

## **The complaint**

Mrs U is unhappy with the way CIGNA Life Insurance Company of Europe SA-NV handled a request to add her newborn child to her 'gold' global healthcare plan ('the plan'), and that it declined to cover medical and hospital fees around \$7,600 ('the medical fees').

## **What happened**

Mrs U had the benefit of the plan. She gave birth to her son in early 2023. In March 2023, she sent CIGNA a completed application form along with a certified birth certificate for her son so that he could be added to the plan.

CIGNA didn't add Mrs U's son to the plan, and she was sent an invoice for hospital and medical fees relating to her son, which haven't been covered by CIGNA.

Unhappy, Mrs U complained to CIGNA. It maintained that it wasn't responsible for the medical fees and Mrs U complained to the Financial Ombudsman Service.

Our investigator looked into what happened. He upheld the complaint and recommended that CIGNA add Mrs U's son to the policy, promptly assess a claim for the medical fees and pay Mrs U £150 compensation for distress and inconvenience.

Mrs U doesn't think £150 compensation fairly reflects the impact on her. CIGNA didn't confirm whether it accepted the view, so the complaint was passed to me to decide.

I issued a provisional decision. I said:

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Has CIGNA acted fairly and reasonably?

The policy terms and conditions allow beneficiaries to be added during the policy year in limited circumstances. It says:

If a beneficiary gives birth, you may apply to add the newborn as a beneficiary to your existing plan.

If at least one (1) parent has been covered by the policy for a continuous period of twelve (12) months or more prior to the newborn's birth, we will not require information about the newborn's health or a medical examination if an application is received by us to add the newborn to the policy within thirty (30) days of the newborn's date of birth. However, if an application is received by us more than thirty (30) days after the newborn's date of birth, the newborn will be subject to medical underwriting.

If neither parent has been covered by the policy for a period of twelve (12) consecutive months or more prior to the newborn's birth, the newborn will be subject to medical underwriting, and you can submit an application to add the newborn.

If medical underwriting is required for the newborn, we will then tell you whether we will offer cover to the newborn and, if so, any special conditions and exclusions which would apply. Cover will begin no sooner than the date you accept our offered terms. We will send you an updated Certificate of Insurance confirming that the new beneficiary has been added. Please refer to the 'Newborn Care' benefit in your Customer Guide for further details.

It isn't disputed that Mrs U had been covered by the plan for a continuous period of more than 12 months before giving birth to her son.

CIGNA says that Mrs U didn't add her son to the policy within 30 days of his date of birth. And that's right.

However, I've seen an email from CIGNA's representative to Mrs U from the end of December 2022 (a couple of weeks before giving birth) which was sent to her during a call she had with that representative enquiring about adding her child to the policy once born.

The email reads:

Please find attached a copy of the form to add beneficiary which can be sent in with the birth certificate and the baby will be covered from the date we receive those.

The customer guide was also attached. This is a 40-page document and on page 23, sets out details of newborn care. It says that once a parent has been covered by the policy for 12 months or more, newborn care is available up to the total financial limit for the selected plan per period of cover within the first 90 days following birth.

It goes on to say:

Provided the newborn is added to the policy, we will pay for:

Up to 10 days routine care for the baby following birth; and

All treatment required for the baby during the first 90 days after birth instead of any other benefit.

It then repeats the policy requirements referred to above.

I don't think CIGNA has acted fairly and reasonably in this case by failing to add Mrs U's son to the plan before it was due to renew at the end of April 2023.

Mrs U has provided documentary evidence (which I'm persuaded by) that except in special circumstances which don't apply to this case, she could only apply for a certified copy of the birth certificate when her son was two months of age.

Mrs U's birth certificate was certified only a few days after he was two months old and three days after this, Mrs U returned the completed application form to CIGNA with the certified birth certificate.

I haven't seen anything which persuades me that CIGNA took any proactive steps to try to add Mrs U's son to the plan then.

CIGNA initially said it didn't do so, because Mrs U didn't ask for her son to be added to the plan within 30 days of his birth. However, based on the policy terms, I don't think that stops him being added; it just means he would be subject to underwriting.

However, in the circumstances of this case, given the contents of CIGNA's email dated from the end of December 2022, asking her to return the application and birth certificate for him to be added to the plan, I think it would be fair and reasonable to have added Mrs U's son to the plan without the need to have information about his health or a medical examination.

This is waived if the application to add the newborn as a beneficiary is made within 30 days of birth.

However, based on the contents of the CIGNA's email to her dated end of December 2022, I think it's reasonable for Mrs U to have believed that the application and birth certificate needed to be submitted together.

And although more information is contained in the customer guide, this was on page 23 and made no mention of the birth certificate whereas this seemed to be a requirement and was given prominence in the covering email dated end of December 2022.

