

2 Duty to take reasonable care

The duty to take reasonable care

When you apply for insurance, you are treated as if you are applying for cover under an individual consumer insurance contract. A person who applies for cover under a consumer insurance contract has a legal duty to take reasonable care not to make a misrepresentation to the Insurer before the contract of insurance is entered into.

A misrepresentation is a false answer, an answer that is only partially true, or an answer which does not fairly reflect the truth.

This duty also applies when extending or making changes to existing insurance, and reinstating insurance.

If you do not meet your duty

If you do not meet your legal duty, this can have serious impacts on your insurance. Under the Insurance Contracts Act 1984 (Cth) there are a number of different remedies that may be available to the Insurer. They are intended to put the Insurer in the position it would have been in if the duty had been met. For example, the Insurer may:

- avoid the cover (treat it as if it never existed);
- vary the amount of the cover; or
- vary the terms of the cover.

Whether the Insurer can exercise one of these remedies depends on a number of factors, including:

- whether reasonable care was taken not to make a misrepresentation. This depends on all of the relevant circumstances;
- what the Insurer would have done if the duty had been met – for example, whether it would have offered cover, and if so, on what terms;
- whether the misrepresentation was fraudulent; and
- in some cases, how long it has been since the cover started.

Before any of these remedies are exercised, the Insurer will explain the reasons for its decision, how to respond and provide further information, and what you can do if you disagree.

Guidance for answering the questions in this form

You are responsible for the information provided to the Insurer. When answering questions, please:

- Think carefully about each question before you answer. If you are unsure of the meaning of any question, please ask us before you respond.
- Answer every question.
- Answer truthfully, accurately and completely. If you are unsure about whether you should include information, please include it.
- Review your application carefully before it is submitted. If someone else helped prepare your application (for example, your adviser), please check every answer (and if necessary, make any corrections) before the application is submitted.

Please note that there may be circumstances where the Insurer later investigates whether the information given to it was true. For example, it may do this when a claim is made.

Changes before your cover starts

Before your cover starts, the Insurer may ask you whether the information that has been given as part of your application for insurance remains accurate or whether there has been a change to any of your circumstances. As any changes might require further assessment or investigation, it could save time if you let us or the Insurer know about any changes when they happen.

If you need help

It's important that you understand your obligations and the questions that are being asked. Please contact us for help if you have difficulty understanding the process of obtaining insurance or answering any questions.

Please also let us know if you're having difficulty due to a disability, understanding English or for any other reason – we're here to help and can provide additional support.

3 Eligibility for White Collar or Professional work rating

Complete the questions below.

1. Are the usual activities of your main job 'white collar'? Yes No
 - you spend more than 80% of your job doing clerical or administrative activities in an office-based environment, or
 - you're a professional using your university qualification in a job that has no unusual work hazards (some examples of unusual work hazards include: working underground, working underwater, working at heights or working in the air).
2. Do you earn \$100,000 or more a year (excluding Superannuation Guarantee (SG) contributions) from your job(s)? Yes No

This amount is pro rata for part-time employment (for example, if you work part-time 4 days a week and earn \$96,000 a year, your pro rata/full time equivalent is \$120,000).
3. Do you have a university qualification? Yes No
4. Do you have a management role in your company? Yes No

If your application for a White Collar or Professional work rating is accepted by the Insurer, we'll confirm your new individual work rating and the cost of your cover in writing.

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