

## Your duty to take reasonable care

Before you enter into any Policy with us, certain duties apply to you under the Insurance Contracts Act 1984 (Cth) (Insurance Contracts Act). The Insurance Contracts Act imposes a duty that applies until the contract of insurance is entered into (or varied, renewed, extended or reinstated).

### Your duty when you enter into a contract of insurance with us for the first time

When you answer our questions that are relevant to our decision about whether to accept the risk of insurance and, if so, on what terms, you must take reasonable care not to make a misrepresentation to us before the insurance contract is entered into.

It is important that you understand you are answering our questions in this way for yourself and anyone else that you want to be covered by the contract of insurance.

### Your duty when you vary, renew, extend or reinstate the contract of insurance

When you are proposing to renew, vary, extend or reinstate your Policy with us we may ask you to answer questions that are relevant to our decision whether to accept the risk of insurance and, if so, on what terms. Your duty is to take reasonable care not to make a misrepresentation to us before the insurance contract is varied, renewed, extended or reinstated.

We may also give you a copy of anything you have previously told us and ask you to tell us if it has changed. If we do this:

- you must tell us about any change (if you do not tell us about a change, you will be taken to have told us that there is no change); or
- tell us that there is no change.

### What is taken into account to determine whether you have taken reasonable care

Whether you have taken reasonable care not to make a misrepresentation will be determined with regard to all relevant circumstances, including:

- the product type and its target market;
- explanatory material or publicity produced or authorised by us;
- how clear, and how specific any questions we asked were and how clearly we communicated to you the importance of answering those questions, and the possible consequences of failing to do so;
- whether or not an agent was acting for you;
- whether the contract was a new contract or was being renewed, extended, varied or reinstated;
- any particular characteristics or circumstances relating to you which we are aware or ought reasonably to have been aware.

Any misrepresentation made fraudulently is a breach of your duty of disclosure.

### Who needs to tell us?

This duty applies to you and everyone that is insured under the contract of insurance.





**If you do not tell us**

If you, or anyone insured under your Policy, fails to comply with this duty, we may be entitled to reduce our liability under your contract of insurance in respect of a claim, cancel the contract or both. If the non-disclosure is fraudulent, we may also have the option of treating your contract of

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