



# Insurance Act 2015

## 2015 CHAPTER 4

### [<sup>F1</sup>PART 4A

#### LATE PAYMENT OF CLAIMS

##### Textual Amendments

**F1** Pt. 4A inserted (4.5.2017) by Enterprise Act 2016 (c. 12), ss. 28(1), 44(3) (with s. 44(3))

#### **13A Implied term about payment of claims**

- (1) It is an implied term of every contract of insurance that if the insured makes a claim under the contract, the insurer must pay any sums due in respect of the claim within a reasonable time.
- (2) A reasonable time includes a reasonable time to investigate and assess the claim.
- (3) What is reasonable will depend on all the relevant circumstances, but the following are examples of things which may need to be taken into account—
  - (a) the type of insurance,
  - (b) the size and complexity of the claim,
  - (c) compliance with any relevant statutory or regulatory rules or guidance,
  - (d) factors outside the insurer's control.
- (4) If the insurer shows that there were reasonable grounds for disputing the claim (whether as to the amount of any sum payable, or as to whether anything at all is payable)—
  - (a) the insurer does not breach the term implied by subsection (1) merely by failing to pay the claim (or the affected part of it) while the dispute is continuing, but
  - (b) the conduct of the insurer in handling the claim may be a relevant factor in deciding whether that term was breached and, if so, when.

---

*Changes to legislation: There are currently no known outstanding effects  
for the Insurance Act 2015, PART 4A. (See end of Document for details)*

---

- (5) Remedies (for example, damages) available for breach of the term implied by subsection (1) are in addition to and distinct from—
- (a) any right to enforce payment of the sums due, and
  - (b) any right to interest on those sums (whether under the contract, under another enactment, at the court's discretion or otherwise).]

**Changes to legislation:**

There are currently no known outstanding effects for the Insurance Act 2015, PART 4A.