Important Notices

General
Many areas of insurance are complex and some implications may not be evident to you. Your Client Servicer will keep you informed, but if at any time you are unsure of any aspect of your insurances, please contact Willis Australia Limited ("Willis") to discuss the matter

Utmost Good Faith
A contract of insurance is a contract of the utmost good faith. This means that you and the Insurer must act towards each other, in respect of any matter arising under or in relation to the contract, with the utmost good faith. For example:

- you must act with the utmost good faith when submitting any claim to the Insurer
- if you fail to act towards the Insurer with the utmost good faith, it may prejudice the claim; and
- the Insurer must act with the utmost good faith when handling the claim.

Everyone who is a beneficiary under the policy is also required to act with the utmost good faith after the contract of insurance has been entered into.

Your Duty of Disclosure
You and everyone who is insured under your policy must comply with the duty of disclosure. The duty requires you to tell the Insurer certain matters which will help it decide whether to insure you and, if so, on what terms. The duty applies when you first apply for your policy and on any renewal, variation, extension or replacement of the policy. The type of duty that applies can vary according to the type of policy.
If we act on your behalf, to assist us in protecting your interests, it is important that you tell us every matter that you know or could be reasonably expected to know, is relevant to the Insurer's decision whether to insure you and, if so, on what terms. You do not need to tell us anything that reduces the risk insured, or is common knowledge, or the Insurer knows or should know as an insurer, or the insurer waives your duty to tell them about.
If we act on behalf of the Insurer, you need to refer to the policy which will set out the duty that applies.
When you answer any questions asked by the Insurer, you must give honest and complete answers and tell the Insurer, in answer to each question, about every matter that is known to you and which a reasonable person in the circumstances could be expected to have told the Insurer in answer to the question.
Examples of matters that should be disclosed are:

- any claims you have made in recent years for the particular type of insurance;
- refusal by an Insurer to renew your policy;
- any unusual feature of the insured risk that may increase the likelihood of a claim.

If you (or anyone who is insured under the policy) do not comply with the duty, the Insurer may cancel the policy or reduce the amount it pays in the event of a claim. If the failure to comply with the duty is fraudulent, the Insurer may treat the policy as if it never existed and pay nothing.

Material Change of Risk
Many policies require you to notify the Insurer in writing of any material change to the insured risk during the period of insurance. The Insurer can then decide whether to cover the new risk. Some examples of material changes are if you:

- change your profession, occupation or type of business;
- acquire or merge with another business;
- commence manufacturing plastics, or commence woodworking activity;
- commence manufacturing a new kind of product;
- are unable to pay your debts as they fall due and you enter into an arrangement with your creditors; or
- Commence operations in new jurisdictions, in particular USA and Canada.

If you are in any doubt as to whether the Insurer should be told about any particular change to the insured risk, please ask us.

Interests of Third Parties
Many policies do not cover the interests of third parties (eg co-owners, lessors and mortgagees) whose interest is not noted on the policy. If you require the interest of any third party to be covered, please let us know, so that we can ask the Insurer to note that Party's interest on the policy.

Subcontractors and Consultants
It is advisable to check that all insurances held by subcontractors and consultants utilised, including Workers' Compensation, Public Liability and Professional Indemnity are current and comply with any contractual requirements.

Leasing, Hiring and Borrowing Property
When you lease, hire or borrow property, plant or equipment, make sure that the contract clearly identifies who is responsible for insurance. This will help avoid arguments after a loss and ensure that any claims are efficiently processed.

Recovery Rights / Hold Harmless / Waiver of Subrogation
Many policies exclude or limit the Insurer's liability if you have entered, or enter into an agreement that excludes or limits your rights of recovery against third parties whose acts, errors, omissions or other conduct have caused or contributed to your loss or liability. (These are often called "hold harmless" agreements.)
If you have entered into, or are considering such an agreement, please let us know, so that we can advise whether such an exclusion exists in your policy(s), or we can ask for clarification from the Insurer(s). Willis is unable to provide you with legal advice and you may wish to obtain your own independent legal advice on your contractual obligations.

