Life Insurance Association Singapore

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Forum letter response to The Straits Times: Policyholders making claims have avenues for recourse
Attributed to Ms Pauline Lim, Executive Director, Life Insurance Association, Singapore
Dated 26 July 2021

We thank Ms Denise Ho Shi Yi and Dr Yik Keng Yeong for their feedback in their letters "Insurance claims denied because minor conditions not disclosed" (July 17) and "Greater scrutiny needed over denied medical insurance claims" (July 21).

While the Life Insurance Association, Singapore is not in a position to comment on any assessments of claims by any specific insurer, we wish to share the legal principles that apply to insurance, including critical illness plans and Integrated Shield Plans.

First, applicants are bound by good faith to answer all questions in the application form truthfully and honestly.

Second, in order to reject a claim or invalidate a policy, life insurance companies are responsible for proving that the non-disclosure of the health condition to a question asked in the application form is material to the underwriting outcome, that is, the terms of the policy would have been different from the terms that were actually offered and issued.

Life insurance companies are also responsible for showing that the undisclosed fact was a known fact which the applicant could reasonably be expected to disclose.

Policyholders making a claim do have avenues for recourse.

They may bring their claim disputes to the Financial Industry Disputes Resolution Centre (Fidrec).

Fidrec is an independent institution set up specifically to handle disputes involving all types of retail financial products and services. It has the relevant experience and expertise to provide mediation and adjudication services.

If policyholders are not satisfied with the outcome from Fidrec, they may explore legal action against the insurer.

Policyholders may also choose to explore legal action against the insurer without first approaching Fidrec.

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