Interpreting the Insurance Act 2015

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Applying to all contracts of insurance governed by English law from 12th August 2016 onwards, the UK Insurance Act 2015 (“The new Act”) is closely relevant to Hong Kong, Mr. Peter Gregoire said in a seminar on the topic of “The Insurance Act 2015 – Impacts on Insurers” held by the Hong Kong Centre for Maritime and Transportation Law (HKCMT) on 25 January 2016.

As the General Counsel of American Insurance Group (AIG) Hong Kong Insurance Limited, Mr. Gregoire is responsible for all legal, regulatory and corporate governance issues at the company. He also double-hats as commercial lines legal counsel for AIG across the APAC region.
Mr. Gregoire opened up the seminar by pointing out the relevance between “the new Act” to Hong Kong. “Hong Kong insurers often enter into insurances and reinsurances governed by English law. Also, Hong Kong insurance law follows current English insurance legal principles, for example the Marine Insurance Ordinance”, he said.

Sketched the background of “the new Act”, the highlight of the seminar lied at Mr. Gregoire’s elaborations on significant changes in the insurance law brought about by “the new Act”. The key changes he analyzed included “duty of fair presentation”, “warranties and terms not relevant to the actual loss”, and “remedies for fraudulent claims”.

“The duty of fair presentation” clarifies the duty of insured in risk presentation, issues of “knowledge” of the insured and insurer, and the proportionate remedies for breach replacing the "all or nothing" remedy of avoidance. Mr. Gregoire commented such reform gives the insurer a more “pro-active” role to play in the risk presentation process and leads to greater dialogue between the insured and insurer.

“The new Act” is also much fairer for the insured, Mr. Gregoire explained that “the new Act abolishes the rule which automatically discharges the insurer from liability from the moment of breach; instead, a breach of warranty will render insurance coverage “suspended” for the duration of the breach and reinstated when the breach is remedied.”
Mr. Gregoire also shed light on topics such as Contracting out of the Insurance Act, Enterprise Bill and the longer term impacts of “the new Act”.

The seminar attracted students, scholars, maritime insurers and legal practitioners in the different sectors of the shipping industry who actively engaged in thought-provoking interactions and discussions with the speaker throughout the seminar. At last, Dr. Poomintr Sooksripaisarnkit, Associate Director of the HKCMT, presented the souvenir to the speaker in thanking him for insightful and inspiring talk.