

Insurance underwriting process

IF3 2015 edition

Web update 2: 20 November 2015

Please note the following updates (amendments in bold type) to your copy of the 2015 edition of the **IF3: Insurance underwriting process** study text:

Chapter 1, section A, page 1/2

Replace the final sentence of the paragraph before the Think interactive with the following:

There is, however, a measure of legal protection in the form of such statutes as the Misrepresentation Act 1967, the Consumer Credit Act 1974 and the **Consumer Rights Act 2015** which provide protection for consumers against unfair practices.

Chapter 3, section A, page 3/3

Add the following text after the seventh paragraph at the bottom of the page:

The **Consumer Rights Act 2015**, which came into force on 1 October 2015, also seeks to make policies clearer for consumers, particularly when trying to understand their rights and the remedies available to them if things go wrong. Currently, the core terms of insurance contracts, such as exclusions, cannot be challenged on the grounds of fairness. This default position will remain unchanged under the Consumer Rights Act. However, the Act also says that if a term of a contract is not transparent or prominent, it can be assessed for unfairness. Insurers, therefore need to make sure that the significant terms of insurance contracts with consumers are expressed in plain and intelligible language and have been adequately brought to the insured's attention. If a contract term is deemed unfair it will not be binding, although consumers are still within their rights to rely on a term of they wish to do so.