

Important provisions guide

We wish to highlight those terms in your policy which we consider to be key. Our aim is to ensure that you fully understand the obligations you have under your insurance policy.

Warranties and conditions precedent

Prior to the implementation of The Insurance Act 2015 (The Act) effective from 12 August 2016, insurers were entitled to impose warranties and conditions precedent to liability.

A warranty is an undertaking by the insured that:

- something will or will not be done
- a certain fact does or does not exist

Note that, although in the majority of instances the warranty will be phrased “it is warranted that...” the word “warranty” may not appear at all – for example a warranty could be phrased “if you do not....”

Prior to The Act, failure to comply with a warranty under English law meant automatic termination of the whole policy from the date of the breach irrespective of whether the breach had any relevance to the claim.

Following implementation of The Act, an insurer will no longer be able to rely on a breach of warranty to reject a claim if the breach is not connected to the actual loss that has occurred. In addition automatic and permanent termination of cover will no longer be the insurers sole remedy for a breach of warranty; instead cover will be suspended while the insured is in breach.

Clauses that turn all the disclosed information into a warranty (known as basis of contract clause) are strictly prohibited under The Act.

When a condition is applied it is your responsibility to fulfil the requirement set by the insurer, within any stipulated timescale to ensure unrestricted cover is in place.

Prior to the Act insurers often stipulated that a particular condition was precedent to any liability of the insurer. Failure to comply with a condition precedent to liability (as opposed to a condition precedent to contract) allowed the insurer to avoid liability for the claim but not the policy as a whole.

The act provides that an insurer will not be able to rely on non-compliance with a policy term. If the insured can show that the non-compliance with the policy term could not have increased the risk of the loss. For example, an insurer could not refuse to pay a flood claim because an alarm warranty was breached.

Subjectivities

The policy cover may be granted by insurers subject to certain requirements whereby failure to comply may result in cover not being in place depending on the nature and consequences of the subjectivity. Where we highlight any subjectivities please contact us immediately if you are unsure as to the meaning and/or provisos of subjectivities, or are unable to comply.

If any of these terms are unacceptable, or if you feel that you do not properly understand any term or the explanation of it, which we have provided, please contact us immediately. This will provide us with the opportunity to discuss it further with you and, if appropriate, to seek a solution with your insurers.

Liability

Your principal policy exclusions

- Loss of or damage to your own property
- Ownership or use of any vehicle, aircraft, hovercraft or water-borne craft
- Medical malpractice (except for first-aid provided which is included)
- Deliberate, dishonest, criminal or reckless acts
- Abuse in respect of the individual accused or alleged to have committed abuse or have permitted abuse
- Restricted cover in respect of USA/Canada as defined in your policy schedule
- Membership, prior to the most recent date of joining
- Contractual terms which go beyond the duty of care you owe at common law
- War and terrorism
- Asbestos risks

In addition, we draw your attention to the specific **conditions**, **warranties** and **exclusions**, which apply to your policy cover as shown under the sections of cover selected. The full clause wording can be found within the policy schedule.

A complete list of exclusions can be found in the policy wordings.

Conditions

Conditions – where cover is shown as insured in your policy schedule

- General terms and conditions
 - General conditions
 - Page 3 – General condition 1. Presentation of the risk
 - Page 3 – General condition 2. If you fail to make a fair presentation
 - Page 3 – Change of circumstances
 - Page 3 – If you fail to notify us of a change of circumstances
 - Page 4 – Reasonable precautions
 - Page 4 – Premium payment
 - General claims conditions – Page 5 - Your obligations
- Public and products liability
 - Page 5 - Your obligations
 - Page 5 - Correcting problems
- Employers Liability
 - Page 3 - Your obligations
- Professional Indemnity – Page 3-Your obligations
- Management Liability – Page 8 -Your obligations

Basis of cover

The sections of the policy are written on a claims occurred basis. Simply this means that a claim on these sections will be covered if incidents occur within your policy period.

All other sections of the policy are provided on a “claims made basis and as such it is essential that any claims or circumstances that might give rise to a claim are notified during the policy period in accordance with the terms of the policy wording, otherwise right to indemnity under this insurance will be forfeited.



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