

The complaint

Miss S has complained that Zurich Assurance Ltd declined a terminal illness claim under her term assurance plan.

What happened

Miss S took out a term assurance plan, which included terminal illness benefit in 2013. In 2019 Miss S made a terminal illness claim. The policy defines terminal illness as:

Terminal Illness

A definite diagnosis by the attending consultant of an illness that satisfied both of the following:

The illness either has no known cure or has progressed to the point where it cannot be cured; and in the opinion of the attending consultant, the illness is expected to lead to death within the earlier of 12 months and the remaining term of the cover.

Zurich declined the claim as it said Miss S hadn't met the policy definition. Our investigator considered the matter but didn't recommend that it be upheld. Miss S appealed.

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'm aware I've summarised the background to this complaint and omitted sensitive medical details. No discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

Having done so I agree with the conclusion reached by the investigator for the following reasons:

- The relevant regulator's rules say that insurers must handle claims fairly. So I've considered, amongst other things, the policy terms, Zurich's records and the available medical evidence, to decide whether I think Zurich has done so in respect of Miss S's claim.
- It is not in dispute that Miss S had been diagnosed with cancer and was receiving palliative chemotherapy. Miss S has said she was at death's door at that time, and I have no doubt she was going through an extremely difficult time. There is evidence from her attending consultant that her illness was expected to lead to her passing within 12 months. That was in 2017. So the second leg of the definition was met.
- I appreciate that Miss S feels her claim should have been met had she made it then. However the first leg of the definition requires: *the illness either has no known cure or*

has progressed to the point where it cannot be cured. In order to determine this Zurich would wait to see what the results of treatment were. That is reasonable. Luckily by the time she made her claim in 2019 Miss S had made a recovery. She says this is a miracle and as from 2022 she has been cancer free. I recognise that this is bittersweet for Miss S – on the one hand she is well, on the other this meant her claim didn't succeed as she didn't have a terminal illness that met with the policy definition at that time.

- In all the circumstances I don't find that Zurich Assurance Ltd treated Miss S unfairly or unreasonably or contrary to her policy terms in declining her claim for terminal illness, as she didn't meet the policy definition. I'm sorry my decision doesn't bring Miss S more welcome news.

My final decision

For the reasons given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 14 December 2023.

Lindsey Woloski
Ombudsman