

## ***Disclosure - Material facts***

For fire and general insurance (e.g. house, contents, motor vehicle, travel), there are, broadly speaking, 2 categories of facts which must be disclosed to an insurer: those which relate to the “moral hazard” presented by the insured’s “moral character” and those which relate to the physical risk. An insurer requires these facts when evaluating whether or not to underwrite the risk and, if so, on what terms.

### ***Moral hazard***

Material facts relating to the “moral hazard” may include, but are not limited to:

- convictions (criminal and/or traffic);
- previous losses (irrespective of whether a claim was made);
- claims history;
- whether an insurer has ever imposed special terms or conditions;
- whether any insurance has been declined, cancelled, or avoided from commencement;
- whether the applicant is engaged in any unlawful occupation; and
- whether the applicant is/has been bankrupt.

### ***Physical risk***

Material facts relating to the physical risk may include, but are not limited to:

#### ***House and contents***

- whether the property has any unusual design features or materials used in its construction;
- whether the property is, or will be, tenanted;
- whether the property will be unoccupied for periods of time;
- a fair assessment of the value of the property;
- a proper description of the size of the property;
- whether the property is exposed to any particular hazard by virtue of its location (e.g. flood);
- whether the property is going to have major alterations or renovations; and
- any security measures.

### *Vehicle*

- make and model of the vehicle;
- any modifications which increase the risk of the vehicle being stolen;
- any modifications which affect the safety, speed and/or performance of the vehicle; and
- any security measures (e.g. immobiliser, alarm, garaged).

### *Travel*

- whether you suffer from any pre-existing medical condition; and
- whether you have sought medical advice since you arranged the insurance and prior to departure overseas.



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