



# Enterprise Act 2016

## 2016 CHAPTER 12

### PART 5

#### LATE PAYMENT OF INSURANCE CLAIMS

#### **29 Contracting out of the implied term about payment of claims**

- (1) After section 16 of the Insurance Act 2015 (contracting out: non-consumer contracts) insert—

**“16A Contracting out of the implied term about payment of claims:  
consumer and non-consumer insurance contracts**

- (1) A term of a consumer insurance contract, or of any other contract, which would put the consumer in a worse position as respects any of the matters provided for in section 13A than the consumer would be in by virtue of the provisions of that section (so far as relating to consumer insurance contracts) is to that extent of no effect.
- (2) A term of a non-consumer insurance contract, or of any other contract, which would put the insured in a worse position as respects deliberate or reckless breaches of the term implied by section 13A than the insured would be in by virtue of that section is to that extent of no effect.
- (3) For the purposes of subsection (2) a breach is deliberate or reckless if the insurer—
- (a) knew that it was in breach, or
  - (b) did not care whether or not it was in breach.
- (4) A term of a non-consumer insurance contract, or of any other contract, which would put the insured in a worse position as respects any of the other matters provided for in section 13A than the insured would be in by virtue of the provisions of that section (so far as relating to non-consumer insurance contracts) is to that extent of no effect, unless the requirements of section 17 have been satisfied in relation to the term.

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*Changes to legislation: There are currently no known outstanding effects  
for the Enterprise Act 2016, Section 29. (See end of Document for details)*

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- (5) In this section references to a contract include a variation.
  - (6) This section does not apply in relation to a contract for the settlement of a claim arising under an insurance contract.”
- (2) In section 17(1) of that Act (the transparency requirements), after “16(2)” insert “ or 16A(4) ”.

**Changes to legislation:**

There are currently no known outstanding effects for the Enterprise Act 2016, Section 29.