

# Equipment Insurance Policy – New Zealand

## Policy Wording

### AGREEMENT TO INSURE

In return for payment of the premium stated on the Tax Invoice, the Insurer will cover the *equipment* on the terms set out in this policy during the period of insurance.

### ACCIDENTAL DAMAGE

The Insurer will compensate you on the terms and conditions of this policy, for *accidental damage* to the *equipment* occurring by physical means.

### ACCIDENTAL LOSS

The Insurer will compensate you on the terms and conditions of this policy for *accidental loss* of the *equipment*.

### THEFT

The Insurer will compensate you on the terms and conditions of this policy for *theft* of the *equipment*.

### INSURER'S LIABILITY

The Insurer may either repair or replace damaged *equipment*. Any replacement will be with an item of similar function, type, capacity and serviceability as the insured *equipment*. The Insurer will not pay more than the lowest of:

- The cost of such a replacement item;
- The amount for which you have insured the *equipment* (which will be shown on your Insurance Certificate);
- The cost of repairing the damaged *equipment*. If the *equipment* is repaired, the Insurer will not pay more than the reasonable cost of repairing the damaged *equipment*.

### INSURER'S MAXIMUM LIABILITY

The most the Insurer is liable to pay in meeting all claims under this policy is two times the sum insured of the *equipment* stated on the Insurance Certificate less all excess.

### REPLACEMENT EQUIPMENT

Where *equipment* insured under this policy is replaced by *equipment* of the same type and value which also includes loaned or hired replacement *equipment*, then cover will be automatically provided for this replacement *equipment* subject to:

- Cover ceases for the *equipment* being replaced from the date of purchase of the replacement *equipment*; or in the case of hired in or loaned in replacement *equipment*, cover ceases from the date the insured takes physical possession of the loaned in or hired in replacement *equipment*;
- Chubb's liability is as per the Sum Insured of the *equipment* being replaced;
- Cover does not apply to new items which are not replacing *equipment* already insured by this policy;
- Details of the replacement *equipment* are to be provided to Protecsure within 90 days of acquiring replacement *equipment*;
- All other terms and conditions of this policy.

### PERIOD OF INSURANCE

Insurance cover applies for the period stated in the Insurance Certificate. Cover ceases when a cancellation event first occurs.

### EXCESS

You must pay the excess stated on the Insurance Certificate each time a claim is accepted and before the claim is finalised.

## ADDITIONAL BENEFITS

### Automatic Additions

This policy extends to include equipment acquired by you during the period of insurance provided that:

- the equipment is of a similar make, kind, value, class or design to the *equipment* currently insured under the policy;
- the Insured provides written declarations to the Insurer no later than ninety (90) days after the acquisition of the value of the acquired equipment including providing proof of purchase; and
- the Insured must pay the ratable proportion of the premium from the date of acquisition of such equipment to the expiry of the period of insurance; and
- the value of such newly acquired equipment does not exceed \$50,000 per item and \$200,000 for all items.

### Removal of Debris

Where *equipment* suffers *accidental damage* covered by this policy, Chubb will also pay the reasonable costs of the removal of debris directly relating to the damaged *equipment* limited to 10% of the sum insured of the damaged *equipment*.

### Additional Costs Associated With Repair

Where a claim has been accepted and liability admitted for *Accidental Damage*, *Loss* or *theft* to *equipment* insured by this policy Chubb will also pay for the reasonable expenses necessarily incurred for:

- temporary repairs;
- overtime
- express freight including overseas air freight;

Chubb will not be liable for:

- the costs and expenses for specialists or consultants to travel to or from New Zealand;
- air freight by aircraft specifically chartered for the purpose;
- overtime charges that are fifty per cent or more than the labour costs of carrying out the repairs at ordinary rates.

The most Chubb will pay for under this additional benefit is \$2,000 for any one event or 50% of the total Sum Insured, whichever is the lesser.

### Theft of Other Equipment

Chubb will cover you for theft of property (excluding money and stock) which is similar in nature to *equipment* covered by this Policy not belonging to you but in your physical and legal control for the purposes of carrying out your normal business activities and occurring during the period of insurance and within the Geographical Area covered by this policy.