Average or Co-insurance Clauses (Underinsurance)
Many policies that cover loss of or damage to property contain what is called an "average" or "co-insurance clause" which may reduce the amount of a claim payable under the policy. Briefly stated, an "average" or "co-insurance" clause provides that where the value declared by the insured or the sum insured under the policy is less than the full value of the interest insured, the Insurer is only liable to pay a proportion of the loss or damage, i.e. you are treated as if you self-insured part of the risk.
If your policy contains an "average" or "co-insurance" clause, please read it carefully to see how it affects the amount of cover under the policy.
Areas that are of concern to our clients are the adequacy or otherwise of:

- replacement values for Assets
- Consequential Loss declared values of either Gross Revenue, Gross Profit, Gross Rentals and Wages.
- It is preferable that:
- if your policy provides "new for old" cover, the declared value is sufficient to cover the cost of replacing any lost or damaged property with new property;
- when reviewing building values, you make allowance for compliance with current building regulations and building cost increases since your last valuation, lead times for council approval, and the like.
- when reviewing replacement costs for Plant and Machinery, you make allowance for currency fluctuations that can occur in the cost of imports from some countries. You should also consider technological changes, import duties and current and future inflationary trends.

We recommend that you supply us with a copy of your most recent insurance valuation(s) in respect of Buildings, Contents, Plant and Machinery and have these valuations updated so they remain current.

Making Claims
It is important that you notify us of any claim or potential claim or circumstance that may give rise to a claim under your various policies. It is your responsibility to notify these circumstances to us. Failure to adhere to the notification requirements particularly timing, as set out in the policy or other coverage document, may entitle Insurer(s) to deny your claim. In presenting a claim it is your responsibility to disclose all facts which are material to the claim.
It is impossible to give guidelines for procedures in every claim, simply because of the nature of accidents; they cannot be predicted; and they do not follow set patterns. However, by

following the general procedures outlined below, the impact of an incident or loss on your business operations will be minimised.

1. Report the incident to Willis preferably by telephone or email – wherever possible, within 24 hours of the incident and make sure you receive an acknowledgment from us.
2. Regardless of whether or not the claim has been reported or a loss assessor appointed, you must immediately do whatever is necessary to prevent further loss of life or property damage. For example:

- Call the fire brigade, ambulance, police or other appropriate emergency service.
- If during business hours, ensure the evacuation, if necessary, of staff and neighbours.
- If critical machinery fails, commence investigations to locate replacement plant or services.
- Have a security company install boarding over smashed windows and, if appropriate, employ an overnight security watchman.
- Remove property which is exposed to further damage to a more secure place if possible.
- Providing no danger to life or limb is involved, ensure the safe removal and storage of vital business records.

3. Complete all claims documentation and forward to Willis with any supporting documents without delay.
4. Whatever the circumstances of the incident, DO NOT ADMIT LIABILITY EVEN IF YOU THINK YOU ARE AT FAULT. Your Insurer is entitled to deny a claim or pay a reduced amount if statements made by you or your employees prejudice the Insurer's position.

"Claims Made" Policies

Some kinds of liability policies (such as Professional Indemnity, Directors' and Officers' Liability, Trustees Liability and Commercial Builders Structural Defects) are issued on a "claims made" basis. This means that (subject to the other terms of the policy) the policy only covers claims first made against you and notified to the insurer during the period of insurance.

Under section 40(3) of the Insurance Contracts Act, if your policy is a "claims made" policy, and if you give notice in writing to the Insurer of facts that might give rise to a claim against you as soon as is reasonably practicable after you become aware of those facts but before the period of insurance expires, the policy will cover (subject to the other terms of the policy) any subsequent claim against you that arises from those facts, even if that claim is not made until after the period of insurance has expired. In order to ensure that any entitlement to indemnity under the policy is protected, you must therefore report all incidents that may give rise to a claim against you to the Insurers without delay after such incidents first come to your attention and prior to the expiration of the policy period.

