

Ageas, the crew behind you.

A handy guide to the Enterprise Act



What is the Enterprise Act?

- The Enterprise Act 2016 was an amendment to the Insurance Act 2015. It added a clause relating to all new policies and renewals coming into force from 4 May 2017, giving policyholders a right to claim damages if a claim is not paid within a reasonable amount of time.
- All in all, we don't see the Act having a huge impact on Ageas. While we always want to avoid unnecessary losses for policyholders, we do aim to settle a claim and pay out in a reasonable amount of time.



What's the impact for customers?

- All insurers will still have time to investigate and assess claims fairly and properly. We're not expecting any of our customers – in commercial or personal lines – to notice any difference.
- That said, the Act does say insurers can contract out for commercial policies provided the insurer meets the 'transparency requirements' in the Insurance Act 2015.
- A commercial claim may be more complex; it may warrant more in-depth investigation and, in theory, timeframes may be more pressing – but as we already have high levels of confidence in our processes, we won't be opting out.



What's happening next?

- Like many other insurers, we have welcomed the opportunity to re-examine our processes from a new perspective. This is a good thing. We're double-checking to make sure timeframes and processes are set up as they should be and, so far, everything looks good!
- We know some brokers are worried about the emergence of 'claims farmers'. These are companies who offer to pursue claims for compensation if a claim is thought to be paid late. We'll keep you up to speed on any changes to documentation or terms that we need to make to mitigate this. However, we would encourage any customer who has such a complaint to present it to us for consideration without incurring hidden fees charged by such organisations.



What can you do now?

- Reassure your customers if they're concerned about changes arising from the Enterprise Act. We've already briefed our teams to help you answer any queries that do come up.
- And – while we can't share specific commercial data – we can tell you our settlements have been made consistently faster than the industry average, which should help alleviate any concerns.

Could your customers make a claim for late payment?

To recover damages for late payment under the Enterprise Act, an insured party would have to show:

- a) it's a valid claim under the policy; and
- b) the insurer failed to pay within a reasonable time; and
- c) the insured suffered loss caused by the insurer's breach of the implied term; and
- d) the loss was foreseeable (that is, it was something the insurer and the insured party would have both thought about at the date the insurance contract came into effect).

Our complaints process is defined within your clients' policy literature and is available to view on our [website](#).