



Insurance Contracts Amendment Regulations 1999 (No. 1)

Statutory Rules 1999 No. /

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I, WILLIAM PATRICK DEANE, Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following regulations under the *Insurance Contracts Act 1984*.

Dated 25 AUG 1999 1999.

WILLIAM DEANE
Governor-General

By His Excellency's Command,

JOE HOCKEY

Minister for Financial Services and Regulation



Insurance Contracts Amendment Regulations 1999 (No. 1)¹

Statutory Rules 1999 No. 1²

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made under the

Insurance Contracts Act 1984

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Regulation 1

1 Name of regulations

These regulations are the *Insurance Contracts Amendment Regulations 1999 (No. 2)*.

1

2 Commencement

These regulations commence on gazettal.

3 Amendment of Insurance Contracts Regulations

Schedule 1 amends the Insurance Contracts Regulations.

2 *Insurance Contracts Amendment Regulations*
1999 (No. 2)

1999, 2

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Schedule 1 Amendments

(regulation 3)

[1] Regulation 1

substitute

1 Name of regulations

These regulations are the *Insurance Contracts Regulations 1985*.

[2] Subregulation 2 (1), after definition of *contents*

insert

eligible contract of insurance has the meaning given in regulation 2B.

[3] After regulation 2A

insert

2B Eligible contracts of insurance

A contract of general insurance is an *eligible contract of insurance*:

- (a) if that contract:
 - (i) is for new business; and
 - (ii) is wholly in a class of contracts declared in regulation 5, 9, 13, 17, 21 or 25; and
- (b) as if each regulation mentioned in subparagraph (a) (ii) applied to the contract, whether or not the insured, or one of the insureds, is a natural person.

Note Motor vehicle, home buildings and contents, sickness and accident, consumer credit and travel insurance are mentioned in r 5, 9, 13, 17, 21 and 25.

[4] Regulation 3*substitute***3 Notice of duty of disclosure**

- (1) The form of writing that may be used to inform an insured of the matters mentioned in subsection 22 (1) of the Act is:
- (a) for:
- (i) a contract of general insurance that is not an eligible contract of insurance; or
 - (ii) an eligible contract of insurance that is entered into by renewing the contract;
- the form set out in Part 1 of Schedule 1; and
- (b) for a contract of life insurance — the form set out in Part 2 of Schedule 1; and
- (c) for an eligible contract of insurance (except a contract that is entered into by renewing the contract) — the form set out in Part 3 of Schedule 1.
- (2) The words that may be used to inform an insured orally of the matters mentioned in subsection 22 (1) of the Act for an eligible contract of insurance (except a contract that is entered into by renewing the contract) are set out in Schedule 2.

Note Section 69 of the Act provides for the circumstances in which information that is required by other provisions of the Act to be given in writing may be given orally.

[5] Subregulation 34 (1)*omit*

Schedule 2

insert

Schedule 3

[6] Subregulation 34 (3)

omit

Schedule 2.

insert

Schedule 3.

[7] Schedule 1, heading

substitute

**Schedule 1 Writing to inform
insureds of general
nature and effect of duty
of disclosure**

(subregulation 3 (1))

[8] Schedule 1, Part I, heading

substitute

Part 1 Contracts of general insurance

[9] Schedule 1, Part II, heading

substitute

Part 2 Contracts of life insurance

[10] Schedule 1, after Part II*insert***Part 3 Certain eligible contracts of
insurance****What you must tell us**

When answering our questions, you must be honest and you have a duty under law to tell us anything known to you, and which a reasonable person in the circumstances, would include in answer to the question. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

It is important that you understand you are answering our questions in this way for yourself and anyone else whom you want to be covered by the policy.

If you do not tell us

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as never having worked.

[11] After Schedule 1

insert

**Schedule 2 Words to inform
insureds of general
nature and effect of duty
of disclosure under
certain eligible contracts
of insurance**

(subregulation 3 (2))

I have to tell you about your duty of disclosure.

When answering our questions, you must be honest and tell us anything that you, and a reasonable person in the circumstances, would include in your answer. It is important that you understand you are answering the questions for yourself and anyone else to whom the questions apply.

We may reduce or refuse to pay a claim, or cancel the policy, if you have not answered our questions in this way.

[12] Schedule 2, heading

substitute

**Schedule 3 Consumer credit
insurance**

(regulation 34)

[13] Schedule 2, clause 2*substitute***2. If you decide to buy CCI:**

- * You must answer all the questions that the insurer asks.
- * When answering, you have a duty under law to tell the insurer anything known to you, and which a reasonable person in the circumstances would include in answer to the questions.
- * It is important that you understand you are answering the questions for yourself and anyone else to whom the questions apply.
- * If you do not answer the insurer's questions in this way, the insurer may reduce or refuse to pay a claim, or cancel the policy. If you answer the insurer's questions fraudulently, the insurer may refuse to pay a claim and treat the policy as never having worked.
- * The insurer will use your answers in deciding whether to insure you.

If you have any questions about your duty of disclosure you should ask them before you buy CCI.

Notes

1. These regulations amend Statutory Rules 1985 No. 162, as amended by 1990 No. 444; 1994 No. 327; 1996 No. 304; 1997 Nos. 226 and 238; 1998 Nos. 78 and 195.
2. Made by the Governor-General on *L* 1999, and notified in the *Commonwealth of Australia Gazette* on *L* 1999.

*25 August
1 September*