



Issue #01-2025

INSIDE THIS ISSUE

PG. 2

- Case Study 1:
Mis-selling (Adjudication)

PG. 3 - 4

- Case Study 2:
Medical Claim
(Mediation/Adjudication)



Welcome to our quarterly ComPIAS Newsletter! As we start the year 2025, it is timely for RM&C to refresh market conduct principles and share some industry case studies provided to all Life Insurance Association in Singapore (“LIA”) members by Financial Industry Disputes Resolution Centre (“FIDReC”)

GROUP MARKET CONDUCT STANDARDS AND DISCIPLINARY ACTION FRAMEWORK (“GMCS”)

GMCS sets out the guiding principles and disciplinary action framework that govern the conduct of representatives so that Representatives are aware of the consequences of any misconduct and not acting ethically or professionally.

The Monetary Authority of Singapore (“MAS”) has issued the Guidelines for Fair Dealing – Board and Senior Management Responsibilities for Delivering Fair Dealing Outcomes to promote fair dealing by financial institutions when they conduct business with their customers. As such, Representatives are expected to conduct proper fact-finding and provide clients with adequate product risk disclosure before giving quality advice and appropriate recommendations.



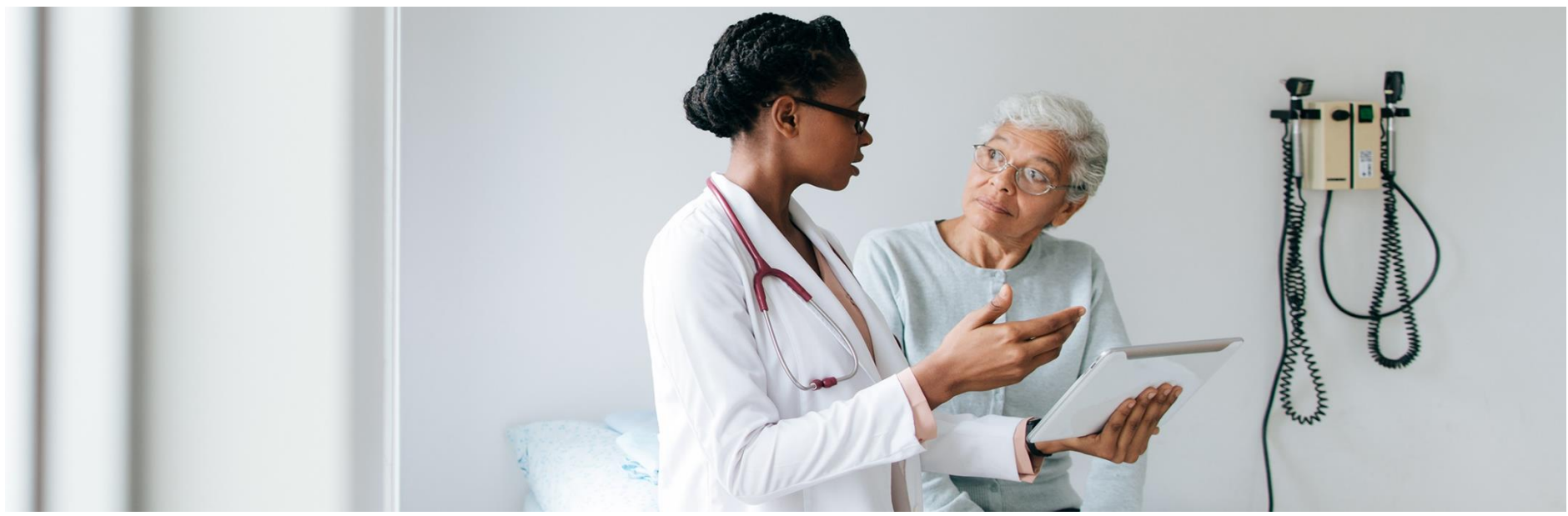
Case Study 1: Mis-selling (Adjudication)

The Adjudicator questioned the Agent specifically on how he had conducted the sale. Agent informed that he had primarily conducted the sale in Mandarin. The Adjudicator found a discrepancy in the sales process. FNA stated that the Complainant was proficient in English. The Adjudicator found this contradictory and on the evidence, held that the Complainant only knew basic English and did not really have proficiency. As a result, the Complainant was found to be a vulnerable customer.

The Adjudicator also reviewed the basis of recommendation and found that the needs that were documented such as high-risk appetite and long investment horizons were inconsistent someone of the Complainant's profile. Despite the FNA having been signed off by the Complainant, the Adjudicator found the documented responses to have been "reverse-engineered" and "self-serving". The fact that the Complainant was found to have been a vulnerable client and not proficient in English added to the Adjudicator's view that she had been misled in the responses to the FNA.

An award was made with by the Adjudicator for a 70% refund of the premiums paid. The Adjudicator stated that even though there was mis-selling (i.e. unsuitable recommendation), the Complainant could have taken further steps to safeguard herself such as having a trusted individual review the purchase or even accompany her at the point of sale.