This additional benefit does not cover theft committed by any member of your family or by any employee of you or committed by any person whilst lawfully at your premises.

Cover will not apply under this additional benefit unless the property was:

- in a securely locked portion of any vehicle and the theft was consequent upon forcible and violent entry to the vehicle;
- securely and permanently affixed to a building or vehicle and theft is consequent upon violent and forcible entry;
- in a vehicle and was securely chained or padlocked to that vehicle by a steel chain (with a link diameter of no less than 10mm or a padlock with a security rating under Part 4: Padlocks of Australian Standard AS4145 (or any subsequent amendment) of 6 (or its equivalent) or above;
- in your private residence or the private residence of your employee who has been authorised by you to have the custody and control the property, however, we will not cover any theft by a tenant;

- securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building, however, we will not cover any theft committed by any person while lawfully in the building or while property is unattended in areas of the building;
- stolen as a consequence of armed hold-up or the threat of physical violence.
- less than \$2,000 to replace.

Chubb's maximum liability for this additional benefit is not to exceed \$2,000 in any one period of insurance.

## CANCELLATION EVENTS

The following are cancellation events:

- 4pm (NZST) on the last day of the period of insurance stated in the Insurance Certificate and Tax Invoice;
- Theft, loss of, or accidental damage to the equipment has occurred resulting in the Insurer becoming liable to pay the Insurer's maximum liability. No refund of premium for any unexpired period of insurance is payable;
- You giving Protecure written notice of cancellation; or
- The Insurer cancels this insurance by exercising a right it may have under this policy or by law and gives at least 14 days written notice of cancellation posted to your last known address.

If you give notice of cancellation after a claim has been paid on this policy, there will be no refund of premium. If you give notice of cancellation and no claim has been paid, Protecure may charge an administration fee.

Third party interest: If the Insurer has notice that a third party, such as a financier, has an interest in all or any item of the equipment, the Insurer may refuse to recognise and act on a notice of cancellation given by the insured unless the third party has consented in writing to the cancellation.

## CLAIMS REQUIREMENTS

To be entitled to claim for theft of, loss of or accidental damage to the equipment:

- **Payment of premium:** Full payment of the premium as noted on the Tax Invoice must have been received by Protecure.
- **Ownership:** Other than cover provided under Additional Benefit - Theft of Other Equipment, you must be able to prove you are the owner of the equipment or you have a legal obligation to insure the equipment.
- **Geographical Area:** The theft, loss or accidental damage must occur either within New Zealand and its Territories or, for mobile equipment only, anywhere in the world (subject to Economic and Trade Sanctions condition) on the basis that equipment is only temporarily used outside New Zealand.
- **Transit:** For cover during transit, other than when the equipment personally accompanies you, the equipment must be stored in an appropriate container that is designed to prevent damage to the equipment during transit.
- **Notification:** You must notify Protecure within 14 days of the theft, loss or accidental damage occurring. Protecure may extend this time where it is satisfied that notice is given at the earliest possible opportunity. Theft or malicious damage to the equipment must also be promptly reported to the police and the report number given to Protecure.
- **Co-operation:** You must provide Protecure with all documents, information and assistance it requires to be able to process the claim. You must also take reasonable action to minimise the damage. Damaged equipment and parts must be kept and made available to Protecure on request.
- **Effect of Cancellation notice:** A claim may not be made for theft, loss or accidental damage to the equipment that occurs after you give notice of cancellation of this insurance.
- **Delivery to Repairer:** Damaged equipment must be promptly delivered to the repairer approved by Protecure. Details of the supplier and their address will be provided by Protecure in the event of a claim under this policy.
- **Exclusions:** An exclusion under this policy does not apply, and you must not have breached a term or condition of this policy.
- **Use of Equipment:** The equipment must be used and maintained according to the manufacturer's recommendations so that any manufacturer's warranty will not be voided.

