

Chapter 6A

Product specific rules

		<div><div></div><div>6A.4</div><div>Travel insurance and medical conditions</div></div>
		<div>Application</div>
6A.4.1	R	<div><div>This section applies in relation to a <i>travel insurance policy</i>, which is not:</div><div><div>(1) a <i>group policy</i>; or</div><div>(2) a <i>policy</i> entered into by a <i>commercial customer</i>.</div></div></div>
6A.4.2	G	<div><div>Purpose</div><div>The purpose of this section is to improve access for <i>consumers</i> to <i>travel insurance policies</i> that include cover for more serious medical conditions.</div></div>
6A.4.3	R	<div><div>Medical cover firm directory</div><div><div>(1) A <i>firm</i> must include the details of a <i>medical cover firm directory</i> on the page of its website where it markets <i>travel insurance policies</i>.</div><div>(2) The information required by (1) must:<div><div>(a) be provided in a prominent, clear and accurate manner; and</div><div>(b) include the contact details of the <i>medical cover firm directory</i>, including its telephone number and a link to its website;</div></div></div><div>(3) The obligations in (1) and (2) apply 30 calendar days from the date on which the <i>firm</i> becomes aware (or ought reasonably to have become aware) of a publicly available directory that meets the requirements of a <i>medical cover firm directory</i>.</div></div></div>
6A.4.4	G	<div><div>The <i>FCA</i>’s website contains a list of those directories which it considers to be <i>medical cover firm directories</i>.</div></div>
6A.4.5	R	<div><div>Additional pre-contract information for the consumer</div><div><div>(1) Where one or more circumstances set out in ■ ICOBSS 6A.4.6R applies, the <i>firm</i> that is responsible for communicating with the <i>consumer</i> under this sourcebook, must also communicate to the <i>consumer</i>:</div><div><div>(a) the contact details, including telephone number and website, of the <i>medical cover firm directory</i>;</div><div>(b) the purpose of the <i>medical cover firm directory</i>; and</div></div></div></div>

		<p>(c) the potential benefits of accessing the <i>medical cover firm directory</i> and any other relevant considerations.</p> <p>(2) The <i>firm</i> must communicate the information in (1):</p> <p>(a) in a manner that is prominent, clear and accurate; and</p> <p>(b) in accordance with ■ ICOBS 4.1A.</p>
6A.4.6	R	<p>The circumstances</p> <p>The circumstances for the purposes of ■ ICOBS 6A.4.5R are where a <i>firm</i>:</p> <p>(1) declines, or otherwise does not offer, a <i>consumer</i> a quotation due (wholly or partly) to a medical condition;</p> <p>cancels a <i>consumer's policy</i> due (wholly or partly) to a medical condition;</p> <p>offers a <i>policy</i> with a <i>medical condition exclusion</i> which cannot be removed from the <i>policy</i>;</p> <p>offers a <i>policy</i> with a <i>medical condition premium</i> of £100 or more; and/or</p> <p>offers a <i>policy</i> in respect of which the <i>medical condition premium</i> is not known.</p>
6A.4.7	G	<p>Content of communication</p> <p>When describing the purpose and potential benefits of accessing the <i>medical cover firm directory</i>, the communication provided to consumers pursuant to ■ ICOBS 6A.4.5R should:</p> <p>(a) tell the <i>consumer</i> why they are receiving the communication;</p> <p>(b) taken as a whole, not discourage the <i>consumer</i> from using the directory; and</p> <p>(c) otherwise be the result of careful consideration by the <i>firm</i> of <i>consumer</i> needs and expectations in light of the requirements of relevant <i>principles</i> and <i>rules</i>, including <i>Principles</i> 6, 7 and 8.</p> <p>An example of a relevant consideration (referred to in ■ ICOBS 6A.4.5R(1)(c)) is where multiple <i>consumers</i> have applied for a joint travel insurance <i>policy</i> from the <i>firm</i> and should consider the consequences of purchasing separate <i>travel insurance policies</i>.</p>
6A.4.8	R	<p>Exception: multiple policies</p> <p>A <i>firm</i> need not comply with ■ ICOBS 6A.4.5R where it is contemporaneously able to communicate an offer to a <i>consumer</i> of a <i>travel insurance policy</i> in respect of which none of the circumstances set out in ■ ICOBS 6A.4.6R apply.</p>

