Ombudsman Decision
CIFO Reference Number: 25-000504
Complainant: Mr W
Respondent: Cigna Global Insurance Company Limited (Cigna)

Complaint

The complainant, who I will refer to as Mr W, complained that Cigna Global Insurance Limited (Cigna) wrongly applied an age-related increase to his health insurance policy renewal after they told him at the point of sale that there would be no age-related increases. Mr W asked that Cigna should be prevented from applying any age-related increases to future premiums for his policy and that they compensate him for misrepresentation by Cigna's sales representative.

Background

Mr W has a Silver health policy with Cigna that he applied for in August 2024. At the time of his application, Mr W asked Cigna's sales agent to confirm whether there were age-related increases. Cigna responded, saying that "*You will have no age-related milestone increases, for example reaching 50, 60, 70 you will not see a sudden steep increase like you would with other providers. Our increases are minimal and manageable each year and run in line with medical inflation if there is any*". Mr W took this to mean that there would be no age-related increases at all and decided to go ahead with the policy.

When the renewal invitation was sent by Cigna in August 2025, Mr W spoke with Cigna to find out further details. He then found out that the renewal included an incremental increase due to his increase in age. Cigna confirmed that this was

[1] Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)

their standard practice. The amount of this increase for Mr W's September 2025 renewal was 2.1%.

Mr W complained to Cigna that they should not apply any age-related increases to his policy renewals because of the statement by Cigna's sales agent. Cigna agreed that their sales representative had not set out this aspect correctly. They offered to apply a 3% discount for the current policy year, which Mr W accepted. However, Cigna said that age-related increases would still apply to Mr W's policy in future years, which Mr W did not accept. Mr W then raised a complaint with CIFO, presenting some comprehensive legal arguments why Cigna should be prevented from applying future age-related increases. He also considered that he should be compensated for the distress and inconvenience that was caused by Cigna's act of misrepresentation at the point of sale.

The CIFO adjudicator reviewed the correspondence from Cigna and agreed that they should have been clearer that there were incremental age-related renewals. The adjudicator considered that the confirmation from the sales agent in 2024 was only that there would not be age-related **milestone** increases, and this didn't preclude incremental increases as a policyholder gets older. The adjudicator also considered that it is reasonable for any health insurance provider to apply increases as policyholders get older – for example a 90-year-old would not have the same underwriting risk as a 50-year-old. While Mr W had raised the doctrine of promissory estoppel in this context, the adjudicator considered that there was no significant detriment to Mr W because he can select another insurance provider.

The adjudicator checked that the agreed discount for the first policy renewal in August 2025 fully covered the age-related increase, as Mr W did not believe at the time of his first renewal that there would be age-related increases to his premiums, and he would not have had enough time to find another provider before the renewal was due. The adjudicator also considered that Cigna should pay a small amount for the distress and inconvenience caused by the sales agent's statement at the point of sale.

The adjudicator therefore considered that Cigna's decision to apply age-related increases to Mr W's future renewals is a legitimate exercise of their commercial judgement. The adjudicator recommended that this aspect of Mr W's complaint should not be upheld.

Subsequent Submissions

Mr W requested a final decision, disagreeing that future renewals are a matter of Cigna's commercial judgement. He considered that there was an age-entry disadvantage for a policy with another provider as he will be two years older at the next renewal and that he should have the "benefit of the bargain" where he should not bear the burden for misrepresentation by Cigna's sales agent. Mr W also contended that Cigna has made a binding admission as part of their complaint response and that any ambiguities in Cigna's contract or statements should be resolved in favour of the consumer under Section 69 of the UK Consumer Rights Act, 2015. He suggested that any commercial decision by Cigna to decline a renewal in his case would also be unenforceable under the same UK legislation. For that reason, Mr W considered that there is guaranteed renewability for his policy with Cigna as they cannot refuse a renewal based on claims history, illness, injury or any condition suffered by the policyholder.

Cigna also requested a final decision as they considered that no further compensation should be paid to Mr W for distress and inconvenience caused by the statement by their sales representative, as the agreed 3% discount already covers the 2.1% age-related increase.