## EXCLUSIONS

Cover will not be available if the theft, loss or accidental damage to the equipment occurs:

- After the period of insurance;
- Due to mysterious disappearance or shortage disclosed by taking inventory, or other unexplained disappearance;
- When the equipment is being delivered to a repairer not authorised by Protecure, or when someone is returning the equipment to you from a repairer not authorised by Protecure;
- While the equipment is made available to a person or entity other than the insured or:-
  - an immediate family member of the insured as long as equipment is not being used for commercial purposes; or
  - an immediate family member of the insured as long as equipment is not being used in any educational facility; or
  - a repairer authorised by Protecure following any theft, loss or accidental damage to equipment covered by this policy.
- Equipment whilst on hire to a third party is not covered by this policy unless this extension of cover is shown to apply in your Insurance Certificate.
- To mobile electronic equipment whilst on an aircraft, unless carried on as hand luggage, or as otherwise directed by an airline or airport authorities

Cover will not be available:

- In the case of theft, if the theft is caused by you, a member of your family or your employee or if you have assisted in or condoned the theft in any way, however, this exclusion shall not apply to theft consequent upon forcible and violent entry upon premises or felonious concealment upon premises committed by your employee;
- For replacement of batteries or parts worn by use or gradual deterioration;
- For wear, tear, fading, scratching, marring, gradual deterioration or developing flaws, normal upkeep or making good;
- For theft of, loss of, or accidental damage to the equipment or any cost or expense of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any act of terrorism, or from nuclear fallout, regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
- For theft of, loss of, or accidental damage directly or indirectly caused by or contributed to, by, or arising from ionising radiations or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel or nuclear weapons materials. For the purpose of this exclusion only, "combustion" shall include any self-sustaining process of nuclear fission;
- For loss of data, or loss of software that is not a standard manufacturer installed operating system, or for loss of extended warranty or other optional extras not included on the Insurance Certificate;
- For theft of, loss of, or accidental damage directly or indirectly occasioned by or happening through or connected with war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
- For theft of, loss of, or accidental damage resulting from confiscation, nationalisation, requisition or damage to property by or under the order of any Government or Public or Local Authority;
- For loss of, or accidental damage to the equipment or any cost or expense of whatsoever nature directly or indirectly caused by inappropriate storage, screen bruising by hand, servicing, breakdown, malfunction, design fault or electrical supply other than a power surge;
- For damage caused by environmental or climatic conditions or any variations in temperature;
- For damage caused by the application of heat to equipment or damage caused by corrosion, contamination, pollution, rust, inherent defects in equipment, vermin, undomesticated animals, insects or spiders;
- For loss of, or accidental damage to the equipment caused by data processing or media failure;
- For loss of, theft of, or accidental damage to the equipment while located underground, located at a petrochemical plant or located on any offshore oil and/or gas drilling and/or production rig;
- For accidental damage to the equipment caused by or arising out of the use of explosives;

- For *accidental damage* to *equipment* in the open air which is not in your actual physical and personal possession when the *accidental damage* is caused by wind, rainwater, or hail unless such *equipment* is designed to function in the open air outside a building;
- For consequential loss of any kind.

## SETTLEMENT OF CLAIMS

The following conditions apply to settlement of a claim, or series of claims, from any one event:

**Excess:** Is the amount you agree to pay Protecsure or the Insurer for making a claim. Alternatively, Protecsure or the Insurer may at their discretion request the excess is paid in full or reduce the value of the claim by deducting the excess sum from the settlement sum.

**Settlement for theft or loss:** The Insurer will pay for a *replacement product* where a claim is accepted for *total loss* of the *equipment* and you pay the excess, unless Protecsure determines to settle the claim by a cash payment.

**Settlement for damage:** The Insurer will pay for repair of the *equipment* by a repairer approved by Protecsure where a claim for *accidental damage* to the *equipment* is accepted and you pay the excess.

**Damage treated as total loss:** Protecsure may determine to treat damage to the *equipment* as a *total loss* in which event the Insurer will pay for a *replacement product* unless Protecsure determines to settle the claim by a cash payment.

**Repairs:** Repair of the *equipment* will include reasonable freight costs to and from the nominated repairer, but will not include work authorised by you. A repair may include the use of new or remanufactured parts.

**Cash payments:** A cash payment in settlement of a claim will only be paid where further repair or replacement of *equipment* would exceed the sum insured of the *equipment* stated on the Insurance Certificate less the excess, or if Protecsure determines to settle the claim in this way. The cash payment will be the lower of the sum insured or the cost of a *replacement product*. All payments will either be made by direct deposit into your nominated account or by cheque and are payable in NZ dollars.

