



# Consumer Insurance (Disclosure and Representations) Act 2012

## 2012 CHAPTER 6

### *Pre-contract and pre-variation information*

#### **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.