If your policy is a "claims made" policy, and if it has a "retroactive date", it will not cover any claim that arises from any act, error, omission or conduct that occurred before that retroactive date.

Where Placement Is With an Unauthorised Foreign Insurer

An unauthorised foreign insurer is an insurer that is not authorised under the Insurance Act 1973 (the Act) to conduct insurance business in Australia and is not subject to the provisions of the 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 Act, and, if the insurer becomes insolvent, you will not be covered by the Federal Government's Financial Claims Scheme provided under Part VC of the Act.

Insurance Brokers (and underwriting agencies) are prohibited from dealing in a general insurance products issued by an unauthorised foreign insurer unless certain exemptions apply.

If an unauthorised foreign insurer is an option for you, we will liaise with you regarding placement of your insurance so that an assessment can be made as to whether an exemption applies.

If you agree to use an unauthorised foreign insurer 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

Statutory Imposts in Overseas Jurisdictions

Your insurance risks may be in more than one international jurisdiction. Where required we will liaise between you and the Insurers to seek to agree the apportionment of the premium between applicable jurisdictions, and the amounts of local statutory charges and/or taxes payable in each jurisdiction in relation to policies insuring those risks.

In providing such services, Willis is acting in its capacity as an insurance broker and does not hold itself out to provide advice in relation to the statutory charges and/or tax laws of any applicable jurisdiction. We recommend you seek your own advice in relation to such imposts where you consider it necessary. We will not be liable to you should the apportionment of premium or amount of local imposts payable under the policies be challenged by any local authority, or for any penalties or other charges that may arise. In addition, we will not be liable to you should the Insurers fail, or refuse, to collect and pay such imposts to the relevant authorities.

Cooling Off Period Rights

For certain policies covering personal or domestic property (e.g. motor, home buildings and contents, travel, sickness and accident and consumer credit insurance), you may have a right under the Corporations Act to return your policy during any applicable cooling off period. The policy will usually set out the right but some may not. You can ask us if it applies. The period can be no less than 14 days from entry into the policy but it may be longer at the Insurer's option. The right does not apply if you have exercised a right under the policy (e.g. made a claim).

The amount of premium refunded will vary for each Insurer. They are permitted (unless the policy states otherwise) to deduct:

- an amount representing the Insurer's period of time on risk;
- any tax or duty paid or owing for which the Insurer is unable to obtain a refund; and
- any reasonable administrative and transaction costs incurred by the Insurer reasonably related to the acquisition of the policy and termination of the relationship which do not exceed the true cost of an arm's length transaction.

Despite the cooling off period you still may have cancellation rights under your policy which have no time limit. If you want to return or cancel your policy contact us so we can assist.

Misstatement of Premium

We try to tell you the correct amount of premium and statutory charges that apply to your insurance. In the event that we misstate that amount (either because we have made an unintentional error or because a third party has misstated the amount), we reserve the right to correct the amount. By instructing us to arrange insurance for you, you agree, where permitted by law, that you shall not hold us responsible for any loss that you may suffer as a result of any such misstatement..

Payment of Premium

Payment of premium is required on receipt of invoice(s). This is an important part of the transaction and often there are strict payment requirements imposed by Insurers. It is important to note, Willis will not be responsible for any consequences that may arise from any delay or failure by you to pay us the amount payable on receipt of invoice(s).

Ranges of Brokerage We May Earn

For an extensive list of the ranges of brokerage we may earn, please refer to our Financial Services Guide.

Financial Services Guide (FSG) and/or Terms of Business Agreement (TOBA)

Our FSG and/or TOBA contain important information about our relationship with you. Copies of our FSG and/or TOBA can be obtained by contacting your Client Servicer, or from our website at https://www.wtwco.com/en-au/notices/toba/terms-of-business-agreement-crb-au