets out your duty to disclose certain matters before you enter into a contract of general insurance with an insurer.

You have a duty to inform the insurer about every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision about whether to accept the risk and, if so, on what terms. You have the same duty each time you renew, extend, reinstate or vary the policy and during the policy period.

This duty is especially important in matters relating to physical risk including alteration of risk, and new or changed business activities or changed location, past claims, refusal or cancellation of other policies or increased premiums by insurers, fines or penalties, criminal convictions, insolvency or bankruptcy matters.

Your disclosure requirement may not be limited to specific questions in the Proposal, Declaration or Application Form or matters applying to you alone. It also includes other matters like past business or private insurance and applies to all persons and entities to be insured under the policy.

If you breach this duty, the insurer may be able to reduce its payment if you make a claim or in certain circumstances may be able to cancel the contract. If the non-disclosure is fraudulent the insurer may treat the policy as if it never existed.

### Change of risk or circumstances

Please make sure the information you give us is complete and accurate and inform us immediately of any change in circumstances that may affect the services provided by us or the cover provided by your policy. This is particularly important before taking out a policy but it also applies throughout the life of a policy.

Some examples are changes to

- Insured names or Interested Parties
- Location, fire and burglary protection
- Sums Insured
- Type of business activities, products or areas of operation

### Under Insurance/Average Condition

Before you buy insurance, you should carefully consider whether your sum insured is adequate to cover any loss. You should insure for the full value of your property taking into consideration the type of insurance cover arranged e.g. replacement, reinstatement, indemnity or market value.

Many policies covering property e.g. Business Insurance, Fire, and Business Interruption contain an Under Insurance or Average Clause. In simple terms, this means that if you are underinsured, your claim may be reduced in proportion to the amount of that underinsurance. As a simple example:

If full Replacement Value of your property is \$1,000,000; and you chose a Sum Insured of \$500,000, you would effectively be under insured for 50% of the Replacement Value.

If a claim occurred for \$200,000, the amount payable by the insurer would be 50% of the \$200,000 i.e. \$100,000.

### Policy Conditions

We know that reading insurance policies is the last thing you would think about doing but we can't stress enough that you can't absolve your responsibility for understanding what you are covered for if you don't read your policy documents. So read and check all policies to ensure that you are aware of the cover, limits and other terms that as failure to comply with them could invalidate it.

### In the event of a claim

In the event of a claim, you should take note of the required procedures, such as letting us know as soon as possible. Prompt action could avoid unnecessary cost and distress.

As with any insurance, you have an obligation to take reasonable steps to mitigate any loss.

### Your cancellation rights

If you change your mind, and you have received your policy documents within the last 14 days you can cancel your policy and we will return any premium you have paid in full (provided no claims have been made on the policy). At any other time, you can cancel this policy by giving us 30 days' notice.



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You will only be charged for the premiums due up to the date of cancellation.

If we need to cancel the insurance, we'll give you 30 days' notice in writing and refund any surplus premiums you might have paid. (Please note any fees paid will not be refunded.)

The exception to our 30-day notice policy is if we don't receive your Direct Debit payments within the agreed seven day period. Then we will contact you as soon as possible and stop the policy immediately.

### Paying your bills

We have a legal obligation to pay your premiums to the insurer within a contracted time frame once you have accepted to take the policy cover and if we don't the Insurer can claim your premium from us even though you haven't paid it. We know you wouldn't bestow this on your own business clients' so we would be grateful if you would adhere to our premium payment terms – they are there for a really good reason.

If you're finding times are tough or are looking at maximising your cash flow, we would be happy to offer you a premium funding facility giving you the freedom to spread your insurance costs over the policy period.

Talk to us if you want to arrange alternative methods of payment. If you don't tell us, you're putting our cash flow in jeopardy not to mention our relationship with your Insurer.