

The complaint

Mrs B is unhappy with the date on which AIG Life Limited ('AIG') has used to start paying the benefit under her income protection insurance policy ('the policy').

She's also unhappy that AIG didn't agree to reduce the deferred period.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. I'll focus on giving the reasons for my 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.

AIG has an obligation to handle claims fairly and promptly.

The policy terms say AIG will pay a monthly benefit if "you're incapacitated and meet the definition of incapacitated that applies to you..."

Mrs B's cover summary reflects that the relevant incapacity definition is "own occupation" defined as:

You are not doing any paid work and have been diagnosed with an illness, injury or disability which prevents you from doing the essential duties of your own occupation. The essential duties are those that are normally required for, and/or form a significant and integral part of, the performance of your own occupation that cannot reasonably be omitted or modified.

Own occupation means your trade, profession or type of work you do for profit or pay. It is not a specific job with any particular employer and is irrespective of location and availability.

The policy also confirms that "you need to be incapacitated for a continuous period that is longer than the deferred period". The cover summary confirms that the deferred period is 26 weeks.

I know Mrs B will be very disappointed but for the reasons set out below, I'm satisfied that AIG has used a date in early April 2023 as the date on which the deferred period started, meaning that the benefit became payable in early October 2023.

- Mrs B says that she was due to return to work from maternity leave in January 2023 but because of an ache in her wrist, which was getting progressively worse, she didn't feel she was able to. From what I've seen, I'm satisfied that Mrs B didn't seek medical attention at the time or consult her GP. So, there's no medical evidence from January/February 2023 in support of her not being able to carry out the essential

duties of her own occupation.

- Mrs B's GP has provided evidence that the date of the first consultation about Mrs B's wrist symptoms was early April 2023 (although it's noted that Mrs B reported that the symptoms had started in January 2023). There's also an entry in her GP notes from early April 2023 which reflects Mrs B "wanting sick note from end of Jan...as was hoping to go back to work in Feb".
- It's for Mrs B to establish she had a valid claim under the policy. Whilst I've taken into account what she says about her wrist symptoms in January 2023, I'm satisfied that AIG has acted fairly and reasonably by concluding that it hasn't been established that she was incapacitated as defined by the terms of the policy then. Whilst, her GP did provide a statement of fitness for work certificate covering the period 1 February to 25 May 2023, the statement is retrospective and dated 26 May 2023. It's also based on Mrs B's self-reported past symptoms rather than the GP's observations in January / February 2023 (or other medical evidence from that time).
- I'm therefore satisfied that AIG has used the date of Mrs B's first GP appointment about her wrist symptoms as the date on which the deferred period started, rather than an earlier date in either January or February 2023.
- When making this finding, I've taken into account the call Mrs B (and her partner) had with AIG at the end of March 2023. They asked what information was required to support any claim made on the policy. AIG's representative did discuss arranging a consultation with her GP and getting a fitness to work certificate. However, having listened to the call, I don't agree that any assurance was given by AIG that a claim could be backdated to the date on which Mrs B first reported wrist symptoms. Mrs B and her partner were told that whether the claim could be backdated was dependent on a number of factors, including what's reported by the GP. I don't think AIG was under any obligation to request a specialist report at the time, nor do I think it acted unfairly by not requesting one during the initial call during which it was told about Mrs B's symptoms.

Mrs B is also unhappy that AIG didn't agree to reduce the deferred period.

The policy terms say:

We may agree to a reduction in the deferred period. If we agree to it, your premium may increase.

I'm satisfied AIG fairly decided not to reduce the deferred period in the circumstances of this case. AIG says it wouldn't agree to this request during an active claim. As the reduction in a deferred period is an improvement to cover, AIG says it would require underwriting which would've impacted the active claim. So, it wouldn't consider improving cover during an active claim. I'm persuaded by those submissions and in my experience, it would be unusual for an insurer to agree to a request to improve cover under the policy during an active claim. I'm satisfied AIG has acted fairly and reasonably.

AIG has also said that if the claim ends, it could consider a reduction in deferred period, but it would involve Mrs B going through an underwriting process and other factors. If this is something Mrs B would like to consider once the claim ends, she's free to contact AIG.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or

reject my decision before 7 January 2025.

David Curtis-Johnson
Ombudsman