

## Insurance Act 2015 - limitation of liability for late payment of a claim

1. The Insurer's liability to pay damages to the Insured for late payment of a claim under this insurance contract is limited as follows:

*{The Insurer's liability is limited to £X.} {OR}*

*{The Insurer's liability is limited to a multiple of {X} times the premium charged under this insurance contract.} {OR}*

*{The Insurer's liability is limited to interest on the amount which should have been paid, at a rate of 2% above LIBOR. The interest shall be payable from the date when payment should reasonably have been made until the date of actual payment.}*

2. If the Insurer has underwritten a proportion of this insurance contract, its liability for any late payment shall be no greater than that proportion of any damages suffered by the insured, subject always to clause 1 above.
3. Clause 1 above does not apply if the Insurer fails deliberately or recklessly to pay the claim within a reasonable time.

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*[N.B. only one of the three options shown above in Clause 1 should be used in the contract – select as appropriate.]*

*[This clause is not suitable for use in consumer insurance contracts.]*

*[This clause may also be used in reinsurance contracts.]*