

The complaint

Ms M is unhappy with Arch Insurance (UK) Limited's decision to decline her claim for her child's medical care.

What happened

Ms M has travel medical insurance with Arch Insurance. She'd been working abroad since 2022 and became pregnant during that time. Ms M planned to return home on 14 April 2025 so she could deliver her baby in her home country. Unfortunately, that didn't happen as Ms M began suffering with symptoms of pre-eclampsia on 28 March 2025. She was admitted to hospital and her baby had to be delivered via emergency caesarean section on 2 May. Ms M's original due date was 9 July 2025 and so her baby was born prematurely at 26-weeks.

The baby required urgent medical care and was taken to the hospital's neonatal intensive care unit (NICU) for treatment. This complaint is about the cost of that care.

Ms M said Arch Insurance declined to cover the cost of her baby's treatment, despite her asking it to add the baby to her policy on 1 April – the day before the child was born. Ms M said her policy terms offer cover for complications with childbirth and so strongly believes Arch Insurance should cover the costs associated with her baby's medical care.

Arch Insurance said it covered the costs related to childbirth and that its liability ended at that point. It said the policy doesn't offer cover for anyone not named on the policy schedule, which includes Ms M's baby. It also declined to cover the cost of Ms M's replacement airfare to return to her home country as there was an exclusion under the policy for this type of claim.

Our investigator didn't uphold this complaint. She said Arch Insurance had declined the claim fairly because the policy terms allowed it to do so. She said there was no cover available for this circumstance and so Arch Insurance didn't need to do anything more in respect of this complaint.

Ms M, unhappy with this, asked for an ombudsman to consider her case. In summary, she said our investigator failed to address some of her key concerns and that the policy said she's covered for complications with pregnancy and childbirth. Ms M believes this is precisely the situation where the policy should provide cover. Ms M also questioned the investigator's reference to her being a beneficiary under the policy and said this should not mean she's viewed less favourably. And so, it's now for me to make a final 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.

I should like to begin by recognising the difficult circumstances surrounding the birth of Ms M's daughter. There's no doubt in my mind that she went through an exceptionally difficult time and I'm relieved to see their baby received the care she needed whilst in hospital.

I acknowledge the highly emotive circumstances surrounding this case – there was a very unwell child that needed intensive care as well as Ms M’s own health difficulties during that time. But I must make a decision based on the facts of this case and the policy cover Ms M had at that time. Having carefully considered that, I’ve also decided not to uphold this complaint.

I know this isn’t the outcome Ms M was hoping for and I understand the arguments she’s made to support her case. But I cannot make a decision based on the moral arguments she’s made. There’s a policy in this case which sets out the insurer’s terms upon which it decided to offer cover. And so, Arch Insurance must assess claims within those terms and I’m persuaded it has. I’ll explain why.

The relevant rule in this case comes from the Insurance Conduct of Business Sourcebook (ICOBS) which, in summary, say Arch Insurance must handle claims promptly and fairly and not reject a claim unreasonably. I’ve thought about Arch Insurance’s obligations under this rule whilst assessing Ms M’s complaint.

The policy terms say;

“Pregnancy and Childbirth

Cover under this Policy is provided for unforeseen events. Normal pregnancy and childbirth are not considered to be unforeseen events. Cover is ONLY provided for claims arising from complications of Pregnancy and Childbirth (see Definitions on page 7)”

And the definition says;

“Complications of Pregnancy and Childbirth... pre-eclampsia... , medically necessary emergency Caesarean sections, medically necessary termination and any premature births more than 8 weeks (or 16 weeks in the case of a known multiple pregnancy) prior to the expected delivery date”

The relevant exclusion in this case says;

“Expenses incurred in respect of any child who has been born outside Your Home Country during a Covered Trip where such child has not been declared and accepted under this Policy by Us”

I think it’s important that I set out the above terms because this determines what cover was available to Ms M in her difficult situation. The pregnancy and childbirth term says cover is available to her where complications are present. It’s worth noting the hospital determined Ms M was suffering from pre-eclampsia with foetal growth restriction IV and so I’m persuaded the policy should have covered the delivery of her baby at this point in time. I say that because this is one of the listed perils under the policy and delivering her baby was deemed medically necessary to stabilise Ms M’s condition.

Arch Insurance also agreed that and covered those costs.

But Ms M’s baby needed urgent medical care having been born prematurely at 26-weeks. The medical reports show Ms M’s baby had difficulty breathing unaided and even suffered cardiac arrest, among other serious medical complications throughout her time in NICU. As difficult as that undoubtedly was, Ms M’s policy only provides cover for the premature birth itself, rather than the ongoing care needed to stabilise her daughter after that event. I fully appreciate this is a point heavily contested by Ms M, but the policy doesn’t offer cover in the way she’s interpreted the terms.

The policy solely covers Ms M and not her baby. The complications with pregnancy clause is designed to cover medically necessary treatment for Ms M, should she develop any of the listed conditions in the terms. The policy also has an exclusion that says Arch Insurance will not be liable for any expenses incurred for any child born outside of Ms M's home country, unless declared and accepted by the insurer. I think this term sets Arch Insurance's position on this type of circumstance. It's saying that whilst it'll cover complications of pregnancy that mean it's medically necessary to deliver a child prematurely, it doesn't cover anything beyond that – which I'm persuaded includes the NICU care Ms M's baby received.

Ms M made several arguments about why she thinks that's unfair and the mortality risk to her child had she not received that level of care. I acknowledge and understand the connections she's made here and why she disagrees with Arch Insurance's position on this part of her claim. But to decide what's fair in this case, I must consider the insurer's obligations under the contract of insurance, and I'm persuaded it fulfilled its duties under the policy. I say that because it stabilised Ms M after she began suffering with symptoms of pre-eclampsia and covered the cost of the premature delivery. And although there were additional medical costs, these occurred after that event and were solely related to Ms M's newborn child and so the insurer's liability ended once Ms M was stabilised.

Ms M said she asked Arch Insurance to add her unborn baby to the policy on 1 April 2025 and again once the child was born on 7 April. I've carefully considered that argument as it was unclear whether Arch Insurance should have done more in that situation. Arch Insurance responded on 18 April to say this wasn't possible. I appreciate this was some time after Ms M asked for this, but Arch Insurance said it needed to seek permission from its underwriter as to whether that was possible.

The underwriter said it could only add newborn children to a policy once they'd been born. And so, Ms M would not have been able to add her baby to the policy whilst she was still pregnant.

I've also seen evidence from Arch Insurance which supports that. The evidence says that any child looking to be added to the policy would need to have been fully vaccinated before it'd consider that request. In addition, I'm satisfied Ms M's baby wouldn't have met the remaining criteria to add to the policy. I say that because Arch Insurance would have needed evidence that the child had a normal birth without complications, a discharge letter from the hospital and no pre-existing medical conditions.

In this case, as Ms M's daughter required life-stabilising treatment under NICU as soon as she was born, this wouldn't have been a possibility in any event. And so, although Ms M asked the insurer to add her child as early as 1 April, it wouldn't have been possible because she hadn't yet been born. When she asked again on 7 April, it still wouldn't have been possible because of the life-saving care she required. So, I don't think Arch Insurance made an error by refusing to cover treatment costs related to Ms M's baby for the reasons I've explained.

My final decision

I've decided not to uphold Ms M's complaint for the reasons I've explained above. There was no cover in place for her baby, only Ms M, and the insurer already paid the costs related to her treatment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 18 February 2026.

Scott Slade
Ombudsman