



## Case study: Insurance

### INSURANCE COMPANY REJECTS CLAIM DUE TO TERMS AND CONDITIONS AFTER VERBALLY CONFIRMING THE CLAIM COVER

Themes: Recorded customer call determinative evidence; insurance policy terms and conditions; distress and inconvenience

A customer complained about their insurance company's rejection of a claim when it said the wife's treatment was not covered by their policy.

Mr B and his wife were visiting a maternity doctor who noted it was a high-risk pregnancy and recommended Mrs B undergo some additional tests. Before Mr B agreed to the additional tests, he contacted his insurance company by telephone to ensure that the tests would be 100% covered by his health insurance policy. Mr B's insurance company confirmed that everything would be covered, and they followed the doctor's advice to obtain the additional tests.

Mr B then received bills for the tests as the insurance company had rejected the claim. Mr B contacted his insurance company who advised that the medical provider that provided the tests was not in its network of providers so the claim wouldn't be paid in full. Mr B referred the insurance company to the recorded telephone call that he had with the insurer prior to him and his wife agreeing the recommended tests. The insurance company referred Mr B to his health insurance policy and said the terms and conditions were clear. The insurance company advised that the terms and conditions of the policy could not be modified by either oral miscommunications or misunderstandings and could only be altered through a formal process. The insurance company referred Mr B to CIFO.

Mr B brought his complaint to CIFO emphasising that the whole process had been mentally stressful. Mr B believed that, as the insurance company had confirmed on a recorded telephone call that 100% of the costs for the tests would be covered, the insurance company should honour the claim.

CIFO investigated and decided that the telephone call between the insurance company and Mr B had led Mr B to continue with the recommended tests believing that the costs would be fully covered. Mr B had explained to the insurer that he and his wife could not afford the cost of the tests, so would not have been able to proceed with the tests unless they were covered under the policy. Mr B had also explained during the call that he was an expatriate and inexperienced with making claims in the country he was residing in. Mr B's comments during the call also should have indicated to the insurer that the medical provider may not have been within the insurer's network. The insurer's adviser had explained the tests would be covered in full and had not explained this was dependent on the medical provider being within the insurer's network. CIFO therefore upheld the complaint and recommended that the full health insurance claim of £3,700 be paid. CIFO also decided that as this process had caused Mr B great anxiety during a particularly stressful period, the insurance company should also compensate Mr B a further £300 for the distress and inconvenience caused.

CIFO recommended the insurance company to cover the full cost as it was decided that it was clear Mr B wouldn't have gone ahead with the treatment in this way if not for the incorrect advice received from the insurance company.