

## **The complaint**

Mrs P complains about Alliance Insurance Plc (Allianz) declining a claim under her pet insurance policy for treatment of her hen.

References to Allianz include their agents who administer the policy.

## **What happened**

Mrs P had a pet insurance policy covering her hens, taken out in June 2021. She added an additional hen in May 2022 (an ex-battery hen). In June 2022 the hen became ill, so Mrs P took it to a vet. The vet wanted to carry out a surgical diagnosis but unfortunately the hen passed away before they could carry out a diagnosis. But the vet thought the hen's illness could be its eggs.

Mrs P contacted Allianz to tell them what happened and lodge a claim. However, Allianz said the policy wouldn't cover any issues related to eggs (specifically 'egg binding'<sup>1</sup>), as there was an exclusion in the terms and conditions.

Mrs P was unhappy about Allianz's decline of her claim, saying she hadn't been made aware of the exclusion when taking out the policy. She also thought it was unfair, given the vet hadn't made a formal diagnosis. So she made a complaint.

Allianz didn't uphold the complaint. They referred to the claim for the abdominal mass and a comment in the clinical notes from the vet that the mass was most likely eggs (although when Allianz contacted the vet to ask them to confirm the mass was eggs, they couldn't confirm a diagnosis). Allianz said the policy terms and conditions were emailed to Mrs P when the policy was taken out and she had a 14-day cooling off period to read them and contact them if there was anything she wasn't expecting. And she was prompted to read them again when the policy came up for renewal. As Mrs P didn't contact them the policy continued. Allianz referred to the specific section of the policy setting out the exclusion (for egg binding).

Given the vet's notes, Allianz thought it most likely the hen's condition was egg binding, so they confirmed they wouldn't cover the claim because of the exclusion. And Mrs P had been made aware of the exclusion when taking out the policy.

Mrs P then complained to this service. She said she'd taken out the policy over the phone and wasn't made aware of the exclusion. Had she been told about the exclusion she wouldn't have taken out the policy. She was also concerned the exclusion only applied to former battery hens only and was unclear what precise conditions the policy did cover. She wanted Allianz to accept her claim.

Our investigator didn't uphold Mrs P's complaint, concluding Allianz acted fairly in declining the claim in line with the policy terms and conditions. The evidence indicated Mrs P had been

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<sup>1</sup> Egg binding is where a bird is unable to expel an egg from its body, which if not treated sufficiently early (within 48 hours) can lead to the death of the bird.

provided with appropriate information to make an informed decision (whether to take out the policy). Allianz applied the exclusion to decline the claim and on the balance of probabilities it wasn't unreasonable for Allianz to apply the exclusion. It was also their commercial decision on whether to apply exclusions to specific pets (including ex-battery hens).

Mrs P disagreed with the investigator's conclusions, and requested an ombudsman review the 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.

My role here is to decide whether Allianz have acted fairly towards Mrs P.

The key issue in Mrs P's complaint is whether Allianz acted fairly in declining her claim for treatment of her hen. Allianz's view is that the hen's illness was most likely due to egg binding (based on the vet's comment in the clinical notes). And so wasn't covered due to a policy exclusion for such a condition. Mrs P says no formal diagnosis was made by the vet (and they weren't subsequently able to confirm the condition). And she wasn't made aware of the policy terms and conditions (specifically the exclusion) when she took out the policy (or subsequent renewal). Allianz say she was provided with the policy terms and conditions and had the opportunity to read them and (in the 14-day cooling off period) query them.

I've considered both views carefully, including the relevant terms and conditions of the policy (particularly those referred to by Allianz) together with the supporting information and evidence, including the clinical notes from the vet. In their final response, Allianz refer to the following exclusion in the policy (under *Section 1 – Veterinary Fees*):

*"What Insurers will not pay*

*7 The cost of any treatment in connection with your pet being or coming into season, egg binding, breeding, pregnancy or giving birth."*

*Section 2 – Death* also contains a similar exclusion (for egg binding) for cover in the event of a pet's death from the condition.

Mrs P says she wasn't made aware of the exclusion(s) when she added her hen to the policy (the policy covered other hens before she added the additional hen) or when she took out the policy. Allianz say Mrs P had been previously provided with the policy booklet (when she took out the policy in April 2021 and at the subsequent renewal). So, they wouldn't have needed to draw attention to the exclusion again (during the call when the hen was added) as it was reasonable to conclude Mrs P would have been aware of the policy booklet (and the terms and conditions it contained). And they wouldn't have read out the terms and conditions of the policy in the call. Mrs P says she wasn't made aware of the exclusion in the call taking out the policy.

I've considered both views, but I agree with Allianz. While they may not have specifically mentioned the exclusion in the call(s) the policy booklet (in the wording above) makes the exclusion clear. Having been provided with the policy booklet at the time of taking out the policy, Mrs P would have had the opportunity to read the terms and conditions (including the exclusion) and had the option of not taking out the policy (within the cooling off period).

The same is the case when it came to the policy renewal, when she could have chosen not to renew the policy. The renewal notice also requests Mrs P ensures the cover provided meets her needs and that she understands the terms, exclusions and conditions.

So, I've concluded Mrs P should reasonably have been aware of the policy terms and conditions, including the exclusion for egg binding, when she took out the policy and subsequently at renewal of the policy.

I've then considered whether the hen did have an issue with egg binding. In their response to Mrs P, Allianz refer to the clinical notes for Mrs P's hen, which they regard as a true and accurate reflection of the discussion between Mrs P and the vet, and the vet's findings. They refer to the following extract from the notes:

*"Large hard mass in celom, most likely eggs."*

Allianz say this is a fair indication the issue was egg binding. Mrs P says this was an assumption and there was no actual evidence of egg bindings as a formal diagnosis couldn't be made before the hen passed away (and the vet says they couldn't confirm the mass was egg-related).

While I accept a formal diagnosis couldn't be made in the circumstances, on the balance of probabilities, I'm persuaded the comment from the vet in the notes is more likely to have been the case, as it reflects their view provided at the time. The vet subsequently being unable to be definitive (when asked by Allianz) is consistent with the view in the clinical notes comment.

I've also considered the general principle, where an insurer relies on an exclusion, the onus is on them to show it's reasonable to apply it. Taking all the points set out above into account, I'm persuaded Allianz have shown enough (on the balance of probabilities) to apply the exclusion for egg binding in the circumstances of this case. So, I've concluded Allianz acted fairly to apply the exclusion to decline Mrs P's claims.

While I've reached these conclusions about the declined claim and application of the general exclusion for egg binding, I've also considered Mrs P's point about it being unfair for Allianz to place specific additional exclusions applicable to ex-battery hens. My understanding from what Allianz have told us is that ex-battery hens are more likely to experience issues relating to egg production.

So, from an insurer's perspective, that represents a higher risk of conditions arising (and the associated cost of treatment and claims). It's a commercial decision for an insurer what risks they are prepared to cover under an insurance policy – including the terms of a policy in response to those risks and the associated cost (the premiums payable for the cover). Or, whether to accept those risk at all and exclude them from cover, as in this case. If this is made clear in the policy and to the consumer, it's for the latter to decide whether to accept the terms offered, including general and/or specific exclusions.

Based on this, I don't think Allianz acted unreasonably.

### **My final decision**

For the reasons set out above, my final decision is that I don't uphold Mrs P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 3 October 2023.

Paul King  
**Ombudsman**