

INSURANCE DECLARATION

A. YOUR DUTY OF DISCLOSURE

Before you enter into a contract of general insurance with an insurer, you have a duty to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

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

Your duty however does not require disclosure of any matter:

- That diminishes the risk to be undertaken by the insurer;
- That is of common knowledge;
- That your insurer knows or, in the ordinary course of its business, ought to know;
- As to which compliance with your duty is waived by the insurer.

Non-disclosure

If you fail to comply with your duty of disclosure, the insurer may refuse to pay your claim or avoid the contract from its beginning.

B. CLAIMS MADE AND NOTIFIED POLICY

Section 1, Section 3 & Section 4 of this policy, the Professional Indemnity, Directors and Officers Indemnity and Statutory Liability sections, apply on a claims made and notified basis.

This means that Section 1, Section 3 and Section 4 of the policy respond to:

- 1) Any claim first made against you during the period of insurance and notified to the underwriter during the period of insurance, provided that you were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a claim may be made against him/her; and
- 2) Any claim made against you after the expiration of the policy provided such claims arise out of facts that you have notified to the insurer in writing during the period of insurance. The facts that you may decide to notify are those which could reasonably be expected to give rise to a claim against you. Such notification must be given as soon as reasonably practicable after you become aware of the facts and prior to the time at which the policy expires. If you give written notification of facts during the period of insurance, the policy will respond even though a claim arising from those facts is made against you after the policy has expired.

C. RETROACTIVE DATE

Section 1 (Professional Indemnity) and Section 4 (Statutory Liability) of the policy contains a retroactive date. This means that cover is excluded for any claim arising from a wrongful act occurring or committed prior to the retroactive date.

D. PRIOR AND PENDING LITIGATION DATE

Section 3 (Director's and Officer's Indemnity) of the policy contains a prior and pending litigation date. This means that cover is excluded for any claim arising from any wrongful act relating to any prior and/or pending litigation committed before the prior and pending litigation date.

E. PRESERVATION OF INSURER'S RIGHTS OF RECOVERY/SUBROGATION

The policy contains provisions to the effect that the insured shall not surrender any right of recovery that it may have against another party without the insurer's written consent. Failure to comply with this condition may permit the insurer to reduce its liability in respect of a loss under the policy.

F. AUTOMATIC RENEWAL OF POLICY

We will advise you in writing at least 1 month prior to the expiry of your policy. Unless we hear from you to the contrary we will automatically renew your policy 14 days prior to expiry. The automatic renewal will be based upon the details we currently hold on file including (but without limitation) your turnover, occupation, number of employees and the level of cover held for the previous year.

If any details have changed, or you require any changes to the level of cover you hold, it is your responsibility to contact us and inform us of these details.

We will use the credit card details you previously provided to process payment unless you contact us to advise that you do not require renewal of your policy.

G. LLOYD'S FINANCIAL STRENGTH RATINGS

The current financial strength ratings for Lloyd's are:

STANDARD & POORS – AA- (VERY STRONG) STABLE OUTLOOK

The Standard & Poors rating scale of which this rating forms a part is as follows:

Secure ratings

AAA or AAA pi	Extremely Strong
AA+	Very Strong
AA or AA pi	
AA-	
A+	Strong
A or A pi	
A-	
BBB+	Good
BBB or BBB pi	
BBB	

Vulnerable ratings

BB+	Marginal
BB or BB pi	
BB-	
B+	Weak
B or B pi	
B-	
CCC or CCC pi	Very Weak
CC	Extremely Weak
R	Regulatory action

A M BEST – A+ (SUPERIOR) POSITIVE OUTLOOK

The AM Best rating scale of which this rating forms a part is as follows:

Secure ratings

A++ & A+	Superior
A & A-	Excellent
B++ & B+	Good

Vulnerable ratings

B & B-	Fair
C++ and C+	Marginal
C & C-	Weak
D	Poor
E	Under regulatory supervision
F	In liquidation
S	Rating suspended

FITCH – AA- (VERY STRONG) STABLE OUTLOOK

The Fitch rating scale of which this rating forms a part is as follows:

AAA	Exceptionally Strong	BB	Moderately Weak
AA	Very Strong	B	Weak
A	Strong	CCC	Very Weak
BBB	Good	CC	Extremely Weak
		C	Distressed

“+” or “-“ may be appended to a rating to indicate the relative position of a rating within the rating category. Such suffixes are not added to ratings in the AAA category or to ratings below the ‘B’ category.