



Insurance Act 2015

2015 CHAPTER 4

[^{F1}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).]

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