<u>Ombudsman Decision</u>
<u>CIFO Reference Number: 25-000545</u>
<u>Complainant: Mr G</u>
<u>Respondent: Utmost Worldwide Limited ("Utmost")</u>

The complainant, who I will refer to as Mr G, complains in summary that Utmost has declined to pay his claim under the Long Term Disability (LTD) cover in his occupational health insurance policy.

Background

Mr G has Group Life and Disability insurance through his employer, which I'll call "S". Utmost is the insurer. The insurance policy provides an annuity to employees in the event of accident, disability or death.

Mr G has worked for S since 2003 and from 2011 was employed as a chief mechanic.

In 2015 Mr G suffered a trauma which caused some hearing loss. The role of chief mechanic involves exposure to noise, and Mr G has experienced further hearing loss from around 2019. He stopped working in 2021, because of that hearing loss.

Mr G made a claim under the Utmost policy, on the grounds that he could no longer work as a chief mechanic. Utmost paid benefits to him under the Short Term Disability (STD) provisions in the policy. When those benefits ceased after two years, Mr G claimed for benefits under the LTD section of the policy.

Utmost has not agreed to pay the LTD claim. It says, in summary, that, in order to make an LTD claim, Mr G must show that he is unable to work at all and that he has a degree of disability of 30% or more. Mr G's disability

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

has been assessed at less than 30%, so Utmost says he is not entitled to make an LTD claim.

Utmost says too that an STD claim will be paid where the employer cannot work in their own occupation (which in Mr G's case means as a chief mechanic), but for an LTD claim to succeed, the disability must affect the claimant's ability to work in *any* occupation. It says that Mr G is able to work in alternative roles.

Utmost says that its decision is supported by professional assessments, including an Occupational Health Assessment, medical reports, a Functional Abilities Assessment and a Transferable Skills Analysis.

Mr G complained to Utmost about its decision not to meet his claim. When it did not change its conclusions, he referred the matter to CIFO.

I considered what had happened and sent Mr G and Utmost my preliminary assessment of his complaint.

In my preliminary assessment, I concluded that the policy terms meant that Utmost did not have to meet Mr G's claim under the policy's LTD provisions. Utmost had applied them fairly and there was no reason to believe that the various assessments had been flawed in any way.

Mr G did not accept my preliminary conclusions. He asked me to review the case and issue a formal determination.

Findings

I have considered all the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint.

Both parties have seen and been provided with copies of relevant documents, including the policy terms and the assessments and medical reports which I have mentioned above.

Policy terms

In deciding what in my view is fair and reasonable, I must have regard to any relevant law. In this case, that includes the terms of the insurance policy, since that is the agreement which sets out when Utmost will (and when it won't) pay a claim.

The most relevant parts of the policy in this case are Articles 7 and 8.

Article 7.1 deals with STD claims and includes:

STD benefit eligibility occurs when … a Member is unable to perform his Own Occupation due to Incapacity…

Article 8.1 deals with LTD claims and says:

8.1. BENEFIT ELIGIBILITY

LTD benefit eligibility occurs when:

a) *A Member was a Short Term Disability Claimant*
b) *A Member is assessed to be totally or partially unable to perform Any Occupation due to Incapacity;*
c) *The Member being under the medical care and supervision of a Physician;*
d) *The Member co-operating with medical care and not unreasonably refusing to follow any appropriate course of treatment or therapy;*
e) *The Member remains disabled with a Degree of Disability of over 30%*

…

Any Occupation means "*Any occupation for any employer or engagement in any business from any source for remuneration or profit, regardless of the Member's age, education, training, experience or status of career or Own Occupation at the Onset Date.*" (Article 2.5)

Degree of Disability means "*The level of partial or total restriction in a Member's physical or mental faculties giving rise to a benefit payable under this Policy. A Member's Degree of Disability is assessed by a Physician and reviewed by the Chief Medical Officer or an independent examiner in the Company's discretion.*" (Article 2.9)

Incapacity means "*An Accident, illness or injury, resulting in the Member suffering a disability*." (Article 2.15)

Article 2.19 says:

"*LTD provides an annuity, payable when an STD Claimant continues to suffer an Incapacity and as a consequence is considered to be partially or totally unable to perform any occupation.*"

Own Occupation means "*The occupation in which the Member was employed or engaged to do immediately before the Incapacity commenced, including all the duties required to be performed in carrying out that occupation, as defined in their job description or contract of employment.*" (Article 2.25)

Article 2.31 says:

"*An STD provides an annuity, payable for a maximum of two (2) years, after the Waiting Period has elapsed, when a Member suffers an Incapacity and is considered to be totally or partially unable to perform his Own Occupation*."

Mr G's position

There is no argument that Mr G has an Incapacity as a result of his employment. That, of course, is why Utmost paid STD benefits to him for the maximum period of two years mentioned in Article 2.31. Mr G's complaint does not deal with Utmost's actions in dealing with the STD claim, and I believe he is satisfied with its handling of it.

What I must consider, therefore, is whether Mr G's current situation means that he has a valid claim under Article 8.1. To have a valid claim, he must satisfy all the conditions in that Article.

I believe Mr G meets the conditions in Article 8.1(a), (c) and (d). But Utmost says he does not meet those in Article 8.1(b) and (e). I'll discuss each of them.

Under Article 8.1(b) a claimant must be totally or partially unable to perform *Any Occupation.* It is not enough that they cannot perform their previous role (their *Own Occupation)* – in this case, that means Mr G's role as chief mechanic. Not being able to work in that role was enough to make Mr G eligible for STD, but to be valid to receive LTD a claimant must be unable to work in any suitable occupation at all.

I have referred above to the Occupational Health Assessment, Functional Abilities Assessment and the Transferable Skills Analysis which Mr G has taken part in since he stopped working and since the STD benefits came to an end. Together, they concluded that Mr G is able to work, and some suitable roles were considered.

The various assessments and analyses concluded that Mr G is no longer able to work in his previous role. That made him eligible to receive STD benefits for two years, but Utmost's conclusion as a result of the reports I've mentioned (and medical reports) is that it cannot properly be said that he is unable to perform any occupation at all.

Further, Article 8.1(e) requires that, to be eligible for LTD, a claimant must have a degree of disability of 30% or more. The medical review concluded that Mr G has a degree of disability of less than 30%. That also means that he is ineligible to receive LTD benefits.

Conclusions

Mr G has my sympathy. He has suffered an incapacity (to use the term in the policy wording) which means that he can no longer work in his previous role as chief mechanic.

I do not believe however that I can fairly say that Utmost was wrong to apply the policy terms in the way it did. And nor can I say that the medical and occupational assessments which were carried out were flawed in any way. They too appear to be in line with the policy terms and with usual practice. I am satisfied that Utmost was within its rights to decline Mr G's claim and that it did not act unfairly in doing so.

It is unfortunate too that it has taken as long as it has to reach this stage, but I cannot fairly say that Utmost had unduly delayed the process – including arranging and carrying out the various assessments to which I have referred.

Final Decision

For these reasons, my final decision is that I do not uphold Mr G's complaint or make any award.

Mike Ingram
Ombudsman

Date: 13 April 2026