**Claims Contracting:** In settling a claim the Insurer, or Protecsure as its agent, will contract with the supplier of its choice (unless otherwise agreed) for repair or replacement of the *equipment*, entitling the Insurer to the input tax credit on the supply.

**GST:** The Sum(s) Insured stated in the tax invoice exclude GST and provided any GST is recoverable by the Insurer GST will be added to claim payments.

**Salvage:** The Insurer has all salvage rights to replaced *equipment* or parts.

## GENERAL CONDITIONS

**Jurisdiction:** New Zealand law governs this contract and all proceedings must be commenced in New Zealand. New Zealand courts shall have non-exclusive jurisdiction to determine any claims.

**Economic and Trade Sanctions:** The Insurer will not provide cover, and will not be liable to pay any claim or provide any benefit to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer to any sanction, prohibition or restriction under United Nations resolutions or trade or economic sanctions, laws or regulations of New Zealand, Australia, the European Union, United Kingdom or United States of America.

**Assignment:** Your interest in this policy cannot be assigned. The Insurer may assign its interest.

**Subrogation:** You must do all things reasonably required by the Insurer or Protecsure so that the Insurer will have the benefit of all rights of subrogation such as enforcing any right in your name. If the Insurer makes any recovery as a result of such action, you may only recover from the Insurer any amount by which the amount recovered by the Insurer exceeds the amount paid to you or on your behalf in relation to the loss.

**Notices:** All notices to be given to the Insurer may be given to Protecsure. Notices given by the Insurer may be given by Protecsure. You should promptly notify Protecsure of a change of your address.

**Reasonable care:** You must take reasonable care to protect the *equipment* from *accidental damage*, theft or loss.

**Headings:** Headings are not to be considered in interpretation of this contract.

## DEFINITIONS

In this contract:

**Accidental damage** means physical damage which occurs as a result of a sudden, unforeseen and unexpected event. The event must arise from a single identifiable incident.

**Business days** are considered every official working day of the week and excludes public holidays (as established by law), Saturdays and Sundays.

**Employee** means a natural person who is employed by you under a contract of service or apprenticed to you.

**Equipment** means the *equipment* described in the Insurance Certificate, and replacement *equipment* as allowed for under the Replacement Equipment section of this policy. *Equipment* includes standard manufacturer installed operating systems and identified accessories.

**GST** means Goods and Services Tax imposed by the Goods and Services Tax Act 1985 (NZ).

**Loss** means the accidental or inadvertent misplacing, mislaying or dispossession of the *equipment* by you.

**Replacement product** means a product, which may be a new or remanufactured item, having similar capability, functionality and appearance as the item of *equipment* being replaced prior to its damage, theft or loss.

**Terrorism** has its generally accepted meaning, and includes, but is not limited to, war, hostilities, invasion, the use of force or violence on, or the threat of force or violence to, a person or group or class of persons, or to property, by one or more persons claiming to be connected with any group, organisation or government, or to be committed to a cause whether political, religious, ideological or similar purposes, including an intention to influence a government, or invoke fear.

**Total Loss** means the *equipment* has been damaged beyond economical repair or has been stolen.

**You or your** refers to the insured named in the Insurance Certificate and Tax Invoice.

## General Product Information

This General Product Information (GPI) is designed to help you understand what you need to know about the Equipment Insurance Policy so that you can make an informed choice about whether to acquire this product. Full details of the insurance cover, the exclusions from cover and the terms and conditions on which the insurance is provided, are set out in the policy wording.

### WHO ARRANGES AND INSURES THE POLICY?

Protecsure Pty Ltd (incorporated in Australia) NZBN: 9429030878495, NZ 3661771 has a binding authority from the Insurer Chubb Insurance New Zealand Ltd NZBN: 9429040398037 NZ 104656 to provide *equipment* insurance and manage claims. Protecsure acts as the agent of the Insurer, not as your agent. Any *equipment* insurance arranged for you will be provided under a policy issued by Chubb.

Please contact Protecsure if you have any questions about your policy.

