

An Agreement on access to protection insurance for people with pre-existing medical conditions and disabilities



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Annex A Parties to the agreement

1. Introduction

This agreement is a revision to one originally agreed by a variety of stakeholders in 2020 on access to protection insurance for people with pre-existing medical conditions and disabilities.

Work undertaken by charities and other consumer groups¹, the Financial Conduct Authority² and the Treasury Select Committee³ has evidenced that consumers with pre-existing medical conditions can struggle to navigate the life and protection insurance market and obtain affordable cover. This can result in consumers with pre-existing medical conditions forgoing cover entirely or paying significantly more for policies than they could with alternative firms.

In response to these findings, the insurance industry, charities and other consumer groups formed the Access to Insurance Working Group in October 2018. At its first meeting, the group committed to the Caxton House Statement. This statement reads as follows:

“We, the members of the Access to Insurance Working Group, are committed to improving access to protection insurance for consumers with chronic health conditions and disabilities”.

The key aim of this agreement was and is to:

- *develop a signposting system for consumers, supporting consumer groups and charities so they can easily access guidance and advice about insurance from protection specialists*

Since then, the FCA have also explicitly recognized the benefits of signposting. Within their document: the ‘FCA Final non-Handbook Guidance for firms on the Consumer Duty’ there is a statement from them

1 For example, see publications from Age UK, Alzheimer’s Society, Macmillan, Money and Mental Health Policy Institute, NAT (National AIDS Trust) and Scope, among others.

2 Financial Conduct Authority, 2016, Access to Financial Services in the UK. Available at: <https://www.fca.org.uk/publication/occasional-papers/occasional-paper-17.pdf>

3 Treasury Select Committee, Consumers’ access to financial services, 13 May 2019, HC1642 2017-19.

on signposting. Chapter 5 on The Cross-Cutting Rules says:

5.40: Where a firm declines to provide a customer with a particular product or service, the firm should still consider whether there is information or support it could provide to help the customer pursue their financial objectives. For example, a firm could signpost a customer to a third party that provides reliable and relevant information to such consumers.

Since the original agreement, we have seen the creation and promotion of a protection insurance central signposting solution run by BIBA using the 'Find-Insurance' helpline and website services, and overseen by a Steering Committee, together with educational material to improve knowledge and understanding around protection insurance amongst consumers, employees and charities.

This revised agreement sets out further below the non-binding undertakings of signatories within four groups:

1. Insurers, in relation to signposting
2. Insurance Intermediaries, in relation to signposting
3. Supporting bodies, including MAPs, Charities, the CII and others, in relation to promotion of the benefits and processes associated with signposting
4. BIBA, in relation to oversight and reporting

2. Context - The requirements of the Equality Act

Consumers with pre-existing medical conditions will include people classed as having a disability under the Equality Act 2010. People are classed as 'disabled' under the Equality Act 2010 if they have a physical or mental impairment that has a 'substantial' and 'long-term' adverse effect on their ability to carry out normal day to day activities. People living with cancer, HIV and multiple sclerosis are also classed as 'disabled' under the Equality Act from the point of diagnosis.

The Equality Act offers legal protection from discrimination for those with protected characteristics – including disability. In relation to insurance, the Equality Act includes an exemption which allows insurers to discriminate on the basis of age and disability when making decisions about whether they can cover a person or the price of the premium they must pay for the policy.

The action taken (either increasing the price of their premiums or refusing cover entirely) must be reasonable and done by reference to information that is both relevant to the assessment of the risk to be insured and from a source upon which it is reasonable to rely.⁴

If an insurer has made a reasonable decision, based on reliable evidence, to refuse cover or charge a high premium to an applicant with a pre-existing medical condition, there may be alternative options available to that individual in terms of obtaining cover. This non-statutory Agreement outlines an approach to facilitate consumer access to these alternatives.

⁴ Schedule 3 (21) of the Equality Act 2010, c15. Available at <http://www.legislation.gov.uk/ukpga/2010/15/schedule/3/paragraph/21> [accessed 10 December 2019]

3. The Agreement

This non-statutory Agreement sets out how the parties will cooperate to deliver the objectives of the Access to Insurance Working Group (AIWG).

The Agreement is a statement of intent and does not create legal obligations between the parties. Nothing in this Agreement should be construed as conflicting with statutory or regulatory requirements, or with other professional duties and obligations.

The parties to this Agreement are committed to assisting people with pre-existing medical conditions and/or disabilities by enabling easier access to the protection insurance products they require.

This Agreement was continued after its initial three years. The renewal is effective from 21st January 2023 and does not have an expiry date. The Access to Insurance Committee will formally review this Agreement, including its scope and its effectiveness, no later than January 2026 and on a three-year basis following that review.

Any party wishing to withdraw from the Agreement will give the other parties at least 3 months' written notice.

Signatories to this Agreement will seek to promote this material. This voluntary Agreement is governed by English law. This Agreement will comply with competition law.

A list of signatories as at September 27th 2023 is shown at Appendix A.

3.1. Definitions

Under this Agreement, **protection insurance** is defined as "individual, business and group life insurance, income protection and critical illness".

A **specialist firm** is defined as "a Financial Conduct Authority regulated entity that has relevant expertise, suitable insurer capacity and an appetite to place protection insurance risks for those with pre-existing medical conditions and/or disabilities."

