

## **Consumer Insurance Contracts Act 2019 (Hereafter "CICA")**

### **Know your Legal Obligations**

CICA regulations came into law on 26<sup>th</sup> December 2019 and are being implemented across two dates. Part one came into force in September 2020 and Part two with effect from 1<sup>st</sup> September 2021.

### **How do they affect you, the Policyholder?**

As a policyholder you need to understand that your insurance policy is a legal contract and as such there are obligations on you and the insurer of your policy with effect from 1<sup>st</sup> September 2021.

You, the consumer must at inception stage of an insurance contract answer all questions asked honestly and to the best of your knowledge. If in doubt as to whether a piece of information is relevant or not simply ask the agent you are dealing with. CICA places this legal obligation on you to answer questions posed honestly and with reasonable care.

At renewal of your insurance contract annually information given at inception of the contract must be reconfirmed by you and any amendments or changes to this information must be provided by you to us so we can alter your insurance contract accordingly. The same process applies at mid term alternation stage where you are making amendments to your policy mid-way through the policy term.

At renewal stage your insurer will provide you with a schedule of claims and prior years premium collected for previous 5 years or less depending on how long you have been insured with that insurer. For example, if you have been insured with Zurich for the last 5 years on your motor policy then at renewal you will receive 5 years claims and premium information schedule. If you have only been insured with Zurich for 3 years then the schedules issued at renewal for claims and premium information will be a 3-year schedule.

It is important that you understand that where you omit to provide information asked of you or do not answer honestly when asked questions in relation to the insurance contract there will be an affect on your policy should a claim arise. Insurance Companies under the CICA regulations can terminate a contract where a consumer does not abide by the policy contract conditions. Claims can be declined or reduced in settlement where information requested from the client is found to be not the full facts and where it transpires the information given is false or a client has misrepresented their situation. For example, if asked how many penalty points one holds and a client answers zero knowing they hold 3 then should a claim arise this information will be an issue.

### **Documentation as part of the Insurance Contract**

As with any contract documentation will be issued to you which it is vital you read and accept and should any information contained therein be inaccurate it is your duty to notify us so we can remedy the document. At inception, renewal and mid term amendment stage a document outlining the key basis of your insurance contract will be issued to you. Some insurers require this to be returned signed other insurers do not require a signature but place the onus on you to read and accept the document as fact. We will inform you if a signature is required. Again, it is VITAL you read and accept the facts contained in the document, known as a statement of fact or a proposal form.

### CICA related queries

If you have any queries in relation to these new regulations please email our dedicated email address [cica@cfmgroup.ie](mailto:cica@cfmgroup.ie)