



Less Claims to be Refused.

Insurance companies have made a landmark agreement to pay more claims where customers have unintentionally not disclosed medical information, following guidance from the Association of British Insurers (ABI).

The decision applies to critical illness, income protection and life insurance unless the customer deliberately withheld information. The guidance, drawn up in consultation with the Financial Ombudsman Service and ABI member companies, comes into immediate effect for new and existing protection insurance policies.

It means insurers will pay customers a fair sum, reflecting risk and premiums paid, if customers fail to provide the relevant information. Insurers will refund premiums in “a small number of exceptional cases” if they would not have taken on the policy had they known the full facts.

Customers want to know that their insurance claim will always be assessed fairly and paid without fuss. The industry wants customers to be able to take out insurance with confidence. Last week insurers signed up to ensuring both of these will now happen. The number of protection claims that are turned down will fall.

The move follows guidance on improving application form clarity and clearer descriptions of the main conditions covered by critical illness insurance in 2006, and improving telephone and online protection insurance application clarity last year.

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YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED UPON IT.
The guidance and advice contained within this article are subject to UK regulatory regime and is therefore primarily targeted at customers based in the UK.

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