4.0 Agreement undertakings

4.1 Undertakings of Insurers

The insurers participating in this agreement will signpost consumers as outlined and will actively communicate with their employees on the operation, necessity and benefits of signposting.

Insurers, when they have made a reasonable decision based on reliable evidence to refuse cover to an applicant with a pre-existing medical condition will:

For cases introduced by an intermediary:

- Refer the case back to the intermediary, with an explanation as to why cover isn't available, making clear that another insurer may be able to offer cover

For cases that have been submitted directly by a customer, the insurer will:

- Refer customers to a specialist firm (as defined by this Agreement) through a contractual or non-contractual arrangement

or

- Signpost customers to another firm through a service that holds information about one or more firms who would be willing to offer protection insurance to people with pre-existing medical conditions, such as the British Insurance Brokers' Association's (BIBA) Find-Insurance helpline and website services.

In all direct cases the following criteria should be satisfied:

- The customer with a pre-existing medical condition should be informed that they have been refused cover as it is outside of the underwriting criteria of that particular Insurer.
- The customer with a pre-existing medical condition should be informed clearly that cover appropriate to their needs may be available through referral to another suitable firm or to a signposting service
- Contact details of the partner or signposting service should be clearly stated.
- Permission must be sought and granted before customer details are transferred to a third party.

4.2 Undertakings of Insurance Intermediaries

A vetting system will be in place to ensure enquiries are passed to relevant specialist firms.

A specialist firm is defined as “a Financial Conduct Authority regulated entity that has relevant expertise, suitable insurer capacity and an appetite to place protection insurance risks for those with pre-existing medical conditions and/or disabilities.”

A specialist provider on the BIBA list will be required to sign a declaration confirming:

- it is a **Financial Conduct Authority regulated** entity;
- it can provide **regulated advised sales**;
- it has **relevant expertise** in the placement of protection risks for people with medical conditions or disabilities and be able to demonstrate this by submitting example case studies to BIBA;
- it has the **appetite and ability** to handle these enquiries;
- it will answer phones with a good level of **service** (i.e. under 60 seconds);
- its acceptance that BIBA will **check periodically** that these requirements have been met;
- it will provide **feedback** where possible on its performance handling of these enquiries;
- which of the following nine classes it is able to assist with:
 - i. Life Insurance
 - ii. Critical Illness Insurance
 - iii. Income Protection

- iv. Life Insurance: where customers have more complex medical conditions
- v. Critical Illness Insurance: where customers have more complex medical conditions
- vi. Income Protection: where customers have more complex medical conditions
- vii. Group Life Insurance
- viii. Group Critical Illness Insurance
- ix. Group Income Protection

4.3 Undertakings of supporting third parties

The trade bodies, reassurers, professional bodies and charities participating in this agreement will actively encourage those they represent to support the ethos and approach of this agreement. They will also seek to raise awareness of the agreement and its aims and promote its benefits.

The Access to Insurance Working Group will work with the Money and Pensions Service (MAPS) to ensure educational materials are made available to individual consumers, employees (with employee benefit insurance schemes) and charities to improve knowledge and understanding around protection insurance.

4.4 Undertakings of BIBA

BIBA facilitates an 'Access to Insurance Committee' that will be responsible for operational oversight of signposting of Protection, Age and Travel insurance for those with pre-existing medical conditions and disabilities.

The committee comprises of relevant participants including the industry disability champion, a charity representative, relevant Government officials and selected regulated insurance firms involved in the Find Insurance service. Other signatories to this agreement can also be invited to participate.

This committee will analyse feedback available from various sources including the BIBA Find Insurance questionnaires, website analytics and Feefo customer feedback.

In addition, the committee will seek opportunities to promote signposting awareness and participation across the financial services and charity sector.

The performance of this agreement will be evaluated at the quarterly committee meetings.

For firms signposting to the BIBA Find-Insurance helpline and website services, BIBA will where possible, collate feedback from these services on a quarterly basis and make this available to stakeholders on the Access to Insurance Committee. This will include where possible data on how many referrals are made and the subsequent outcomes. This data will be anonymized in order to ensure compliance with competition law.

BIBA will validate members as specialist firms. This includes a series of questions to establish the firm's capability, appetite, service levels and expertise in line with the definition of a specialist firm (as defined in 4.2 above). BIBA will carry out checks periodically to ensure that specialist firms are continuing to comply with the requirements of this agreement.

Annex A - Parties to the agreement

Insurers

Aegon Life
Ageas Assured Futures
AIG Life
Aviva
Cirencester Friendly
Guardian Financial Services
Holloway Friendly Society
HSBC Life UK Ltd
Legal and General
Lloyds Banking Group
Royal London
Scottish Widows
Vitality Insurance
Zurich Insurance

Insurance Intermediaries:

Cavendish Ware
Cura Financial Services Ltd
Drewberry Ltd
Essential Insurance Group
Highclere Financial Services
Lifesearch
Lightblue UK Ltd
Moneysworth Ltd
PG Mutual
Vita

Supporting Bodies:

Association of British Insurers (ABI)
Association of Financial Mutuals
Association of Medical Insurance Intermediaries (AMII)
Association of Mortgage Intermediaries (AMI)
Absolute Military
British Insurance Brokers' Association (BIBA)
Chartered Insurance Institute (CII)
Income Protection Task Force (IPTF)
Insurance Supper Club
Protect Association
Protection Distributors Group (PDG)
Protection Review
Red Arc Nurses
Scor
Swiss Re