**Protecsure Pty Ltd** (incorporated in Australia)

ABN 26 094 997 163 AFSL 238815

Level 2, 151 Castlereagh Street, Sydney NSW 2000

Web: [www.protecsure.co.nz](http://www.protecsure.co.nz) | Email: [info@protecsure.co.nz](mailto:info@protecsure.co.nz)

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NZBN: 9429030878495 NZ 3661771

Principal place of business in NZ - DLA Phillips Fox, Level 5, Tower Centre, 50-64 Customhouse Quay, Wellington, 6001, New Zealand

**Chubb Insurance New Zealand Ltd**

NZBN: 9429040398037 NZ 104656

Registered Office: CU1-3, Shed 24, Princes Wharf, Auckland 1010

Phone: +64 9 374 1459

### FAIR INSURANCE CODE

We are a member of the Insurance Council of New Zealand (ICNZ) and a signatory to ICNZ's Fair Insurance Code (the Code). The objectives of the Code are to establish high standards of service, promote confidence in the general insurance industry and improve relationships between insurers and their customers. Further information about the Code is available at [www.icnz.org.nz](http://www.icnz.org.nz) and on request.

## PRIVACY STATEMENT

Chubb Insurance New Zealand Limited ("Chubb") is committed to protecting your privacy. Chubb collects, uses and retains your personal information in accordance with the principles in the Privacy Act 1993.

### Personal Information Handling Practices

#### Collection, Use and Disclosure

Chubb collects your personal information (which may include health information) when you are applying for, changing or renewing an insurance policy with us or when we are processing a claim, complaint or dispute. We collect the information to assess your application for insurance, to provide you or your organisation with competitive insurance products and services and administer them, to handle any claim, complaint or dispute that may be made under a policy. If you do not provide us with this information, we may not be able to provide you or your organisation with insurance or to respond to any claim, complaint or dispute.

We may disclose the information we collect to third parties, including contractors and contracted service providers engaged by us to deliver our services or carry out certain business activities on our behalf (such as actuaries, loss adjusters, claims investigators, claims handlers, professional advisers including doctors and other medical service providers, credit reference bureaus and call centres), other companies in the Chubb group, insurance and reinsurance intermediaries, other insurers, our reinsurers, and government agencies (where we are required to by law). These third parties may be located outside New Zealand.

#### Your Choices

In dealing with us, you agree to us using and disclosing your personal information as set out above. This consent remains valid unless you alter or revoke it by giving written notice to our Privacy Officer.

From time to time, we may use your personal information to send you offers or information regarding our products that may be of interest to you. If you do not wish to receive such information, please contact our Privacy Officer using the contact details provided below.

#### How to Contact Us

If you would like to access a copy of your personal information, or to correct or update your personal information, or if you have a complaint or want more information about how Chubb is managing your personal information, please contact the Privacy Officer by posting correspondence to:

Chubb Insurance New Zealand Limited,  
PO Box 734  
Shortland Street  
Auckland 1140

Telephone: +64 (9) 3771459; or

Email: Privacy.NZ@chubb.com

## COMPLAINTS AND DISPUTE RESOLUTION

Chubb takes the concerns of its customers very seriously and has detailed complaint handling and dispute resolution procedures that you may access, at no cost to you. To assist Chubb with your enquiries, please provide us with your claim or policy number (if applicable) and as much information you can about the reason for your complaint or dispute.

Chubb's complaints and dispute procedures are as follows:

### Stage 1 - Complaint Handling Procedure

If you are dissatisfied with any of Chubb's products or services and you wish to lodge a complaint, please contact us via:

Email: Complaints.NZ@chubb.com

Phone: 0800 422 346

Fax: +64 (9) 303 1909

Post: The Complaints Officer  
Chubb Insurance New Zealand Limited  
PO Box 734  
Shortland Street  
Auckland 1140

### Stage 2 – Dispute Resolution Procedure

If you are dissatisfied with Chubb's response to your complaint, you can advise that you wish to take your complaint to Stage 2 and referred to Chubb's dispute resolution team. Chubb's internal dispute resolution team can be contacted via:

Email: DisputeResolution.NZ@chubb.com

Phone: +64 (9) 377 1459

Fax: +64 (9) 303 1909

Post: Internal Dispute Resolution Service  
Chubb Insurance New Zealand Limited  
PO Box 734  
Shortland Street  
Auckland 1140

