



Case study: Insurance

TERMINATED HEALTH INSURANCE POLICY AND CLAIM REJECTION DUE TO PRE-EXISTING MEDICAL CONDITION

Themes: Termination of health insurance policy; unclear health insurance policy underwriting guidelines; pre-existing medical condition

This complaint related to the rejection of a health insurance claim and the cancellation of the insurance policy after a complainant was diagnosed with prostate cancer.

In December 2018 Mr T switched his existing insurance policy which he had held for six years to another insurance provider (HS). The new insurance provider (HS) requested a medical questionnaire and Mr T declared a surgical procedure, a transurethral resection of the prostate, that had been performed some ten years prior. HS did not request any further information and initiated coverage under the policy.

In August 2019 Mr T was diagnosed with prostate cancer and made a claim to HS. The claim was rejected as HS believed that Mr T had a pre-existing condition of high prostate specific antigens (PSA levels) for several years. Mr T provided his PSA level reports and confirmations from the doctor that the levels were not a reason for concern and were normal for his age.

HS advised Mr T that their underwriting guidelines stated that any PSA levels above 4 would require further review before a policy would be approved. As Mr T's PSA levels were above 4 the policy was subsequently cancelled, and the claim for medical costs incurred for his prostate cancer was rejected. Mr T was refunded his premium payments made to-date. Mr T objected to this as he was not aware that HS used guidelines that were not consistent with international medical standards and he had never been advised that his PSA levels could influence his coverage under the policy. Mr T also complained about the way HS had handled his complaint and requested that his policy be reinstated as he was now unable to arrange cover with an alternative insurance provider given his cancer diagnosis.

In September 2019, HS provided a final response to Mr T's complaint by re-affirming the cancellation of the policy and claim rejection in accordance with their underwriting guidelines. Mr T brought his complaint to CIFO and requested the cover of his medical fees and the re-instatement of his health insurance policy with HS.

CIFO investigated and found that HS had requested additional information with regards to the PSA levels after Mr T submitted his medical questionnaire but had simply asked if these were within normal range. The term "normal" was not defined and Mr T confirmed that his PSA levels were within normal range. CIFO also noted that neither the medical questionnaire nor the policy made any mention of PSA levels. CIFO recommended HS reimburse Mr T's medical costs valued at €16,516, €48 in costs he had incurred to provide evidence for the investigation, and €1,121 in interest (calculated at 8%) from the date the invoices were settled with Mr T's credit card. CIFO also felt that compensation of €1,675 for distress and inconvenience should be awarded to Mr T. CIFO upheld the

complaint in favour of the complainant and determined that the insurance company pay Mr T a total of €19,362.