

Consumer Insurance Contracts Act 2019 (CICA) - Duty of Disclosure

This document applies to customers who are defined as a **Consumer** under the Consumer Insurance Contracts Act 2019 (CICA). **Consumers** are defined as individuals, sole traders, partnerships, charities and incorporated bodies with an annual turnover of less than €3 million. All other customers are defined as non-consumers and are subject to existing laws and practices.

Please refer to our **Terms of Business**, which provides important information that you should read and be aware of. This document is available to download from www.arachas.ie/compliance.

If you are a Consumer, then CICA applies to you. Below is a summary of your duties under CICA. For full details of CICA please refer to: www.irishstatutebook.ie/eli/2019/act/53/enacted/en/html

The definition of **Consumer** is that which applies in the Financial & Pensions Ombudsman Act 2017 “**consumer**”, in relation to a financial service, means—

- (a) (i) a natural person, not acting in the course of business, (ii) a sole trader, partnership, trust club or charity (not being a body corporate), with an annual turnover in its previous financial year (within the meaning of section 288 of the Act of 2014) of €3 million or less, or (iii) an incorporated body that—
 - (I) had an annual turnover in its previous financial year (within the meaning of section 288 of the Act of 2014) of €3 million or less, and (II) is not a body corporate that is a member of a group of companies (within the meaning of section 8 of the Act of 2014) with a combined annual turnover (in the previous financial year (within the meaning of section 288 of the Act of 2014) of the group of companies), of greater than €3 million, that—
 - (A) is a customer of a financial service provider,
 - (B) is a person or body to whom a financial service provider has offered to provide a financial service, or
 - (C) has sought the provision of a financial service,
- (b) a consumer who was, in relation to a credit agreement, a customer of the financial service provider in a case where a credit servicing firm undertakes credit servicing in respect of the credit agreement

CICA – what this means for you:

- You must **take reasonable care** in answering all the questions which are relevant to the Insurer in providing this insurance and setting the terms and premium. Please contact us if you do not understand any question or the nature of the information required. If you do not provide any new information in response to any request, and where you continue to pay your renewal premium, it shall be presumed that the information previously provided has not altered. If you make a false or misleading claim in any material respect (and know it to be false or misleading or consciously disregards whether it is), the insurer is entitled to refuse to pay and to terminate the contract.
- You must, in answering the questions, seek full and proper enquiry of all relevant parties in relation to the answers given and all information and/or supporting documentation supplied with or in relation to any question raised.
- You must tell us as soon as practicably possible about any changes to the information you have provided to the Insurer which happens before or during any period of insurance. We or the Insurer will tell you if such change affects your insurance and if so, whether the change will result in revised terms and/or premium being applied to your policy. An insurer may refuse a claim made by a consumer under a contract of insurance where there is a change in the subject matter of the contract, including as described in an “alteration of risk” clause, and the circumstances have so changed that it has effectively changed the risk to one which the insurer has not agreed to cover.
- A ‘material change’ shall be interpreted as referring to changes that take the risk outside that which was within the reasonable contemplation of the contracting parties when the contract of insurance was concluded.
- If an insurer intends to exclude certain matters from coverage under the contract of insurance, they shall do so explicitly in writing prior to the commencement of the contract.
- You may cancel a contract of insurance, by giving notice in writing to us, within 14 days after the date the consumer was informed that the contract is concluded. The insurer cannot impose any costs on the consumer other than the cost of the premium for the period of cover.
- You have a duty to pay your premium within a reasonable time, or in accordance with the terms of the contract.
- You must notify the insurer of a claim within a reasonable time. If you become aware, after a claim is made, of information that would either support or prejudice the claim, you are under a duty to disclose it.
- You shall cooperate with the insurer in the investigation of insured events, including by responding to reasonable requests for information in an honest, reasonable and careful manner.
- Where an insurer becomes aware that a consumer has made a fraudulent claim, they must notify the consumer advising that they are voiding the contract of insurance. It will be treated as being terminated from the date of the submission of the fraudulent claim. The insurer may refuse all liability in respect of any claim made after the date of the fraudulent act, and the insurer is under no obligation to return any of the premiums paid under the contract.
- Where a claim made by a consumer under a contract of insurance contains information that is false or misleading in any material respect and which the consumer either knows to be false or misleading or consciously disregards whether it is false or misleading, the insurer shall be entitled to refuse to pay the claim and shall be entitled to terminate the contract.
- An insurer may repudiate liability or limit the amount paid on foot of the contract of insurance, only if it establishes that non-disclosure of material information was an effective cause of the insurer entering into the relevant contract of insurance and on the terms on which it did.