

## **The complaint**

Mr H has complained about the assessment of claim by AMERICAN INTERNATIONAL GROUP UK LIMITED (AIG) under his personal accident policy.

## **What happened**

The background to this complaint is well known to the parties. In summary Mr H injured his right knee in a military parachuting incident in 2014. Mr H complained that not all of the medical information was considered when assessing his personal accident claim.

Unhappy with the settlement offered by AIG, Mr H referred his complaint to our Service. The investigator didn't recommend that it be upheld. She said that she hadn't seen any medical evidence to challenge that of the independent medical expert (IME). She also felt that it was fair for AIG to request a complete copy of Mr H's discharge document.

Mr H appealed. He didn't think that his case had been looked at objectively. He said that he didn't have a copy of his discharge document, but that it should be in his medical notes which AIG had. He asked that his medical military documents be assessed and not only the IME's report.

The investigator considered the new evidence, but it didn't change her previous conclusion.

As no agreement has been reached the matter has been passed to me to determine.

## **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.

Firstly I'd like to reassure Mr H that whilst I've summarised the background to this complaint and some sensitive medical information, I've carefully considered all that Mr H said and sent to us. In this decision though I haven't commented on each point or piece of evidence rather I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. Having done so and although I recognise that Mr H will be very disappointed my decision, I agree with the conclusion reached by our investigator for the following reasons:

- The relevant regulator's rules say that insurers mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms of Mr H's policy and the available medical evidence, to decide whether I think AIG treated Mr H fairly in settling his claim as it did.
- Mr H has claimed for bodily injury – the policy defines this as injury to the body caused by accident. However there is a specific exclusion: *It does not include ...disease unless this results from injury to the body; or...injury caused by any gradual cause.* This is not an unusual term in accident policies.

- The policy explains how benefit is calculated:

*Non specified injuries.*

*We will pay a benefit (or benefits) under item 17 of section B (permanent disabilities) for a permanent, total and irrecoverable loss by assessing the degree of disability suffered compared to those permanent disabilities specifically mentioned in that section without taking account of your occupation.*

*If the disability suffered does not relate to a specific disability or a part of the body mentioned in the table of benefits in section B, then we will assess the degree of disability suffered as a percentage of the whole body.*

*To do this we will ask an independent medical consultant or other medical advisor to evaluate the impairment and disability, which may include reference to the American Medical Association Guide to the Evaluation of Permanent Impairment Sixth Edition (or any subsequent revisions thereof) or other similar guides.*

As Mr H's disability didn't relate to a disability or part of the body mentioned in the table of benefits, AIG assessed the degree of disability suffered as a percentage of the whole body by asking an IME to evaluate the disability. I don't find that this was unfair – it accorded with the policy terms.

- The policy also included the following condition:

*Existing medical conditions*

*If you have an existing physical or medical condition, we will ask an independent medical consultant to:*

- i. assess whether your existing physical or medical condition has contributed to your post-accident disability and, if so*
- ii. assess the difference between your physical or medical condition before and your disability after the accident.*

*Any payment will be based on the difference, expressed as a percentage and applied to the appropriate item in the table of benefits.*

- The IME appointed, I'll call Dr H, was a consultant orthopaedic surgeon. He had access to Mr H's GP records and correspondence. It is apparent from the report that Dr H considered these in detail. Dr H concluded that the absence of cartilage (from previous surgery) would lead to degeneration in the knee joint. The level of disability following Mr H's 2014 accident he concluded was 80% due to degeneration and 20% due to the accident. This represented 8% impairment to the lower limb which equated to 3% whole person impairment. AIG calculated the benefit due to Mr H on the basis of this report. Mr H has seen the calculation which resulted in a payable benefit of £360.
- I haven't disregarded Mr H's contention that his medical notes have been poorly interpreted and that his injury from the accident has been 'played down' or the other comments he has made regarding his previous medical history. However I have no reason to doubt the professionalism and expertise of Dr H. I note that Dr H responded to points raised by Mr H regarding the interpretation of his medical notes.

Should Mr H wish to appoint an orthopaedic surgeon (or other medical advisor) to provide a report he can do so. Even though the policy terms allow AIG to assess disability based on the report of the IME or other medical advisor *it* appoints, I would expect it to consider any further evidence that Mr H submits.

- Mr H has said that a prior assessment of his medical disability for pension purposes put his disability at 6-14%. But here Mr H's claim was assessed under his accident policy and in accordance with the policy terms. It isn't clear, or indeed relevant to a claim under this policy, what factors the assessment by the military considered, or the terms applicable. But for the avoidance of doubt the complete Fmed document has not been seen by AIG.
- I completely understand Mr H's disappointment at being advised the amount of benefit due to him. Particularly, as Dr H observed, that the high physical standards required by the Military mean that even relatively mild physical disabilities can have a profound effect on the ability to continue with the military role. This was not to suggest that Mr H's injury was mild, and I acknowledge the impact is great. But based on the IME's report I'm not persuaded that AIG treated Mr H unfairly, unreasonably or contrary to his policy terms in the assessment of his claim. I'm sorry that my decision doesn't bring Mr H welcome news.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 April 2025.

Lindsey Woloski  
**Ombudsman**