



## Case study: Insurance

### HEALTH INSURANCE CLAIM REJECTED DUE TO PRESUMED PRE-EXISTING CONDITION

Themes: Pre-existing condition; terms and conditions; social media crowd funding.

This complaint relates to a health insurance claim that was rejected as the insurance company believed it was for a pre-existing condition.

In March 2016, Mr K took out a health insurance policy. When applying, Mr K was asked a number of questions regarding previous medical conditions, all of which he answered “no” to. In January 2018, Mr K experienced back pain and, when examined by his doctor, he was diagnosed with arthritis of the hips which required surgery. Mr K contacted his insurance company to make a claim but as Mr K’s doctor’s report noted that Mr K had experienced pain related to the condition since January 2016, Mr K’s insurance company rejected his claim. Mr K’s doctor then issued a revised medical report approximately a week later and explained that the date provided on the original report was an error and that Mr K had actually experienced discomfort since January 2017, but the pain had worsened recently. Mr K’s insurance company still rejected his claim but agreed that Mr K could be reviewed by an alternative doctor.

In May 2018, Mr K was reviewed by a different doctor who also diagnosed hip arthritis which had been a progressive problem over the past year but indicated that the problem had begun to limit Mr K only 7 months prior. However, Mr K’s insurance company continued to reject Mr K’s claim and when Mr K made a complaint, his insurance company asked that he be reviewed by a third doctor. The third doctor concluded that symptoms of the hip arthritis were evident, but these symptoms were prior to the initiation of Mr K’s health insurance policy in March 2016, and the insurer rejected Mr K’s claim. Mr K referred his complaint to CIFO and fully funded the surgery he required for his hips by using social media crowd funding.

CIFO investigated and found that Mr K’s insurance company should have been clearer regarding the significant pre-existing conditions that Mr K was asked to declare when he had completed the health insurance policy application. Therefore, CIFO concluded that Mr K’s insurance company should refund Mr K the full costs of the surgery along with a £2,000 distress and inconvenience award. However, as Mr K had funded his surgery using social media crowd funding, CIFO felt it unfair for his insurance company to compensate Mr K for a loss he hadn’t incurred and upheld the complaint in part, recommending Mr K’s insurance company pay Mr K the £2,000 distress and inconvenience award only.