

The Importance of Disclosure



When you're applying for life insurance, sharing your medical information is a key step that might seem a bit daunting, but it's incredibly important. By being open and honest about your health history and current medical conditions, you're making sure that you get a fair premium and a policy that truly fits your needs. Plus, it helps avoid future disputes if a claim needs to be made. Providing accurate medical information is about making sure that your loved ones are financially protected and that everything goes smoothly with your policy.

The purpose of this guide is to demonstrate why it is important that you answer all medical questions fully and truthfully when you are applying for life cover, serious illness cover, income protection or any of the other insurance benefits we offer.

Please read this document carefully before you complete your application form.



At Zurich, the payment of claims is important to us.

Whilst the payment of a claim on the death of a loved one or after the diagnosis of a serious condition or period of ill health does not take away the pain and suffering at these upsetting events, it does help reduce the financial burden, which is why paying claims is so important.

We pay nearly 98%¹ of all our claims per year. Unfortunately, this means that every year around 2%¹ of life and serious illness claims submitted to Zurich are not paid or have their coverage reduced because clients failed to disclose all their relevant medical facts as asked in their application. Disclosure is important because it ensures that all clients pay a premium in line with their insured risk. If some clients do not disclose all relevant facts and all claims would be fully paid out, this would in time adversely affect the premium base, thereby affecting all future clients.

How does our underwriting process work?

Your Financial Advisor will ask a series of questions on your current and past medical situation and the answers to these questions will help us decide what cover we can offer you and at what price.

It is important to be aware that these questions form part of a long-term contract with Zurich and they require your attention throughout the application stage. All declarations you provide and the honesty and accuracy of your answers to all questions asked during the application phase matter, whether that be in relation to your occupation, pastimes, medical history, or any other questions asked.

Every question asked is important and should be considered carefully. If in doubt about whether you should disclose information to any question asked, we recommend you talk to your Financial Advisor.

At Zurich, the vast majority of cover is accepted at normal terms without any additional premium payable, even with additional disclosures made during the application process².

Once the plan starts, there is no obligation to inform Zurich of any changes to these questions.

How do we deal with claims where medical details were withheld?

When assessing a claim, we will make every effort to pay that claim quickly and smoothly. If, when reviewing your claim, we discover that you had a medical condition which was questioned as part of the application but not disclosed it will delay our assessment of your case.

Unfortunately, where a relevant condition related to your claim has not been disclosed, we may reduce or decline your claim outright and decline payment. This means that your loved ones could lose the financial support they were counting on.

¹ Source: Zurich Life Claims Report 2023

² Source: Zurich Life, September 2024

Case Study Examples

Applicants are obliged to answer all questions an insurer asks on the application form honestly and with reasonable care. Where this does not happen and a claim is made related to the issue which was not disclosed an insurance company can use a number of different proportionate remedies dependent on whether the misrepresentation was innocent, negligent or fraudulent and can include declinature of a claim, reducing the payout on a claim or cancelling the policy from inception without refund of premiums paid.



Case Study 1

Death

The client applied for cover in 2022 and died in 2023. The cause of death given was: cardiac arrest, coronary artery disease, diabetes.

During the application stage, the applicant advised they were a non-smoker and the only medical disclosure made on the application form was raised blood pressure which they confirmed was well controlled with normal readings at the last check-up.

During the claim stage, we received medical evidence from the deceased's GP. These medical records confirmed a **non-disclosed medical history** of diabetes, heart disease and heart attack, as well as a long history of smoking including evidence of smoking at time of application. All of these predated the risk commencement date of the policy:

As a result, **the claim was declined, and the policy voided from inception.**

NB There are specific questions relating to smoking, diabetes, and heart disease on the application.

Case Study 2

Serious Illness

The client applied for cover early 2020 and submitted a serious illness claim mid 2022 as a result of a heart attack.

During the claim stage, we received medical evidence from the claimant's GP. These medical records confirmed non-disclosure of a blood clot and ongoing treatment with warfarin at the time the application.

As a result, **the claim payment was reduced** to match the sum insured that the client would have received for their premium if their condition had been considered when they first applied.

NB There are very specific questions on the application form regarding any clotting disorders and also any ongoing treatment for any medical conditions.

Case Study 3

Income Protection

The client applied for cover early 2023 and answered "No" to all questions on the application form. 8 months into the policy they submitted a claim as they were "Unable to work due to Anxiety & Depression".

During the claim stage, we received medical evidence from the claimant's GP. The medical records received confirmed a long history of work-related stress, anxiety, and excess alcohol consumption which client had received advice about on numerous occasions from her medical practitioners.

As a result, **the claim was declined, and the policy voided from inception.**

NB There are specific questions relating to anxiety, depression & stress and advice on alcohol excess on the application.

Medical History Checklist:

Please read carefully

- ✓ Read the application questions thoroughly.
- ✓ If you are unsure or uncertain about certain questions discuss this with your Financial Advisor or talk to us directly.
- ✓ If in doubt about relevancy of certain facts, tell us in any event.
- ✓ Never sign (or digitally sign) an application form without reading the application thoroughly after it has been fully completed and you are satisfied that all answers are 100% accurate.
- ✓ Understand the precise requirements of Declarations and Conditions you are agreeing to throughout the application and the implications of not adhering to these.
- ✓ Disclose any smoking or alcohol excess history: Being honest about your (occasional) smoking and alcohol history ensures your policy is accurate and reliable. Smoking in the 12 months before the plan is issued and alcohol excess where advice has been received are two of the main causes why issues have arisen at claims stage.
- ✓ Disclose all changes to your health during the application stage: If the answer to the questions changes before your policy is issued, inform your Financial Advisor. For example if you suffer back pain and consult your GP, or if you suffer a heart attack. If in doubt, ask your Financial Advisor.
- ✓ Contact us directly if your medical history is too personal to share with your Financial Advisor: If you have a medical history that you do not wish to discuss with your Financial Advisor but could be relevant for your application, you can email us at underwritingsupport@zurich.ie or phone us directly at 01 799 2826.

And finally....

The vast majority of applications are accepted without the need for any additional medical evidence from doctors or other medical professionals¹, so clients are obliged to answer all questions an insurer asks on an application form honestly and with reasonable care.

To ensure your claim is paid quickly and in full you should make sure that you answer all questions fully and truthfully. Remember, if in doubt please provide details of your medical condition. Please discuss with your financial advisor or disclose it and we will note your file.

Help us to pay all our claims and help you or your family financially at the time of need.

¹ Source: Zurich Life, September 2024

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