

ISSUES FOR PUBLIC LIABILITY AND ACTIVITIES

Under a Public Liability policy there are two key areas to consider regarding the inclusion of any activities within your insurance policy.

Policy exclusion:-

If an activity is either excluded in the policy schedule or within the policy wording (these two documents need to be read as one) then the policy will provide NO cover for that activity, unless the exclusion is removed by endorsement.

An example of this is Aircraft, these are specifically excluded in the policy wording so no cover applies or Go-carts, they are specifically excluded in the poli-

cy schedule, again no cover applies.

Disclosure:-

Typically all insurance policies include a Disclosure statement similar to the one below which is prescribed in the Insurance Contracts Act 1984.

YOUR DUTY OF DISCLOSURE:

Before you enter into a contract of general insurance with an insurer, you have a legal duty under the Insurance Contracts Act

1984, to disclose to the insurer every matter that you know, or could be reasonably expected to know, is relevant to the insurers decision whether to accept the insurance and if so, on what terms.

You have the same legal duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

NON DISCLOSURE:

If you fail to comply with your

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What this means:-

When a new policy is taken out and at the time of each renewal (also if cover is altered) questions are asked about the proposed activities so that the insurer can decide if they are prepared to offer cover for these activities and what premium should be charged for the risks they pose. This can result in 3 alternative outcomes.

- ◆ If there is non-disclosure of something that the insurer would generally cover at no extra cost then there isn't much issue.

- ◆ If there is non-disclosure of something that they would cover, but at a higher premium, generally the insurer will ask for back payment and then still provide cover.
- ◆ However if there is non-disclosure of something they would never have covered, then they can deny liability for a claim in full.

Full disclosure is the best way to make sure there are no issues, sometimes an insurer will be excluded and item until such time as a full risk assessment is undertaken, generally this is to ensure that the insured has put in place suitable measures to make the activity as safe as possible and so that they can see the risk is being professionally managed.

As a general rule, it is better to tell an insurer too much rather than too little, having said that there is no need to tell them about things that are common knowledge for

example that food will be served or people will walk on the paths, these are deemed common knowledge that any insurer should know are automatically part of the risk for every client in your industry, they cannot deny liability for these items.

It is also generally wise not to request cover for such a wide range of activities that your insurance becomes unaffordable, we would advise all clients that it is better to do a limited number of things well rather than too many things poorly.



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