



## Disclosure and Remedies Consumer Insurance Contracts Act

As your insurance intermediary we need to inform you from time to time of changes in the law and how this may affect your insurance arranged through us. The Consumer Insurance Contracts Act 2019 is an important development and the object of this document is to bring your attention to your pre-contractual duty of disclosure (information submitted to insurers before commencement, renewal and/or potential mid-term amendments of the insurance policy) and to explain the implications of it.

It's **ESSENTIAL** that you read the following information to see how it affects you as a consumer client of Balens Europe B.V. when you take out a new insurance policy, renew an existing policy or make any changes to a policy during the contract term. If you have any questions or require additional information please do not hesitate to contact us at [info@balens.eu](mailto:info@balens.eu)

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### What you need to do – Pre-Contractual Duty of Disclosure – Both at Implementation of a new policy, renewal and/or any mid-term amendments of policies

- > **Answering/responding to all questions posed by the insurer** – as a client you are under a duty to answer all questions posed to you by the insurer or ourselves (as representatives of the insurer) honestly and with reasonable care. We may contact you with additional questions and potentially ask you to provide us with more information so the insurers and ourselves can consider the risk of your policy with care. This means we may send out renewal documentation earlier, to allow more time to collect the information and for us and the insurer to review this. Please allow time to complete the insurance forms & questionnaires fully and accurately with honesty and reasonable care. **Importantly**, if your policy covers several individuals you must seek answers to insurance questions from each of them.
- > At renewal, if you as the consumer, do not provide any new information in response to ours/insurer's request and where you continue to pay the renewal premium, it will be presumed that the information previously provided has not altered.

If you have any doubt as to what information you should provide contact us at [info@balens.eu](mailto:info@balens.eu)

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### Why this is so important to you

If you misrepresent information and/or answer questions posed by ourselves or insurers incorrectly and not to your full ability, you may find that claims are not paid, or are not paid in full and insurers may keep all of the premium you have paid (this is called proportionate remedies and are the actions insurers may take in the event of misrepresentation).

- > Innocent Misrepresentation – Where a claim is made under a contract of insurance and where you have answered the questions honestly and with reasonable care but where an answer involves an innocent misrepresentation, the insurer shall be required to pay the claim made, providing all other terms and conditions have been met.
- > Negligent Misrepresentation – the remedy available shall reflect what the insurer would have done had it been aware of the full facts and shall be based on a compensatory and proportionate test.
  - If the insurer would not have entered into the insurance contract on any terms, the insurer may void the contract and refuse all claims, but shall return the premium paid
  - If the insurer would have entered into the insurance contract but on different terms, the contract is to be treated as if it had been entered into on those different terms if the insurer so requires;

- If the insurer would have entered into the insurance contract (whether the terms relating to matters other than the premium would have been the same or different) but would have charged a higher premium, the insurer may reduce proportionately the amount to be paid on a claim
  - Where there is no outstanding claim in the instance of Negligent misrepresentation, the insurer may either:
    - give notice to you that in the event of a claim it will exercise the remedies or
    - terminate the contract by giving you reasonable notice.
- > Fraudulent Misrepresentation – Where a claim is made and where an answer by you involves a fraudulent misrepresentation or where any conduct by you involves fraud of any other kind, the insurer shall be entitled to void the contract of insurance.

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