Financial Ombudsman Service

The complaint

Miss E is unhappy that Unum Ltd has declined a claim she made on a group critical illness policy.

What happened

Miss E is the beneficiary of her employer's group critical illness policy. In September 2022 she experienced a heart attack caused by Spontaneous Coronary Artery Dissection (SCAD).

Unum declined the claim because the policy had an exclusion for beneficiaries who had been diagnosed with diabetes in the two years before the heart attack. Miss E explained that her diabetes had resolved and that diabetes wasn't a risk factor for SCAD. Miss E complained to Unum but they maintained their decision to decline the claim. Unhappy she complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. He thought Unum had fairly applied the policy terms and conditions. Miss E didn't agree and asked an ombudsman to review her complaint. In summary she said the exclusion was being applied bluntly and the intention of the wording was to manage the risk the insurer was taking on. She highlighted that her heart attack was not linked to diabetes and said her claim should be settled. So, the complaint was passed to me to make a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The relevant rules and industry guidelines say that Unum has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

The policy terms and conditions say:

> '...a member will not be able to claim for a critical illness event which is linked to a related condition which the member was aware of, or received treatment or advise for, on or before the date they joined the policy. The related conditions for each group of critical illnesses are listed in section 10. The related conditions either apply indefinitely or are limited to the 2 years after joining, as shown in section 10'.

Specific related conditions exclusions which apply to each group of critical illness events are set out in a table. The table says that a heart attack is covered as a critical illness but there is an exclusion for related conditions. The related conditions include 'diabetes mellitus'.

A heart attack is defined as:

> 'Heart attack
>
> Death of heart muscle, due to inadequate blood supply, that resulted in all of the following evidence of acute myocardial infarction:

- New characteristic electrocardiographic changes or other positive findings on diagnostic imaging tests.

- The characteristic rise of cardiac enzymes or Troponins

The evidence must show a definite acute myocardial infarction.'

In August 2018 Miss E was diagnosed with type 2 diabetes. She says that she made significant lifestyle changes which resolved her diabetes. That's reflected in the medical evidence which indicates that her diabetes was resolved in March 2022 by lifestyle changes. Miss E joined the group scheme in April 2022.

I don't think it was unreasonable for Unum to decline the claim. Although Miss E's diabetes had resolved she had received advice about it and was aware of it before she joined the policy. So, I think Unum reasonably concluded that it was a related condition in line with the policy terms and fairly applied the exclusion.

I've thought about whether it would be fair and reasonable to depart from a strict application of the policy terms. In doing so I've taken account of the evidence Miss E has provided evidence that SCAD isn't linked to diabetes. However, I don't think it would be fair and reasonable to conclude the exclusion does not apply. I say that because it's the fact of the diagnosis of diabetes which triggers the exclusion, not whether it's linked to the heart attack. So, I can't fairly conclude that Unum should cover the claim.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 29 May 2024.

Anna Wilshaw
Ombudsman