



Case study: Insurance

HEALTH INSURANCE CLAIM REJECTED DUE TO A PRE-EXISTING CONDITION

Themes: Pre-existing condition; terms and conditions; policy exclusions.

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

In January 2022, Mr M started a medical insurance policy with his employer and added his wife to the cover. Mr & Mrs M completed the application and signed the medical declaration listing their existing conditions. Mr & Mrs M's insurance company provided the policy and specifically stipulated exclusions related to Mrs M's prior conditions. One of the exclusions was related to 'joint pain'.

In March 2022, Mrs M developed pain in her knee. She claimed on her health insurance and a referral to a specialist was approved. The specialist diagnosed arthritis of the knee and recommended a knee replacement. Mrs M submitted a further claim to her insurance company for the surgery, which was declined on the basis of an exclusion on the policy. Mrs M's specialist prepared a medical report which stated that the requirement for a knee replacement was not linked to any pre-existing condition. However, Mrs M's insurance company rejected her claim stating the treatment was for joint pain, an excluded condition within Mrs M's health insurance policy. Mr & Mrs M paid for the knee replacement surgery, and they made a complaint to the insurance company. Mr & Mrs M felt that their insurance company should have made them more aware of the policy's exclusions and they referred their complaint to CIFO.

CIFO investigated and noted that Mrs M's insurance company had covered the initial claim in error, as they believed the pain had been caused by a traumatic event which was covered by the policy rather than joint pain, a condition excluded from the policy. CIFO also noted that the terms and conditions of Mrs M's health insurance policy specifically mentioned the exclusion that Mrs M would be subject to, namely 'joint pain' and the policy declaration also contained a warning to check the policy documents before signing. Although, Mrs M's insurance company had covered the initial cost for the specialist consultation in error, CIFO concluded that they had acted in accordance with the policy's terms and conditions and that it would not be fair or reasonable for Mrs M's insurance company to cover the remaining treatment costs. Therefore, CIFO did not uphold the complaint.