



## Case study: Insurance

### HEALTH INSURANCE CLAIM REJECTED DUE TO NON-DISCLOSURE OF PRIOR SYMPTOMS

Themes: Health insurance; claim rejection and policy cancellation; misrepresentation and non-disclosure of symptoms.

This complaint relates to a rejected health insurance claim in circumstances where the insurer said the insured person had not told them about undiagnosed symptoms when applying for the policy.

In April 2020, Miss C took out a private health insurance policy. In July 2020, she submitted a claim to her insurer for the cost of medical investigations following a recent diagnosis with a gastric illness. Miss C's insurer rejected the claim because the medical report they had received in support of the claim led them to believe Miss C had experienced intermittent gastric symptoms in the year before she applied for the policy. The insurer said that Miss C should have told them about these symptoms in response to a specific medical question they had asked her when she applied for the policy. Had they known about her undiagnosed symptoms, the insurer said they would not have offered Miss C a policy at all. As such, the insurer would not pay the claim. They cancelled Miss C's policy and returned the premiums she had paid.

Miss C complained. She said that she had experienced common symptoms which she did not think indicated a medical problem. Miss C pointed out that she had not been diagnosed with or treated for any gastric issues before she had applied for the policy and felt she did not need to declare everyday gastric issues. Miss C's insurer rejected her complaint because they had specifically asked her about any undiagnosed symptoms. Miss C referred her complaint to CIFO.

CIFO asked Miss C about the symptoms described in her medical report. Miss C explained that she had initially sought treatment for allergies, and it was only when the specialist asked her about acid reflux that Miss C sought advice from a gastric expert. Miss C said she had not believed she had symptoms of an illness at the time she had taken out the policy. CIFO explained to Miss C that the key considerations were whether she had taken reasonable care in answering the insurer's question about any symptoms she had experienced. Whether or not she had taken medical advice or been diagnosed with a medical condition. CIFO concluded that Miss C's wide-ranging gastric symptoms had not been normal for her, and CIFO noted that they had occurred in the months before she had taken out the policy. CIFO found that, had she taken reasonable care, Miss C would have told the insurer about her symptoms in response to their specific medical question. Had she done so, CIFO accepted on the balance of probabilities the insurer would not have offered Miss C a policy.

CIFO concluded that, by failing to disclose the prior symptoms in response to the clear question posed by the insurer when she applied for the insurance, Miss C had misrepresented her health. The insurer was therefore entitled to cancel the policy and it was reasonable they had refunded Miss C's policy premiums. CIFO did not uphold the complaint.