



TRAVEL INSURANCE FOR CUSTOMERS WITH PRE-EXISTING MEDICAL CONDITIONS FACTSHEET

The Financial Conduct Authority (FCA) has introduced new signposting rules and guidance effective 26th April 2021 to help consumers with pre-existing medical conditions (PEMCs) better navigate the travel insurance market and be more likely to find insurance at an affordable price.

The FCA was concerned that consumers with PEMCs find it difficult to access the travel insurance market and find affordable cover for their conditions.

WHO DOES THIS AFFECT?

- All firms that offer retail travel insurance, including intermediaries and appointed representatives
- All firms providing or distributing retail travel insurance to consumers in the UK
- All types of consumer journey – online, telephone or by other means.

MEDICAL COVER FIRM DIRECTORY

The FCA together with the MaPS (Money and Pension Service), have created an independent directory. Other specialist providers, including BIBA, will not be excluded from providing a similar directory, as long as they meet the FCA's criteria. Alongside the directory, the MaPS have developed a landing page which provides consumers with further information about travel insurance for people with more serious PEMCs.

For insurance intermediaries, signposting the directory to consumers will only apply where all providers fall into at least one of the following categories:

- They have not been offered, or you/the insurer, have declined a quotation, wholly or partly, due to a medical condition
- They have been offered a policy with a medical condition exclusion, which cannot be removed from the policy

- They have been offered a policy with a medical condition premium of £100 or more
- They have been offered a policy in respect of which the medical condition premium is not known.

Pre-contract information must be provided informing customers about the directory in a manner that is prominent, clear and accurate, and includes the following:

- Contact details, including telephone number and website of the directory
- The purpose of the directory
- Explanation of the potential benefits of accessing the directory and any other relevant considerations.

KEY FEATURES OF THE DIRECTORY

- Only lists firms that provide or arrange travel insurance policies that cover more serious medical conditions
- Shows enough information about each firm listed so that consumers can make an informed initial choice about which might meet their needs.

KEY BENEFITS FOR THE CONSUMER

Some of the advantages for the consumer in using the directory make it easier for them to navigate the available market and make it more likely in finding a firm who:

- Is willing to offer cover for their condition
- Is willing to offer cover for their condition without specific exclusions
- Is willing to offer cover for their condition at a more affordable price.

USING THE DIRECTORY

If a firm who is listed on the directory is aware that the consumer has already been through the directory whilst searching for this particular policy, it will not be required to signpost back to the directory in respect of the same risk where they have offered a policy with a medical condition premium of £100 or more.

If the firm declines to provide a quote (wholly or partly) or offers cover only with an exclusion which cannot be removed or offers a policy with a medical condition premium which is not known, the requirement remains the same and the firm must signpost the consumer back to the directory.

Firms should always consider what is in the customer's best

interests and they should never be discouraged from using the directory. For example, the consumer may also find it helpful to be referred back to the directory if they say they are unsatisfied with the premium quoted.

PEMCs THAT CAN BE REMOVED

Providers who offer policies with exclusions for PEMCs that can be removed (if the customer provides further information and/or pays an additional premium) will have to tell the consumer whether the exclusion can be removed from the policy, in whole or in part. If the exclusion can be removed, they must ensure the consumer knows how they can do this and the terms on which it can be removed and ensure the policy proposed is consistent with the demands and needs.

Q&A

Q1

Who do the PEMC signposting requirements not apply to?

The PEMC requirements apply to consumers only and therefore do not apply to group policies or commercial customers.

Q2

Under what circumstance should a firm signpost a medical cover firm directory on their website?

Firms must include details of a directory on the page of its website where it markets travel insurance. The information must be provided in a prominent, clear and accurate manner, and should include the contact details of the directory including its telephone number and a link to its website. This rule became effective 1st June 2020.

Q3

How can consumers access the MaPS Medical Cover Firm Directory?

The website can be accessed here: <https://traveldirectory.moneyadviceservice.org.uk/en>

Consumer enquires about the directory can be made to the Money Advice Service's Customer Contact Centre, which is available Monday to Friday, 8am to 6pm using the details below:

Telephone – 0800 138 7777

Email – enquiries@maps.org.uk

Address – The Money Advice Service, Holborn Centre, 120 Holborn, London, EC1N 2TD

Q4

Does the signposting apply to renewals and mid-term adjustments?

Yes. Signposting should be provided (when applicable) to all new quotes, renewals and if a mid-term adjustment results in a new quotation. **Note - if a policy has been cancelled, wholly or partly, due to a medical condition, then signposting requirements will also apply.**

Q5

Where can find the signposting rules within the FCA Handbook?

The FCA has updated its rules and guidance in ICOBS 6, this includes rules regarding the Medical Cover Firm Directory, appropriate information regarding medical condition exclusions in travel policies and additional pre-contract information for the consumer.