



Talking misrepresentation

Misrepresentation is the thorn in the side of our industry. Protection can be a lifeline in cases of valid claims, but when information has been misrepresented at application stage, this often leaves insurers in the unfortunate position of having to decline claims.

Among thousands of successful and valid claims in 2023, **only 6% were declined.**

However, **of that 6%... 73% were declined due to misrepresentation.**



Anna Rogers, Head of Underwriting and Claims at LV=

What different types of misrepresentation are there?

Innocent

A client doesn't disclose relevant information at application because they were not aware of it. For example:

- Family medical history they were unaware of.

Likely outcome: In this instance, we will still pay the claim in full.

Careless

A client leaves out relevant information when they take out their policy because they either forgot or didn't think it was relevant. This may be:

- An old injury that's healed.
- An illness that they considered short term.

Likely outcome: We'll likely review this on a case-by-case basis to decide the most appropriate outcome. We may pay be able to pay your claim fully or on a reduced basis or refund the premiums paid.

Deliberate or reckless

A client deliberately chooses to not disclose relevant information with the intention of misrepresenting their health. For example:

- A medical diagnosis they were aware of.
- Ongoing medical investigations without a formal diagnosis yet.
- Symptoms they are yet to report to their doctor but intend to speak to someone (especially if taking out cover is shortly followed by a medical appointment).

Likely outcome: Not only will we be unable to pay this claim, but we might also not be able to refund their premiums either.

Why do people intentionally misrepresent?

There are several reasons people choose to misrepresent their health to advisers. For example, concern about family and future finances may lead people to provide false information to an adviser.

Equally, if they are waiting on test results or a referral, the lack of formal diagnosis may mean the client does not consider it false information or misrepresentation when they do not declare it to their adviser. This is a possible explanation for the case of [Naomi*](#).

It is a terrible situation to be in, which is why we're passionate about making sure more people have robust protection before they suffer a life changing illness or injury.



Most common areas for misrepresentation year on year:

- Alcohol consumption
- BMI
- Health history
- Ongoing medical investigations
- Smoker status

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*Name is for illustrative purposes only.



Talking misrepresentation (continued)

How can advisers help their clients avoid misrepresentation?

Like the cases on page 4, there could be a Naomi* or Adam* on the end of the phone at any time. These clients may be hoping no one will check their records, or they may decide for themselves what's relevant without the proper guidance.

Of course, advisers can't be held responsible for the choices of every client. Occasionally cases like these may happen despite your best efforts, but a high number of these cases will reflect badly on the adviser or firm.

SBG'S Emma Thomson shares her thoughts on how you can help your clients avoid misrepresentation...



Emma Thompson, Sesame Bankhall Group

Ask the Experts

Emma Thomson,
Head of Protection Development, Sesame Bankhall Group

Prepare them in advance

“ One key approach is to explain in simple terms how the underwriting process works and **prepare them in advance for the types of application questions that will be asked so they have the information to hand when they apply**, such as name and dosage of medications, dates of diagnosis, height and weight measurements and information on family history.

Simple language is important

Simple language is also important; talking about 'non-disclosure' or 'misrepresentation' is industry talk – with clients it's much better to talk about being truthful, being honest, being open... and ask them to tell you if they're not sure how to answer a question so you can help them.

One vital aspect to the application process is to ensure the life assured is providing their own answers, rather than taking information from a partner. Also bear in mind that **some clients may have information to share about their health that they don't want their partner to know which could lead them to non-disclose**, so giving them an opportunity to provide their answers separately is a sensible approach to avoid this risk.

Explaining that you need them to be truthful in their answers as you don't want there to be any issues in the event of a claim, should help them to understand why this is so important. ”

Could misconceptions of the application process lead to deliberate misrepresentation?

In our Wealth and Wellbeing research, it was found that many believed that their health conditions or lifestyle would make them ineligible for cover.

These included:

In 2023, **56%** said they think insurers don't want to pay claims.

22% thought their mental health condition made them ineligible.

36% said another long term health condition made them ineligible

17% thought their unhealthy lifestyle made them ineligible

This misunderstanding means that some clients may not understand what they are giving up by not being truthful.

Early in your conversation, your client should understand...

- How misrepresenting their information can lead to rejected claims later down the line.
- The insurance policy will be honoured provided it meets the conditions and they have not misrepresented their situation.
- An insurer will verify the information at point of claim which will involve looking at their medical records including test results, investigations, timelines of symptoms etc.
- While misrepresenting information like BMI, alcohol units, or smoking status may result in cheaper premiums right now, it can ultimately render their policy void when they need it.
- Honesty is always the best policy, especially when dealing with insurers.

Consider sharing insights from our recent claims report in your protection conversations..

Download our latest claims report

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Talking misrepresentation (continued)

Help your clients avoid accidental omissions

Explain to your client that you want to make sure you haven't missed anything. Ask a bit more about their general health history to help jog their memory if they've missed anything...

Do you have any health conditions?



No, not that I can think of...

versus...

So, the application is quite in depth – you'll need to provide an accurate picture of your health and medical history. For example, any medications you take are relevant, including any repeat prescriptions you have – even if you don't take them everyday.



Oh, yes! My inhaler for my Asthma. Is my Asthma relevant? It doesn't both me much, only really in the winter but I suppose I do have it and I have a repeat prescription for my inhaler.

For an accidental omission, a client is likely going to be relieved when you remind them of their seasonal asthma or dislocated knee in 2019 that required physio and time off work etc. Especially when they understand the risk of not disclosing it.

Equally, a client hoping to obscure their medical information may be comfortable not mentioning something if not prompted, but possibly much less comfortable when asked a direct question.

What's relevant?

- ▮ Recent GP appointments
- ▮ Hospital appointments
- ▮ Prescriptions
- ▮ Stays in a hospital
- ▮ Visits to a physiotherapist or chiropractor
- ▮ Waiting lists
- ▮ Test results (both received and pending)



“Will I be denied cover if I have a pre-existing condition?”

Use our **pre-underwriting tool** to get instant indicative answers for your clients without needing to speak to your account manager or our underwriters.

The tool mirrors the questions and outcomes from the full application. It helps manage your client's expectations, keeps the conversation open, and avoids wasted applications.

[Try it now](#)

A Summary: 3 opportunities to help your clients avoid misrepresentation

1. Before application:

- ▮ Introduce the concept early, don't wait until they've already given their information. It's harder to back track than get the right information first time around.
- ▮ Make your client aware of the possible outcome of not disclosing information or presenting misleading information in their application.
- ▮ When arranging cover for a couple, always speak to each applicant directly rather than allowing their partner to answer for them. Also, give both applicants an opportunity to disclose their health conditions separately as there may be details they want to keep private.
- ▮ Use our pre-underwriting tool to give your client peace of mind if they're worried about a pre-existing condition or other risk factor that might impact their application.

[Try our pre-underwriting tool now](#)

2. At application:

- ▮ Fill out the application with your client present, you can support them if there is any ambiguity over the questions asked.
- ▮ Ask your client to double check their answers before you submit the application.

3. Once the policy is live:

- ▮ Remind them that they will receive a summary document from us where they'll have the opportunity to check their answers again, they should flag any inaccuracies to us as soon as possible.
- ▮ Make sure your client is confident with how to check their policy documents. This can help your client understand what an eligible claim would be.

[Learn more about a declined claim that did not meet the conditions of the policy on page 15](#)

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