



# Marine Insurance Act 1906

1906 CHAPTER 41 6 Edw 7

## DISCLOSURE AND REPRESENTATIONS

### 17 Insurance is uberrimæ fidei.

A contract of marine insurance is a contract based upon the utmost good faith, and, if the utmost good faith be not observed by either party, the contract may be avoided by the other party.

#### Modifications etc. (not altering text)

C1 S. 17 modified (6.4.2013) by [Consumer Insurance \(Disclosure and Representations\) Act 2012 \(c. 6\), ss. 2\(5\)\(b\), 12\(2\)](#) (with [s. 12\(4\)\(5\)](#)); S.I. 2013/450, art. 2

### 18 Disclosure by assured.

- (1) Subject to the provisions of this section, the assured must disclose to the insurer, before the contract is concluded, every material circumstance which is known to the assured, and the assured is deemed to know every circumstance which, in the ordinary course of business, ought to be known by him. If the assured fails to make such disclosure, the insurer may avoid the contract.
- (2) Every circumstance is material which would influence the judgment of a prudent insurer in fixing the premium, or determining whether he will take the risk.
- (3) In the absence of inquiry the following circumstances need not be disclosed, namely:
  - (a) Any circumstance which diminishes the risk;
  - (b) Any circumstance which is known or presumed to be known to the insurer. The insurer is presumed to know matters of common notoriety or knowledge, and matters which an insurer in the ordinary course of his business, as such, ought to know;
  - (c) Any circumstance as to which information is waived by the insurer;

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*Changes to legislation: There are currently no known outstanding effects for the Marine Insurance Act 1906, Disclosure and Representations. (See end of Document for details)*

- (d) Any circumstance which it is superfluous to disclose by reason of any express or implied warranty.
- (4) Whether any particular circumstance, which is not disclosed, be material or not is, in each case, a question of fact.
- (5) The term “circumstance” includes any communication made to, or information received by, the assured.
- [<sup>F1</sup>(6) This section does not apply in relation to a contract of marine insurance if it is a consumer insurance contract within the meaning of the Consumer Insurance (Disclosure and Representations) Act 2012.]

#### Textual Amendments

- F1** S. 18(6) added (6.4.2013) by [Consumer Insurance \(Disclosure and Representations\) Act 2012 \(c. 6\)](#), [ss. 11\(2\)\(a\)](#), 12(2) (with s. 12(4)(5)); S.I. 2013/450, art. 2

## 19 Disclosure by agent effecting insurance.

- [<sup>F2</sup>(1)] Subject to the provisions of the preceding section as to circumstances which need not be disclosed, where an insurance is effected for the assured by an agent, the agent must disclose to the insurer—
- (a) Every material circumstance which is known to himself, and an agent to insure is deemed to know every circumstance which in the ordinary course of business ought to be known by, or to have been communicated to, him; and
  - (b) Every material circumstance which the assured is bound to disclose, unless it come to his knowledge too late to communicate it to the agent.

- [<sup>F3</sup>(2) This section does not apply in relation to a contract of marine insurance if it is a consumer insurance contract within the meaning of the Consumer Insurance (Disclosure and Representations) Act 2012.]

#### Textual Amendments

- F2** S. 19 renumbered as s. 19(1) (6.4.2013) by [Consumer Insurance \(Disclosure and Representations\) Act 2012 \(c. 6\)](#), [ss. 11\(2\)\(b\)](#), 12(2) (with s. 12(4)(5)); S.I. 2013/450, art. 2
- F3** S. 19(2) added (6.4.2013) by [Consumer Insurance \(Disclosure and Representations\) Act 2012 \(c. 6\)](#), [ss. 11\(2\)\(b\)](#), 12(2) (with s. 12(4)(5)); S.I. 2013/450, art. 2

## 20 Representations pending negotiation of contract.

- (1) Every material representation made by the assured or his agent to the insurer during the negotiations for the contract, and before the contract is concluded, must be true. If it be untrue the insurer may avoid the contract.
- (2) A representation is material which would influence the judgment of a prudent insurer in fixing the premium, or determining whether he will take the risk.
- (3) A representation may be either a representation as to a matter of fact, or as to a matter of expectation or belief.

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- (4) A representation as to a matter of fact is true, if it be substantially correct, that is to say, if the difference between what is represented and what is actually correct would not be considered material by a prudent insurer.
- (5) A representation as to a matter of expectation or belief is true if it be made in good faith.
- (6) A representation may be withdrawn or corrected before the contract is concluded.
- (7) Whether a particular representation be material or not is, in each case, a question of fact.
- [<sup>F4</sup>(8) This section does not apply in relation to a contract of marine insurance if it is a consumer insurance contract within the meaning of the Consumer Insurance (Disclosure and Representations) Act 2012.]

#### Textual Amendments

- F4** S. 20(8) added (6.4.2013) by [Consumer Insurance \(Disclosure and Representations\) Act 2012 \(c. 6\)](#), [ss. 11\(2\)\(c\), 12\(2\)](#) (with [s. 12\(4\)\(5\)](#)); S.I. 2013/450, art. 2

## 21 When contract is deemed to be concluded.

A contract of marine insurance is deemed to be concluded when the proposal of the assured is accepted by the insurer, whether the policy be then issued or not; and, for the purpose of showing when the proposal was accepted, reference may be made to the slip or covering note or other customary memorandum of the contract . . . <sup>F5</sup>

#### Textual Amendments

- F5** Words repealed as to instruments made or executed after 1.8.1959 by [Finance Act 1959 \(c. 58\)](#), [Sch. 8 Pt. II](#)

**Status:**

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**Changes to legislation:**

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