### Stage 3 - External Dispute Resolution

Chubb is a member of an independent external dispute resolution scheme operated by Financial Services Complaints Limited (FSCL) and approved by the Ministry of Commerce & Consumer Affairs. If you are dissatisfied with our dispute determination or we are unable to resolve your complaint or dispute to your satisfaction within two months, you may contact FSCL via:

Postal address: PO Box 5967, Lambton Quay, Wellington 6145

Telephone: 0800 347 257 (Call Free for consumers) or (+64 4) 472 FSCL (472 3725)

Facsimile: (+64 4) 472 3728

E-mail: info@fscl.org.nz

Web: www.fscl.org.nz

Please note if you would like to refer your complaint or dispute to FSCL you must do so within 2 months of the date of our dispute determination.

Further details regarding our complaint handling and dispute resolution procedures are available from our website and on request.

## FINANCIAL STRENGTH RATING

At the time of print, Chubb Insurance New Zealand Limited has an "AA-" insurer financial strength rating given by Standard & Poor's (Australia) Pty Limited.

The rating scale is as follows:

AAA Extremely Strong	BBB Good	CCC Very Weak	SD or D Selective Default or Default
AA Very Strong	BB Marginal	CC Extremely Weak	R Regulatory Action
A Strong	B Weak		NR Not Rated

The rating from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standings within the major rating categories. A full description of the rating scale is available on the Standard & Poor's website.

## WHAT THE POLICY INSURES

During the period of insurance, the policy insures against theft of, loss of, or accidental damage to the equipment (including standard manufacturer-installed operating systems and accessories).

Cover applies to the equipment within New Zealand and its Territories, and for mobile equipment only, anywhere in the world (subject to Economic and Trade Sanction condition) on the basis that the equipment is only temporarily outside New Zealand.

Please refer to the terms, conditions and exclusions of the insurance as outlined in the Policy Wording below.

## COST OF THE INSURANCE

The cost of the insurance (premium) will be shown on the Tax Invoice. It will depend on various factors including the type of equipment, the value of the equipment, the geographic area in which the equipment will be used, the amount of the excess, your claims history, and the term of the insurance.

The premium also includes amounts that take into account Protecsure's and Chubb's obligation to pay any relevant compulsory government charges, taxes or levies in relation to your policy (including goods and services tax (GST) chargeable under the Goods and Services Tax Act 1985 (GST Act)). These amounts will be set out separately on the Tax Invoice as part of the total premium payable.

For the purposes of the GST Act, the services provided are treated as being supplied to you in New Zealand. If you are a registered person

under the GST Act receiving our services for the purposes of carrying on your taxable activity, we agree with you that subsection 8(4) of the GST Act will not apply to treat the services as being supplied outside New Zealand.

## EXCESS

You may be able to nominate the excess or the Insurer will decide which excess will apply based on an assessment of the risk. Your excess will be stated on the Insurance Certificate and must be paid each time a claim is accepted and before the claim is finalised.

## BENEFITS OF THE INSURANCE

Benefits of the insurance are contained within the "Insurer's Liability" and the "Insurer's Maximum Liability" sections of the Policy Wording.

## DUTY OF DISCLOSURE

### Your Duty of Disclosure

Before entering into a contract of general insurance with Chubb Insurance New Zealand Limited (Chubb), each prospective Insured has a duty to disclose to Chubb every matter that is material to Chubb's decision whether to accept the risk of the insurance and, if so, on what terms.

It has the same duty to disclose those matters to Chubb before renewal, extension, variation or reinstatement of a contract of general insurance with Chubb.

An Insured's duty however does not require disclosure of any matter:

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

It is important that each prospective Insured understands all information provided in support of the application for insurance and that it is correct, as each prospective Insured will be bound by the answers and by the information it has provided. If a prospective Insured does not understand any part of this notice, it should obtain independent advice.

As a prospective Insured, the duty of disclosure continues after the application for insurance has been completed up until the time the contract of insurance is entered into.

### Consequences of Non-Disclosure

If a prospective Insured fails to comply with its duty of disclosure, Chubb may be entitled, without prejudice to its other rights, to reduce its liability under the contract in respect of a claim or may cancel the contract. Chubb may also have the option of avoiding the contract from its beginning.

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