Findings

I have considered available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint. Where necessary or appropriate, I reach my conclusions on the balance of probabilities; that is, what I consider is most likely to have happened in light of the evidence that is available and the wider surrounding circumstances. I will consider the complaint in two parts:

Part 1: Age-Related Increase for Current Policy Year and Distress and Inconvenience Caused

Part 2: Age-Related Increase for Future Renewals

For Part 1, Cigna has confirmed that the 3% discount that Mr W has previously accepted covers the 2.1% age-related increase for the 1 September 2025 renewal. Therefore, no adjustment is required in respect of Mr W's current policy year.

I have considered the appropriate level of compensation for distress and inconvenience to Mr W due to the issues caused the miscommunication by Cigna's sales agent. My decision is that Cigna should pay Mr W compensation of USD 500 for this aspect of his complaint, noting that Mr W is likely to look for cover from another insurance provider because of Cigna's actions.

I will now consider Part 2 of Mr W's complaint. Mr W considers that Cigna should be prevented from applying age-related increases to future renewals because of the misrepresentation by Cigna's sales representative.

I have looked at the policy terms, where under clause 13.1 it is for Cigna to decide whether to offer a renewal to the policy, though they cannot decide to refuse a renewal because of claims history, illness, injury or any condition suffered by the policyholder. I consider that the offering of renewals for reasons outside these factors is a matter for Cigna to decide. While the policy contract is governed by UK law, I do not consider that a commercial decision by Cigna not to offer a renewal is necessarily an exercise of contractual rights in bad faith, and not the legitimate exercise of their commercial judgement.

After reviewing the communications by Cigna's sales representative in July and August 2024, I consider the wording of the statements by Cigna's representative to relate to age-related milestone increases only, and this does not preclude incremental increases. While Cigna failed to highlight in their subsequent correspondence that their sales representative's communication related to milestone increases only, this does not affect my opinion that the sales representative's statement only relates to milestone increases.

I also think that it's normal that the premium for a health insurance policy takes account of the age of the policyholder, whether based on age milestones or on an incremental basis, going back to the adjudicator's example of a 90-year-old instead of a 50-year-old. Mr W has suggested that he has a disadvantage due to a higher age of entry into a new policy, also resetting the clock due to moratorium periods. I consider that entering into a new policy at the age of 52 is likely to be similar to entering into a new policy at the age of 50 as there is no significant milestone between these ages. The potential requirement for Mr W to find an alternative provider is also very achievable given the availability of other international providers, also noting that this would be a reasonable mitigation action for a healthy person.

CIFO is required to take note of applicable laws, regulations, codes of conduct and good industry practice in coming to a conclusion on what would be fair and reasonable for a specific complaint. While noting that the wording from the Cigna sales agent in respect of age-related increases relates to milestones only, a further factor to consider is the principle of unjust enrichment. Where a statement by an insurer (or their sales agent) is a mistake that constitutes an unjust factor, there is an equitable remedy available to an insurer for contract rectification or rescission even if it was a unilateral mistake by the insurer. While acknowledging some limitations that would be applied by a Court in these circumstances such as a requirement for clear and convincing evidence from the insurer that it was reasonable for the policyholder to realise the mistake, this is a factor that highlights that Mr W could be unjustly enriched if he were to benefit from a medical insurance policy with no age-related increases at all. I therefore think that if Cigna was compelled to offer a policy with no age-related increases because of the representation by their sales agent, the ownership of a medical insurance policy with no age-related increases could constitute unjust enrichment in Mr W's case.

While appreciating that the costs to set up a new policy are unknown at this point, to offset any potential inconvenience due to this there is already a separate USD 500 award in Part 1 above for distress and inconvenience due to the original statements made by the Cigna sales representative. Mr W may also choose to keep his current policy with Cigna after considering alternative providers, noting that the age-related increase for his current policy year is 2.1%, equivalent to USD 64.

For the reasons above, I do not uphold Part 2 of the complaint. I consider that any decision to apply age-related increases to future premiums is the legitimate exercise of Cigna's commercial judgement, and that it would not be reasonable to compel Cigna to exclude age-related increases from all future renewals for Mr W's policy.

Final Decision

For the reasons I have explained, my Final Decision is that I uphold this complaint in part, with an award of USD 500 to be paid by Cigna to Mr W.

Douglas Melville
Principal Ombudsman and Chief Executive

Date: 5 March 2026