Barchester Financial Services Pty Ltd
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Important Information when making statements during Insurance Applications

Duty to take reasonable care not to make a misrepresentation

When applying for insurance, there is 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 the duty is not met, this can have serious impacts on your insurance. Your cover could be avoided (treated as if it never existed), or its terms may be changed. This may also result in a claim being declined or a benefit being reduced. Please note that there may be circumstances where the insurer may investigate the information given in the application to determine if it was true. For example, when a claim is made.

Note: Your new insurances will not commence until the insurers have completed their assessments and issued the insurance policies. The length of the process from start to finish depends on several factors - in particular, the time it takes for the insurers to receive all the information, medical examination, or test results it requires to fully assess your application. If you cancel your existing cover before the recommended policies are in place you could be left uninsured, leaving you exposed if an accident or illness were to occur.