

IMPORTANT NOTICES AND INFORMATION

This document has been prepared to assist you to understand important issues relating to your insurances. We recommend that you read it carefully. Please contact Honan Insurance Group on 1800 981 377 if there is anything you do not understand, or if you have any questions.

ALTERATION OF RISK

You must tell the Us immediately if there is a material increase or alteration in the risk/s insured. The Insurer may cancel or alter the premium and/or terms of the policy once advised of the change. If you do not tell the Insurer about a change in the risk insured, they may reduce or cancel Your cover; or refuse to pay your claim in whole or part. We may do this with effect from the date you knew, or should have known, of the increase in risk or the alteration of the risk insured.

COMPLAINTS

We have a formal complaints and dispute resolution process that is fair, efficient and accessible to all of our clients. This service is free of charge to you.

If you would like to make a complaint, please call us on 1800 981 377 or by writing to Us Level 9, IBM Centre, 60 City Road, Southbank, VIC 2006. We will do our best to resolve it quickly.

We are a member of the Financial Ombudsman Service ("FOS"). If your complaint cannot be resolved to your satisfaction by us you have the right to refer the matter to the FOS. The FOS can be contacted on GPO Box 3 Melbourne VIC 3001 or on 1300 78 08 08, fax 03 9613 6399 www.fos.org.au

PRIVACY

We value the privacy of personal information and are committed to the protection of your privacy. We are bound by the Privacy Act when we collect, use, disclose or handle personal information. We collect personal and/or business information in order to provide our various services to your such as insurance broking, claims management and risk management consultancy.

We disclose both personal and business information to third parties who are involved in the provision of our services or related entities of ours. In addition we may also provide information to the extent required by law or regulatory requirements.

If you do not provide the requested personal information we may not be able to evaluate, effect, manage or administer your policy and you may also be in breach of your duty of disclosure

We are committed to enforcing our privacy policy, which will ensure the privacy and security of your personal information. A copy of our privacy policy is available on request. A copy is also available on our website www.honan.com.au.

GENERAL ADVICE WARNING

All financial product advice that we give to you is general advice only. This advice does not take into account what you currently have, want and need for your personal circumstances. It is important for you to consider these matters and read the Product Disclosure Statement (PDS) and policy before you make a decision about an insurance product.

YOUR DUTY OF DISCLOSURE

Before you enter into a contract of general insurance with an Insurer, you must 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 must provide accurate information and not misrepresent the nature of the risk to be insured.

The duty also applies also when you seek to renew, extend, alter or reinstate a policy. It applies up to the time the policy is used, renewed, altered or reinstated

Your duty, however, does not require you to disclose matters:

- that diminish the risk to be undertaken by the Insurer,
- that are of common knowledge,
- that your Insurer knows or ought to know in the ordinary course of their business, ,
- as to which compliance with your duty is waived by the Insurer.

If you do not comply with your duty of disclosure, the Insurer may be entitled to reduce their liability under the contract in respect of a claim and/or cancel the contract. If your non-disclosure is fraudulent, the Insurer may decline the claim and may avoid the contract from its beginning.

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, the insurer may be able to cancel your insurance. If the insurer fails to do so, you may be able to sue the insurer.

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.

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, say	\$ 100,000
Amount payable by Insurers as a result of the application of Average/Co-Insurance, i.e. 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..

If you are in any doubt about whether and how Average/Co-Insurance clauses apply to your insurances, please contact your Account Manager for assistance.

SUBROGATION AND/OR HOLD HARMLESS AGREEMENTS

You can prejudice your rights to claim under your insurance if you make any agreement with a third party that will prevent or limit the Insurer from recovering the loss from that party (or another party who would otherwise be liable). This can occur when you sign a contract containing an indemnity clause, "hold harmless" clause or a release – unless you obtain the Insurer's consent in advance.

This is because some policies contain a 'contractual liability exclusions' that mean the Insurer can refuse to pay or reduce the amount it is liable to pay by the extent to which it is unable to recover from the third party. These exclusions are often found in public and products liability, broadform liability and professional indemnity policies.

Examples of such agreements are the "hold harmless" clauses which are often found in leases, in property management contracts, in maintenance or supply contracts from burglar alarm or fire protection installers and in repair contracts. Other contracts you sign from time to time relating to your business operations (e.g. supply agreements, equipment hire contracts, event hire contracts, labour hire contracts, subcontracts, design and construct contracts, consultancy agreements etc.) may contain indemnity clauses and releases which may trigger the operation of policy exclusions or breach the conditions of your insurance.

Do not sign a contract or lease without contacting your broker and/or taking legal advice as to whether the contract terms will prejudice your insurance protection under your policies. If you are in doubt or require further assistance, please consult your Account Manager.

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.

Industrial Special Risks policies automatically cover property which you are responsible to insure, subject to the policy excess. The decision as to who should insure the property is not left to your discretion. You may have other insurance (for example, public liability) which may assist you meet claims relating to property damage or personal injury caused to or by property which you lease or hire. Please note, there is usually a sub-limit on the amount of claims that can be made for damage to property in your temporary cared, custody or control.

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 damage 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.

UNNAMED PARTIES

If you require a person to be named as a co-insured, a joint insured, an insured person or if you require the interest of a third party to be covered by your policy, you **must** request this in advance. Most policy conditions will not provide indemnity to other parties (e.g., mortgagees, lessors, principals etc) unless their interest is properly noted on the policy. Please note, while we can ask, we cannot guarantee that an insurer will accommodate a request to include a further party as an insured under your policy or to note the interests of another party on your policy.

If this is required under a contract or agreement, do not sign the contract without checking with us whether the insurer is prepared to include the other party as an insured or note that party's interests. You should also be aware that it may not be in your best interests to make arrangements to have someone else insured under the terms of your policy. We can advise you about this.

If you would like assistance or guidance with the insurance requirements under a contract, please consult your Account Manager.

INSURANCE WITH UNAUTHORISED FOREIGN INSURERS

If your risk is atypical or the insurance cannot reasonably be placed with an Australian authorised insurer, we may recommend that you insure with an unauthorised foreign insurer.

An unauthorised foreign insurer is an insurer that is not authorised under the Insurance Act 1973 (**Act**) to conduct insurance business in Australia and is not subject to the provisions of that Act, which establishes a system of financial supervision of general insurers in Australia that is monitored by the Australian Prudential Regulation Authority (**APRA**).

The insurer cannot be a declared general insurer for the purpose of Part VC of the Insurance Act 1973, and, if the insurer becomes insolvent, you will not be covered by the Federal Government's Financial Claims Scheme provided under Part VC of that Act.

If we do recommend that you insure, vary or renew your insurance with an unauthorised foreign insurer, we will tell you about that insurer and which policies we have placed with them.

You should consider whether you require further information regarding:

- The country in which the insurer is incorporated, and what scheme of financial supervision of insurers applies;
- The paid up capital of the insurer;
- The insurer's rating by credit rating agencies;
- The insurer's financial reports; and
- Which country's laws will determine disputes in relation to the policy.

As your insurance broker, we do not warrant or guarantee the current or ongoing solvency or financial viability of the insurer because we have no control over the insurer's performance and this can be affected by many complex commercial and economic factors. The solvency of an insurer can change significantly between the time an insurance contract is entered into and the time a claim may be made. If you have concerns about the insurer's solvency you should review the insurer's credit rating from time to time.

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.

CLAIMS MADE DURING THE PERIOD OF INSURANCE

Some policies (for example, professional indemnity insurance) 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 in this Manual or as indicated in 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 before the current policy expires so that we can seek terms of insurance and quotations on your behalf.