

Notice to the proposed insured

APNA Member Professional Indemnity Insurance



It is a requirement of the Insurance Contracts Act 1984 and the Corporations Act 2001 that the following notices 1, 2, 3, 4, 5, 6 and 7 be brought to your attention before you apply for insurance.

1. Disclosure of relevant facts

Your 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, that 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 common knowledge
- that your insurer knows, or in the ordinary course of its business, ought to know
- as 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 a claim or may cancel the contract. If your nondisclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

Comment:

The requirement of full and frank disclosure of anything which may be material to the risk for which you see cover (e.g. claims, whether founded or unfounded), or to the magnitude of the risk, is of the utmost importance to this type of insurance. It is better to err on the side of caution by disclosing anything which might conceivably influence the insurer's consideration of your proposal.

2. Claims made and notified policy

This proposal is for a 'claims made and notified' policy of insurance.

This means that the policy covers you for claims made against you and notified to the insurer during the period of cover.

This policy does not provide cover in relation to:

- events that occurred prior to the retroactive date of the policy (if such a date is specified)
- claims made after the expiry of the period of cover even though the event giving rise to the claim may have occurred during the period of cover
- claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy
- claims made, threatened or intimated against you prior to the commencement of the period of cover
- facts or circumstances which you first became aware of prior to the period of cover, or which you knew or ought reasonably

- to have known had the potential to give rise to a claim under this policy
- claims arising out of circumstances noted on the proposal form for the current period of cover or on any previous proposal form

Where you give a notice in writing to the insurer of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts but before the expiry of the period of cover, the policy will, subject to the terms and conditions, cover you notwithstanding that a claim is only made after the expiry of the period of cover.

Upon expiry of the policy, no further claims can be made thereunder and the need to maintain insurance or arrangement of Run-Off cover is essential.

You should familiarise yourself with our standard form of policy for this type of cover before submitting this proposal.

3. Broker acting as agent of insurer

In effecting this contract of insurance the broker will be acting under an authority given to it by the insurer and the broker will be effecting the contact as agent of the insurer and not the insured.

4. Claims notification

If you become aware of a claim or of circumstances that could give rise to a claim in the future, you should notify us in writing immediately, so that we can notify your insurer on your behalf. If you become aware of a claim and circumstances and you do not notify them during the policy period, you could be left uninsured or facing a reduced payout from your insurer in respect of that claim or any future related claim.

5. Average provision

This policy provides that if a payment in excess of the limit of indemnity available under this policy has to be made to dispose of a claim, the insurer's liability for costs and expenses incurred with its consent shall be such proportion thereof as the amount of indemnity available under this policy bears to the amount paid to dispose of the claim. Any surplus will be deducted from the claim payments.

6. Subrogation agreements

Where another person would be liable to compensate you for any loss or damage otherwise covered by the policy, but you have agreed with that person either before or after the loss or damage occurred that you would not seek to recover any monies from that person, the insurer will not cover you under the policy for any such loss or damage.

7. Privacy and Insurance House

Your privacy is important to Insurance House Pty Ltd ABN 33 006 500 072 AFSL 240954. Our Privacy Policy explains how we use and disclose your personal information. Our Privacy Policy is available at www.insurancehouse.com.au or upon request when contacting us.

For full insurance terms and conditions visit www.apna.asn.au/insurance



General Advice Warning

This advice has been prepared without taking into account your personal objectives, financial situation or needs. APNA members should therefore consider the appropriateness of the advice, in light of your objectives, financial situation or needs before following the advice. Please obtain a copy of, and consider the Policy Schedule, Product Disclosure Statement (PDS) applicable to the general insurance product before making any decision from Insurance House Pty Ltd ABN 33 006 500 072 AFSL 240954.