



Consumer Insurance (Disclosure and Representations) Act 2012

2012 CHAPTER 6

Pre-contract and pre-variation information

2 Disclosure and representations before contract or variation

- (1) This section makes provision about disclosure and representations by a consumer to an insurer before a consumer insurance contract is entered into or varied.
- (2) It is the duty of the consumer to take reasonable care not to make a misrepresentation to the insurer.
- (3) A failure by the consumer to comply with the insurer's request to confirm or amend particulars previously given is capable of being a misrepresentation for the purposes of this Act (whether or not it could be apart from this subsection).
- (4) The duty set out in subsection (2) replaces any duty relating to disclosure or representations by a consumer to an insurer which existed in the same circumstances before this Act applied.
- (5) Accordingly—
 - (a) any rule of law to the effect that a consumer insurance contract is one of the utmost good faith is modified to the extent required by the provisions of this Act, and
 - (b) the application of section 17 of the Marine Insurance Act 1906 (contracts of marine insurance are of utmost good faith), in relation to a contract of marine insurance which is a consumer insurance contract, is subject to the provisions of this Act.

3 Reasonable care

- (1) Whether or not a consumer has taken reasonable care not to make a misrepresentation is to be determined in the light of all the relevant circumstances.

- (2) The following are examples of things which may need to be taken into account in making a determination under subsection (1)—
- (a) the type of consumer insurance contract in question, and its target market,
 - (b) any relevant explanatory material or publicity produced or authorised by the insurer,
 - (c) how clear, and how specific, the insurer's questions were,
 - (d) in the case of a failure to respond to the insurer's questions in connection with the renewal or variation of a consumer insurance contract, how clearly the insurer communicated the importance of answering those questions (or the possible consequences of failing to do so),
 - (e) whether or not an agent was acting for the consumer.
- (3) The standard of care required is that of a reasonable consumer: but this is subject to subsections (4) and (5).
- (4) If the insurer was, or ought to have been, aware of any particular characteristics or circumstances of the actual consumer, those are to be taken into account.
- (5) A misrepresentation made dishonestly is always to be taken as showing lack of reasonable care.