

NOTICE TO INSURED

Basic rules to avoid problems with claims

1. Notify claims promptly

You must notify us promptly when an incident, which may give rise to a claim, occurs. Delays may prejudice negotiations and entitle the insurer/s to repudiate the claim. In the event of uncertainty the incident should always be reported.

2. Disclose all facts

The law imposes duties upon anyone entering into an insurance contract. The proposer (i.e. you) has a duty to disclose all facts or circumstances that may influence the insurer's decision to accept the insurance and which terms and premium rates to apply. This duty arises not only prior to taking out an insurance policy; it is a requirement throughout the period of insurance.

Responsibility for the provision of accurately completed documentation, e.g. proposal forms or claims forms, lies solely with you. Failure to disclose all facts could result in the non-payment of a claim.

Some examples of material facts are:-

- 1) Changes to your business activities
- 2) Letting part of your business premises to a Third Party
- 3) Previous incidents of loss or damage which you may not have claimed for under an insurance policy
- 4) Changes to your business processes, e.g. introduction of a new machine or new method

3. Ensure you understand insurers' conditions

All insurances contain conditions and exclusions and some contain warranties. If any specified condition, exclusion or warranty is contravened, the insurance cover may be completely void. It is vital that you understand your obligations and carry out any actions required to validate the insurance.

4. Take special care with Professional Indemnity policies

If you become aware of any claim, or circumstances which could lead to a claim, you must notify your broker or insurer immediately – IN WRITING. Failure to do so could jeopardise your position.

Many situations can be recognised as a potential claim before they actually become a formal legal action. Look carefully at the notification provisions of your cover and be sure to follow them. Danger signs include:

- A verbal complaint from a dissatisfied customer, or the threat to 'take the matter further'.
- A letter of complaint with allegations of neglect, error or omission.
- A customer refusing to settle or delaying settlement of an account for an unreasonable length of time.

These are indications of the type of circumstance that may arise; it is not an exhaustive list. If you are in doubt as to whether a particular situation constitutes a 'circumstance', you are advised to inform your broker or insurer so as to keep your interests protected.

After notifying us of any 'circumstance', you should be careful not to prejudice your, or the insurer's, position. Ideally you would do nothing; but if you do, always seek advice before trying to remedy the situation. You could make it worse. If you are pushed for a response from a complainant, advise them that you are "looking into the matter" and will get back to him/her when you have further information. Any other action might leave you without insurance if it was not sanctioned by your insurer/s.