



# Insurance Act 2015

## 2015 CHAPTER 4

### PART 5

#### GOOD FAITH AND CONTRACTING OUT

##### *Contracting out*

#### **[<sup>F1</sup>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.
- (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.]

---

*Changes to legislation: There are currently no known outstanding effects  
for the Insurance Act 2015, Section 16A. (See end of Document for details)*

---

.....

**Textual Amendments**

**F1** S. 16A inserted (4.5.2017) by Enterprise Act 2016 (c. 12), ss. 29(1), 44(3) (with s. 44(3))

**Changes to legislation:**

There are currently no known outstanding effects for the Insurance Act 2015, Section 16A.