



Case study: Insurance

UNCLEAR WORDING OF POLICY COVERAGE LIMITS INTERPRETED IN FAVOUR OF POLICY HOLDER

Themes: Health and dental insurance, cap on benefit amount payable, interpretation of misleading or unclear language against insurer

The complainant, Mr Z, held a dental policy with his insurance company and had submitted a claim for dental work. Mr Z required major restorative treatment by a dentist; his treatment was ongoing at the time of the complaint.

The treatment cost a total of €20,340, for which the insurance company reimbursed Mr Z for €3,155. This led Mr Z to complain to the insurance company that their plan documents were misleading as to the amount customers would have covered.

The insurance company rejected Mr Z's complaint, stating that his claim exceeded the maximum annual benefit permitted by the policy. Mr Z complained to CIFO.

Conclusion

Upon review of the terms and conditions in the insurance policy documentation, it was found that the language used by the insurance company was potentially misleading and confusing, particularly with respect to the interaction between two provisions referring to an annual cap on benefit amount and a cap of 50% of the insured expense incurred by the policyholder. When looking at the email correspondence between the two parties, it was also evident that the advice given by staff of the insurance company was also misleading and further contributed to the misunderstanding.

As a result of the lack of explicit clarity in the documentation, compounded by the communication from the insurance company's own employees, CIFO decided to uphold the complaint and have the insurance company set aside the compensation cap and pay 50% of the cost of the restorative treatment incurred by Mr Z during that policy year, less the €3,155 that had already been paid to Mr Z.

Both parties accepted the decision and the file was closed.