

The complaint

The estate of Mr M is unhappy with the way in which American International Group UK Limited (AIG) handled a claim made on a personal accident policy ('the policy'), after Mr M sadly died, including the percentage of benefit it's offered to pay under the policy.

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:

If you die as a result of an accident, we'll cover you up to the amount shown in the table below...

If you die - £25,000

Accident means:

Something that is sudden and unexpected and happens external to the body.

External to the body means:

A sudden event outside of your body which applies a force to it and causes an injury. We don't cover anything that's caused by, or is a symptom of, any illness or disease or wear and tear.

I wish to express my condolences to Mr M's family. I know the estate of Mr M will be very disappointed, but for reasons set out below, I'm satisfied that the offer made by AIG in its final response letter dated April 2024 (to pay 10% of the death benefit under the policy terms) is fair and reasonable.

I'm not a medical expert. So, I've relied on the evidence available to me when considering whether AIG has acted fairly and reasonably in the circumstances of this case. And it's for the estate of Mr M to establish a successful claim under the terms of the policy.

- The estate of Mr M says relatives of Mr M had conversations with his treating consultant at the time who said it was medically impossible to determine whether Mr M's fall had caused a cardiac arrest or whether his cardiac arrest had caused his fall and subsequent head injury. I've taken what the estate says into account as it's

relevant evidence. But the estate hasn't provided any medical evidence from the consultant (or another medical professional) in support of that, or that Mr M died as a result of an accident as defined by the policy. In light of the other evidence I've seen, which I go on to explain below, I've placed less weight on what the estate has said.

- Mr M's death certificate does list as the first cause of the death: (a) brain injury, (b) cardiac arrest (c) ischemic heart disease. It then lists 'traumatic subarachnoid hemorrhage' as the second cause of death. So, I don't think the death certificate provides persuasive evidence of whether Mr M died because of an accident as defined by the policy.
- AIG instructed an independent consultant neurologist to review Mr M's medical records and claim form, and prepare a report. The report refers to a letter from a consultant in critical care medicine to Mr M's GP dated September 2022 (after his death) which says Mr M "presented to the Emergency Department following an out of hospital cardiac arrest...unfortunately when he collapsed, he also sustained a severe head injury. This included a skull fracture and traumatic subarachnoid and intracerebral hemorrhage".
- The ambulance service records are also referred to and refer to Mr M collapsing on the street, and in the absence information to explain why Mr M collapsed or fell, I think it's reasonable to conclude on the balance of probabilities that the collapse was caused by the cardiac arrest, which then led to the Mr M hitting his head.
- The independent consultant neurologist concludes that "the traumatic brain injury was caused by the collapse that in turn was caused by a cardiac event. This is based on the documentation in the records of the collapse and that a PEA cardiac arrest would be a highly unlikely consequence of an isolated traumatic brain injury".
- They go on to also say: "the chance of survival to hospital discharge following out of hospital cardiac arrest is very low (about 8% in the UK). Therefore, irrespective of the traumatic brain injury sustained as a consequence of the collapse, Mr M's chance of survival was low". And: "although not directly attributable to the cause of his death, the traumatic brain injury would have contributed to his death. Given the poor prognosis following an out of hospital cardiac arrest in isolation (about 8%), I would estimate the traumatic brain injury (that was a consequence of the cardiac arrest and collapse) played about a 5 – 10% chance in his subsequent death".
- In the absence of any medical report or further documented medical opinion to the contrary, I'm satisfied that AIG has fairly relied on the conclusions of this report and the percentage given to the brain injury playing a part in his subsequent death to offer 10% of the life benefit amount provided by the policy. It was the head injury which was sudden and unexpected "and happens external to the body" - so caused by an accident as defined by the policy. I'm satisfied that a cardiac arrest happens internally in the body, and I've seen nothing which convinces me on the balance of probabilities that the cardiac arrest came after, or was caused by, the fall / collapse.
- I've considered the available evidence up to the date of the final response letter. If the estate of Mr M does obtain documented evidence in support of its position, it's free to share that with AIG for review.

I know the estate of Mr M is also unhappy about how the claim was handled including delays.

It did take several months for AIG to make an offer to pay a percentage of the life benefit to the estate of Mr M from the date on which the claim was made. However, I'm satisfied that it wouldn't be fair for me to hold AIG responsible for those delays as it was awaiting documents from other parties including the GP records. It then instructed the independent

consultant neurologist for a report and then promptly considered the contents and made a financial offer thereafter. From the internal contact notes and correspondence I've seen, it also then corresponded with the estate's representatives about the offer and report and promptly responded to correspondence once received.

Putting things right

The available evidence supports that the estate of Mr M declined AIG's offer to pay 10% of the life benefit under the policy (after also declining the initial offer to pay 7.5% of the life benefit amount).

I think the offer to pay 10% of the life benefit amount under the policy is fair and reasonable.

My final decision

American International Group UK Limited has already made an offer to pay 10% of the death benefit amount to settle the complaint. I think this offer is fair in all the circumstances.

So, my decision is that American International Group UK Limited should pay 10% of the life benefit amount (if it hasn't already done so).

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr M to accept or reject my decision before 16 January 2025.

David Curtis-Johnson
Ombudsman