

Important Information

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 to repudiate the claim. In the event of uncertainty the incident should always be reported.

2. Duty of Fair Presentation

You are responsible for providing complete and accurate information which insurers require in connection with any proposal for insurance cover. You have a duty to give a fair presentation of risk to the insurer. You should disclose every material circumstance relevant to the risk being insured following a reasonable search within your business to identify and verify such information. This should include information which you and, where applicable, your senior management, persons responsible for arranging your insurance or other relevant third parties know or ought to know. It should include all information that would influence the judgement of the insurer or that would put the insurer on notice that it needs to make further enquiries.

Examples of material circumstances are:

- Changes to your business activities, Letting part of your business premises to a Third Party
- Previous incidents of loss or damage which you may not have claimed for under an insurance policy
- Changes to your business processes, e.g. introduction of a new machine or new method
- Revoked licence or Imposed sanctions by the Environmental Agency or prosecutions by the Health and Safety Executive or similar governing or legislative body
- Special or unusual circumstances relating to the risk.
- Any particular concerns which led you to seek insurance cover for the risk; and
- Anything which those concerned with the class of insurance and field of activity in question would generally understand as being something that would be dealt with in a fair presentation of risks for this type of insurance.

The information must be presented in a way which would be reasonably clear and accessible to a prudent insurer. If you are unsure whether to disclose any information you should speak to us. You need to take into account the size & complexity of your business, and allow yourself sufficient time before your renewal date to consider and / or assess your insurance requirements. Failure to provide a 'fair representation' may result in a number of remedies by the insurer. If the breach was deliberate or reckless the insurer can void the contract and keep the premium. If the breach was not deliberate or reckless the insurer can void the contract, proportionately reduce a claim settlement or amend the insurance policy terms and conditions then review the merits of a claim on this basis.

You should therefore always provide complete and accurate information to us when questioned regarding the insurance risks your business faces before taking out a policy, at renewal and throughout the life of the policy. This also applies to your responses in relation to any assumptions you may agree to in the process of applying for insurance cover. 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.

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.