Had Mrs U been told at the end of December 2022 that the application to add her son after his birth could be made without the birth certificate, I've got no reason to think that she wouldn't have made the application within 30 days and been entitled to 'newborn care' benefit under the policy.

CIGNA has said that Mrs U would've needed to pay a premium to add her son to the policy from birth to when the policy renewed. It's said this would've cost around \$1,365. It's provided no documentary evidence in support of that calculation.

But in any event, I've seen nothing in the policy terms which say that the beneficiary of the plan would need to pay a premium to add a newborn during the policy year. And the customer guide reads as though newborn care (so long as the newborn is added to the plan) is a benefit Mrs U is entitled to under the parent and baby care section of that guide – one of the core benefits of the plan - along with routine maternity care, complications from maternity and homebirths.

The impact on Mrs U and putting things right

I'm satisfied that since providing CIGNA with the application form and birth certificate to add her son to the plan (up to when the policy renewed in April 2023), and then subsequently when questioning why it didn't pay the medical fees, Mrs U has been given conflicting information which I accept would've been upsetting and frustrating for her. She has also had the worry of being chased for the medical fees and been put to the unnecessary trouble of having to correspond repeatedly with CIGNA about this issue over a significant period.

I'm currently minded to find that CIGNA should pay Mrs U £400 compensation to reflect the impact this has had on her up to the date of the final response letter dated May 2024.

I also currently intend to direct CIGNA to consider the claim for the medical fees under the newborn cover section of the policy, on the basis that Mrs U did request her son to be added to the plan within 30 days of his birth and he was successfully added to the plan by CIGNA.

If the claim is accepted, CIGNA should promptly settle the invoice for the medical fees with the medical facility.

I don't think it would be fair and reasonable to deduct any premium it says is payable for Mrs U's son being added to the plan from date of birth to the date the plan was due to renew in April 2023, as I don't think the newborn cover benefit was dependant on a premium being paid for him. From the policy documents, this was a core benefit of the plan if Mrs U gave

birth during the policy year and requested, he be added to the plan.

I understand that the plan ended in April 2023 and Mrs U doesn't want to pay a premium going back to that date for the plan to be reinstated. I don't think there's any requirement on her to do so for a claim under the newborn cover section of the policy to be considered. That's because the medical fees were incurred before the policy was due to renew in April 2023.

#### Other issues

When provisionally deciding this complaint, I've taken into account that Mrs U has received a further invoice dated September 2024 from the medical facility totalling around \$44,000 relating to the birth and delivery of her son in early 2023 which hasn't been paid. She thought these fees had already been settled by CIGNA under the plan whilst it was still active.

As she became aware of this after the date of the final response dated May 2024 and didn't form part of her original complaint, this isn't something I've considered. However, Mrs U can raise her concerns with CIGNA directly about this non-payment of invoice. And thereafter, if she's unhappy with its response, may be able to bring a further complaint to the Financial Ombudsman Service.

Mrs U has also recently filed for bankruptcy. However, I haven't determined whether the claim for medical fees is payable by CIGNA; I've only provisionally directed that it should consider the claim for the medical fees. So, at this stage, I don't know whether the medical fees are payable by CIGNA.

Further, and in the alternative, from what I've seen I'm not persuaded that the non-payment of the medical fees was the sole or main cause of Mrs U filing for bankruptcy. And although she was being chased for payment, there was an ongoing dispute over whether she was responsible for these fees so may not have been something she was required to pay.

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I invited both parties to provide any further information in response to my provisional decision.

Mrs U and CIGNA replied accepting my provisional findings. And CIGNA said it was in contact with Mrs U regarding the invoice from the medical facility totalling around \$44,000 which doesn't form part of this complaint.

#### **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.

As neither party has provided anything new for me to consider and have accepted my provisional findings, I find no compelling reason to depart from my provisional decision.

For this reason and for reasons set out in my provisional decision (an extract of which is set out above and forms part of my final decision), I partially uphold this complaint.

#### **Putting things right**

CIGNA should:

- pay Mrs U £400 compensation for distress and inconvenience; and
- consider the claim for the medical fees (around \$7,600) under the newborn cover section of the policy, on the basis that Mrs U did request her son to be added to the plan within 30 days of his birth and he was successfully added to the plan by CIGNA. If the claim is accepted, CIGNA should promptly settle the invoice for the medical fees with the medical facility and shouldn't deduct a premium for Mrs U's son being added to the plan from his date of birth to the date the plan was due to renew in April 2023.

### **My final decision**

I partially uphold this complaint and direct CIGNA Life Insurance Company of Europe SA-NV to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs U to accept or reject my decision before 20 March 2025.

David Curtis-Johnson  
**Ombudsman**