



Insurance Act 2015

2015 CHAPTER 4

PART 4

FRAUDULENT CLAIMS

12 Remedies for fraudulent claims

- (1) If the insured makes a fraudulent claim under a contract of insurance—
 - (a) the insurer is not liable to pay the claim,
 - (b) the insurer may recover from the insured any sums paid by the insurer to the insured in respect of the claim, and
 - (c) in addition, the insurer may by notice to the insured treat the contract as having been terminated with effect from the time of the fraudulent act.
- (2) If the insurer does treat the contract as having been terminated—
 - (a) it may refuse all liability to the insured under the contract in respect of a relevant event occurring after the time of the fraudulent act, and
 - (b) it need not return any of the premiums paid under the contract.
- (3) Treating a contract as having been terminated under this section does not affect the rights and obligations of the parties to the contract with respect to a relevant event occurring before the time of the fraudulent act.
- (4) In subsections (2)(a) and (3), “relevant event” refers to whatever gives rise to the insurer’s liability under the contract (and includes, for example, the occurrence of a loss, the making of a claim, or the notification of a potential claim, depending on how the contract is written).

13 Remedies for fraudulent claims: group insurance

- (1) This section applies where—
 - (a) a contract of insurance is entered into with an insurer by a person (“A”),

Status: This is the original version (as it was originally enacted).

- (b) the contract provides cover for one or more other persons who are not parties to the contract (“the Cs”), whether or not it also provides cover of any kind for A or another insured party, and
 - (c) a fraudulent claim is made under the contract by or on behalf of one of the Cs (“CF”).
- (2) Section 12 applies in relation to the claim as if the cover provided for CF were provided under an individual insurance contract between the insurer and CF as the insured; and, accordingly—
- (a) the insurer’s rights under section 12 are exercisable only in relation to the cover provided for CF, and
 - (b) the exercise of any of those rights does not affect the cover provided under the contract for anyone else.
- (3) In its application by virtue of subsection (2), section 12 is subject to the following particular modifications—
- (a) the first reference to “the insured” in subsection (1)(b) of that section, in respect of any particular sum paid by the insurer, is to whichever of A and CF the insurer paid the sum to; but if a sum was paid to A and passed on by A to CF, the reference is to CF,
 - (b) the second reference to “the insured” in subsection (1)(b) is to A or CF,
 - (c) the reference to “the insured” in subsection (1)(c) is to both CF and A,
 - (d) the reference in subsection (2)(b) to the premiums paid under the contract is to premiums paid in respect of the cover for CF.