		Exception: consumer has already accessed the medical cover firm directory
6A.4.9	R	<p>A <i>firm</i> need not comply with ■ ICOB 6A.4.5R where all the following conditions are met:</p> <ol style="list-style-type: none"> (1) the <i>firm</i> is listed on a <i>medical cover firm directory</i>; (2) the <i>firm</i> is aware that the <i>consumer</i> has already accessed the <i>medical cover firm directory</i> in respect of the same risk; and (3) only ■ ICOB 6A.4.6R (4) applies.
6A.4.10	R	<p>A <i>firm</i> must not rely on the exception in ■ ICOB 6A.4.8R or ■ ICOB 6A.4.9R where it would still be in the <i>consumer's</i> best interests to provide the communication under ■ ICOB 6A.4.5R.</p>
6A.4.11	G	<p>An example of where it may be in the <i>consumer's</i> best interests to provide the communication is where the <i>consumer</i> has expressed dissatisfaction to the <i>firm</i> with the quote provided.</p>
6A.4.12	G	<ol style="list-style-type: none"> (1) Whether a <i>firm</i> has responsibility for communicating with the <i>consumer</i> under this section will depend on the <i>rules</i> in this sourcebook applicable to the relevant circumstances, and the language of relevant provisions in this section should be construed accordingly. See, for example, ■ ICOB 5.1.3CR (Packaged bank accounts), ■ ICOB 6.-1R (Producing and providing product information), ■ ICOB 6.1 (Providing product information to customers) and ■ ICOB 6.5 (Renewals). (2) Guidance on the application of these requirements to an <i>insurer</i> that is an <i>incoming firm</i> can be found at ■ ICOB 1 Annex 1 (Part 2) 5.1R. (3) Firms with <i>appointed representatives</i> are reminded that the effect of s39(4) of the Act is that where the <i>appointed representative</i> carries out the relevant activity, the <i>firm</i> must ensure that the <i>appointed representative</i> complies with the relevant provision (see ■ SUP 12.3.1G).
		Assessment of medical condition risk
6A.4.13	G	<ol style="list-style-type: none"> (1) <i>Firms</i> should assess the risk associated with medical conditions and calculate <i>medical condition premiums</i> by reference to reliable information that is relevant to the assessment of the risk. <i>Firms</i> which do not do this may communicate unclear, unfair or misleading price information to <i>consumers</i> and so risk breaching <i>Principles</i> 2, 6 and/or 7, and ■ ICOB 2.2.2R and/or ■ ICOB 2.5-1R. <i>Firms</i> also need to consider their obligations under the Equality Act 2010. (2) <i>Firms</i> are also reminded of their obligations in ■ PROD 4.2 or ■ 4.3 to identify and distribute <i>travel insurance policies</i> to the target market. (3) Prior to a <i>firm</i> offering a <i>policy</i> with a very high <i>medical condition premium</i>, the <i>firm</i> should take all reasonable steps to consider whether:

- (a) the nature of the medical screening or assessment process is insufficient to provide reliable information which is relevant to the assessment of the risk associated with the particular medical condition;
 - (b) the high premium is intended to indicate an unwillingness to accept the risk by the *insurer*; or
 - (c) the high premium is due to the medical condition falling outside of the *insurer's* risk appetite or the target market for the product.
- (4) Where this is the case, offering a quote may mislead the *consumer* and/or result in them not being treated honestly, fairly and professionally in their best interests. A *firm* should consider instead whether it would be more appropriate not to offer a quote for the risk, explain the reason/s why not to the *consumer* and provide them with the details of the *medical cover firm directory* under

■ ICOBS 6A.4.5R.