

The complaint

Mrs U is unhappy with the time taken by CIGNA Life Insurance Company of Europe SA-NV to settle a claim she made under her global healthcare plan ('the plan'), to cover medical and hospital fees around \$44,000 ('the medical fees').

What happened

Mrs U had the benefit of the plan.

In 2023, Mrs U gave birth to her son and incurred medical costs which she sought to claim under the plan for.

Mrs U received an invoice dated September 2024 from the medical facility totalling around \$44,000 relating to the birth and delivery of her son which hadn't been paid. She thought these fees had already been settled by CIGNA.

CIGNA eventually agreed to settle the outstanding medical fees with the medical facility, but it acknowledged there had been unreasonable delays. It offered Mrs U \$750 compensation to reflect the impact of the delays on her. CIGNA subsequently offered Mrs U further compensation in the sum of \$750, so \$1,500 in total.

Mrs U didn't think this was sufficient to reflect the distress and inconvenience she experienced, including filing for bankruptcy. She complained to the Financial Ombudsman Service.

Our investigator looked into what happened. He concluded that the compensation offered by CIGNA fairly reflected the impact its delays had on Mrs U.

Mrs U disagreed and raised points in reply. These didn't change our investigator's opinion so the complaint has been passed to me to look at everything afresh and 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.

That includes the submissions made by Mrs U. I'm thankful for information provided and I know I've only summarised this complaint, and in my own words.

I'm not going to respond to each point made. I hope Mrs U understands that no discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as we are an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I haven't. I'm satisfied I don't need to comment on every point to fulfil my statutory remit.

CIGNA has a regulatory obligation to handle insurance claims fairly and promptly.

In its final response to Mrs U's complaint dated February 2025, CIGNA accepts that it was responsible for the unreasonable delay in the medical fees being settled.

The crux of the issue for me to determine is whether the total compensation CIGNA has offered Mrs U is fair and reasonable.

I have a lot of empathy for the situation Mrs U finds herself in (and I know she'll be very disappointed as she considers much higher compensation is warranted) but I'm satisfied the compensation offered by CIGNA is fair and reasonable.

To find out that the medical fees hadn't been settled and to receive a chaser for payment from the medical facility would've been worrying, upsetting and confusing for Mrs U (particularly given the amount of the medical fees in question). She has also been put to the trouble of challenging CIGNA and trying to find out the reason for the delay.

However, I'm satisfied that \$1,500 fairly and reasonably compensates her for the overall impact of this.

I've taken into account that Mrs U filed for bankruptcy in 2024. However, at the date of filing for bankruptcy, I'm not persuaded that Mrs U was aware that the medical fees hadn't been settled by CIGNA. I'm satisfied that the date of the chaser for payment received from the medical facility is after the date recorded as the date bankruptcy was filed for.

In the alternative, from everything else I've seen, I'm not persuaded that the delay in CIGNA settling the medical fees was the sole or main cause of Mrs U filing for bankruptcy.

Mrs U (rightly) believed that the medical fees would be covered under the plan. The chaser from the medical facility said: "If you have health insurance coverage, Medicare, Medi-Cal, or other coverage, and that coverage is not identified on this statement, please notify the Business Office immediately".

I've seen nothing which persuades me up to the date on which she filed for bankruptcy CIGNA said it wouldn't cover the medical fees relating to the birth of her son around \$44,000. And so wouldn't have been something she was required to pay. This could've been explained to the medical facility after she received a chaser for payment rather than file for bankruptcy if this had been the main factor for doing so (which I've explained above, I don't think it was).

For these reasons, I'm also satisfied that it wouldn't be fair and reasonable for me to direct CIGNA to cover the legal fees incurred associated with the bankruptcy.

My final decision

CIGNA Life Insurance Company of Europe SA-NV has already made an offer to pay Mrs U \$1,500 compensation for distress and inconvenience. I think this offer is fair in all the circumstances.

So, my decision is that CIGNA Life Insurance Company of Europe SA-NV should pay \$1,500 compensation to Mrs U.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs U to accept or reject my decision before 12 June 2025.

David Curtis-Johnson
Ombudsman