



General policy advice

The Insurance Act

Making claims clear





Making claims clear.



At AXA, we want to make dealing with us simple and trouble free, so you can get back on your feet as soon as possible after a loss.

We know the last thing you need when you make a claim is to find any surprises in your policy conditions or get tied up in legal language.

We've put this guide together to help you understand the rules on fair presentation of risks in the Insurance Act, what they mean for you and what could happen if you don't meet the requirements.



What is the Insurance Act?



One of the main changes was a new duty of fair representation of risk, which means that:

The insurer has a duty to:

- Ask questions where anything isn't clear.

The customer has a duty to:

- Tell the truth and give accurate information about the risk being insured.
- Disclose all material facts relevant to the risk.



What this means for you

You need to tell us about every material circumstance that you know about or should know about – that’s anything you could have found out by a reasonable search of the information available.



A material circumstance is something that could influence our decision whether to cover you, or what terms and conditions to include in your policy. This might include facts about the size or nature of the risk, or a concern that led to you look for insurance in the first place.

For example in casualty policies, it might be a change in fire protection procedures. In an employers’ liability policy, it might be a health and safety investigation or prosecution.

Check your policy to see the exact terms of our fair presentation of risk condition.

Disclosure, and making sure that you provide a fair presentation of the risk, can sometimes be complicated. If you are in any doubt about whether or not you should disclose certain information, you should seek professional advice.



What happens if you don't make a fair presentation of risk?

If you breach the fair presentation of risk condition, we could cancel or change your policy.

- If the breach is deliberate or reckless, we can cancel the policy and keep the premium you paid.
- If the breach is not deliberate or reckless, but we wouldn't have covered you if we'd known the full facts, then we can cancel your policy and give you back the premium you paid.
- If the breach is not deliberate or reckless and we would have covered you but on different terms if we'd known the full facts, we might change your terms and conditions or your premium.

Examples of proportionate remedy for breach of Fair Presentation that are not deliberate or reckless

- (a) A claim is submitted for damage to the building and the cost to repair is £80,000. If a breach is found (for example, failing to disclose a full and accurate claims experience or the correct construction details for the premises), we can apply the proportionate remedy which means that if the current premium was £500 and we confirm that the premium should have been £1,000 had the full information been disclosed, then we only pay 50% of the claim (subject to other policy limits and excess etc)
- (b) If a breach is found but we confirm that we would have accepted cover but on different terms, then we would treat the policy as if it had included these terms. This means for example that if an Alarm Condition would have applied had a fair presentation been made, then we will consider the claim as if that Condition had applied.



Get in touch

If you have any questions about this document, please get in touch with your usual AXA contact or your insurance broker.





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