

Reform of UK Insurance Law in 2012

—Overview of the Consumer Insurance (Disclosure and Representations) Act 2012—

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In Japan, the insurance law has been modernised by the enactment of the Insurance Act 2008, which was promulgated on 6th June 2008 and came into force on 1st April 2010. It renews existing statutory rules on both indemnity insurance contract and life insurance contract made over 100 years ago, and also newly introduces statutory rules on accident insurance contract which have never been.

At the same time, UK has been also taking steps to reform UK insurance law system. One of them is the enactment of the Consumer Insurance (Disclosure and Representations) Act 2012. The Act not only modernises the legal rules regarding insurance contracts, such as the insured's duty to volunteer information to the insurer, which has long been based on both common law and the Marine Insurance Act 1906 codifying a part of common law, but also makes division of statutory rules between the consumer insurance contract and the business insurance contract.

Additionally, it gives legislative effect to the three part classification of insurer's remedies for material misrepresentation by the consumer insured which has already been used by the Financial Ombudsman Service and has generally been accepted in the insurance industry of UK. Those are proportionate remedies given to the insurer for the

misrepresentations by the consumer depending on a deliberate or reckless misrepresentations or a careless ones. It is noteworthy for Japanese insurance law system, because the codification of the proportionate remedies had been taken into account but was not brought about in the end in Japan.

This article is to overview the Consumer Insurance (Disclosure and Representations) Act 2012 as part of comparative study on the modernisation of UK insurance law.