Things you need to tell your insurer

Duty of disclosure

When you apply for insurance, you'll be asked a series of questions by your insurer. You must provide full, honest and accurate information in response to these questions, as well as providing any additional information that may be relevant to the insurer. This is known as your duty of disclosure.

The information you provide your insurer is used to decide what cover they can provided you, how much premium to charge and any special terms or conditions that might need to be applied – such as an additional excess or limitations to cover.

> **TIP**
> If you're not certain whether your insurer might need to know something, it's best to ask them.

When you need to disclose

The duty of disclosure applies at all times. You need to update your insurer on anything they need to know
- when you take out insurance
- each time your policy is renewed
- if anything changes between these times.

Things you might need to tell your insurer about you, your partner or any other person insured under your policy include:

All insurances
- criminal convictions, subject to the Criminal Records (Clean Slate) Act 2004
- any previous refusal by an insurer to insure you or if special terms were applied
- previous claims including those that were declined by an insurance company

Motor insurances
- driving offences and infringements
- any use of the vehicle for business purposes
- any non-factory modifications to the vehicle
- details of the main driver and additional drivers of the vehicle

Home and contents insurances
- if you're renting out your house
- if the house will be unoccupied beyond a period allowed in the policy (usually 60 days)
- if you plan to do major repairs or renovate your house or outbuildings
- pre-existing damage to your property
- if the house is used for business purposes
- if the house is exposed to specific risks due to its location – such as floods or landslips
- any security measures in place at the house – such as monitored burglar alarms
- if you are moving house or putting your contents in storage.

> **TIP**
> There are some things you'll need to tell your insurer about immediately – such as if you receive a criminal conviction. These things will be noted in your policy documents so make sure you read them in full.

If you don't tell your insurer everything

If you don't tell your insurer everything they need to know then you have breached your duty of disclosure.

Depending on the date the information should have been provided, your insurer may:
- refuse to pay part or all of any claim you make
- treat the policy as having never existed – either from the start of the policy or from the time the information should have been disclosed.

If you deliberately chose not to tell them something, or chose to tell them something you know isn't correct, your insurer might refuse to continue insuring you. If they do this, you may find it difficult to get insurance from other insurers in the future.

There's more information on page 5 of the Fair Insurance Code about the duty of disclosure.

You can download the Fair Insurance Code here: https://www.icnz.org.nz/fair-insurance-code/download-the-code/.

Fraud

Deliberately choosing not to tell you your insurer something or choosing to tell them something you know isn't correct is fraud. Insurance fraud is a crime in New Zealand.

One of the most common forms of insurance fraud is not telling an insurer everything they need to know when a policy is being taken out. This causes the insurer to accept business which would otherwise be refused or to charge less for that business than they normally would, based the risk it poses.

Examples of this type of fraud are
- when a customer says they use their house for private use when they're actually using it for business
- when a customer fails doesn't tell their insurer about their full claims history
- if a customer chooses not to tell their insurer about any criminal convictions they've received
- If a young person insures their car in their parent's name to get a cheaper premium.