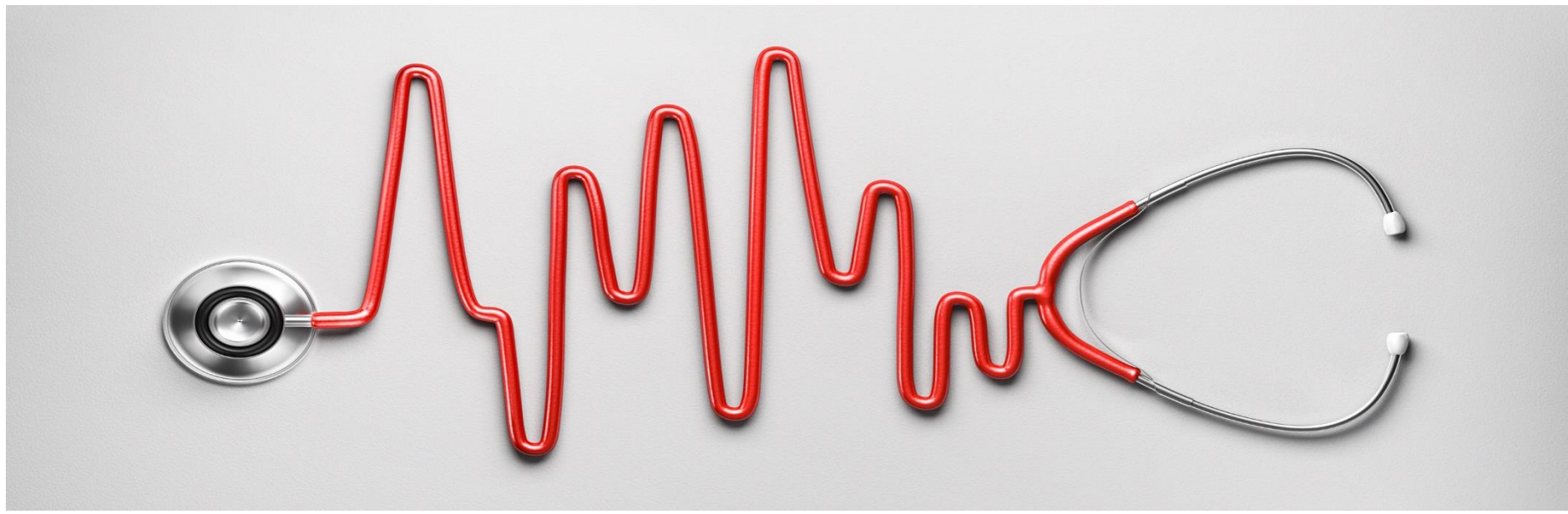
Case Study 2: Medical Claim

Mr Goh suffered a fall and injured his knee. After several months, his knee continued to experience sharp episodes of pain. He consulted a knee specialist and after conducting an MRI concluded that Mr Goh would have to undergo a knee replacement surgery.

After the surgery, Mr Goh filed a claim under his hospitalization policy held with ABS insurance company. However, he was informed that the knee replacement surgery would not be covered by his hospitalization policy. ABS insurance company explained to Mr Goh that during the claims assessment they had noted that Mr Goh had a history of knee issues and, had this information been disclosed at the point of application, they would have issued the policy with exclusion on both knees. Accordingly, ABS insurance informed him that they would be imposing an exclusion on both knees.

Mr Goh disputed the FI's decision. He explained that, when he was younger, he actively participated in many sports and had injured his knees several times during those times. They were however not long-term injuries and he had recovered from those injuries. In response, ABC Insurance company wrote to Mr Goh's attending physicians to request for further information regarding his previous injuries. However, the FI learned from Mr Goh's attending physicians that had underwent an ACL surgery in his early twenties.

In this regard, the FI wrote to the Complainant to inform him that their decision to impose the exclusion and not to pay the claim remained. They informed him that he could proceed to file his complaint with FIDReC in the event he remained dissatisfied with the outcome.



Case Study 2: Medical Claim (Mediation)

Points to Consider:

1. Non-disclosure of material information – explaining to layman
2. The link between the non-disclosure and the current condition
3. Generating options – any opportunity for settlement
4. AMS-FIDReC Independent Medical Opinion Scheme

Case Study 2: Medical Claim (Adjudication)

The Adjudicator reviewed the proposal form and found that there was a non-disclosure of material information particularly when scrutinizing the Complainant's responses to the medical history questions. In light of the above, the Adjudicator found the FI's decision to void the Policy a justified one.

If you have any suggestions, feedback and/or topics you would like us to cover, please drop us a note at pias.compliance@singlife.com

We look forward to hearing from you!

For internal circulation only.

Disclaimer: The information contained in this document is only for use by its intended recipients and should not be disseminated to parties outside of PIAS.

PIAS accepts no liability whatsoever with respect to the use of his document or its contents.