



# Insurance Act 2015

## 2015 CHAPTER 4

### PART 5

#### GOOD FAITH AND CONTRACTING OUT

##### *Contracting out*

#### **17 The transparency requirements**

- (1) In this section, “the disadvantageous term” means such a term as is mentioned in section 16(2).
- (2) The insurer must take sufficient steps to draw the disadvantageous term to the insured’s attention before the contract is entered into or the variation agreed.
- (3) The disadvantageous term must be clear and unambiguous as to its effect.
- (4) In determining whether the requirements of subsections (2) and (3) have been met, the characteristics of insured persons of the kind in question, and the circumstances of the transaction, are to be taken into account.
- (5) The insured may not rely on any failure on the part of the insurer to meet the requirements of subsection (2) if the insured (or its agent) had actual knowledge of the disadvantageous term when the contract was entered into or the variation agreed.