

Insurance

This factsheet explains your rights when buying insurance. It also offers an overview of the main types of insurance available. And the rules about mental illness.



KEY POINTS

- You may find that standard insurance policies will not cover you if you have a mental illness. You might have to buy a more expensive policy to get the cover you need.
- It is illegal for an insurer to refuse to give you insurance cover because of your mental health. Unless they can give evidence that you are more likely to make a claim.
- You could make a complaint to the insurance company if you feel you have been discriminated against because of your mental illness.
- You could take your complaint to the Financial Ombudsman Service and the Equality and Human Rights Commission,
- You may be able to take legal action against the insurance company.
- Some insurance companies will give you insurance cover even if you have a pre-existing medical condition.

This factsheet covers:

1. [What are my insurance rights?](#)
2. [Are there any rules or guidelines insurers should follow?](#)
3. [What do I do if I am discriminated against?](#)
4. [What are the different types of Insurance?](#)
5. [Is there anyone who can give me advice about insurance?](#)

1. What are my insurance rights?

It is illegal for insurance companies to refuse to offer you insurance or offer you worse terms because of your mental illness.

But an insurance company can refuse to insure you or charge you higher premiums if they can show that you are a high risk.¹ This isn't discrimination.

An insurance company should do a risk assessment to work out how likely you are to make a claim. They should ask you questions about your history and current situation. And they will also look at reliable information such as statistics.

The Data Protection Act gives you the right to get a copy of the information held about you in a form that you understand. The act also allows you to ask for the logic behind why a decision was made about you.² You can appeal the decision if you don't agree with it.

Insurance companies should not have a blanket policy to refuse insurance to a certain group of people.³ Using untested assumptions, stereotypes or generalisations can lead to unlawful discrimination.^{4,5}

Becky's Story

Becky has a history of psychosis. She is going on holiday to Spain. She talks to an insurance company to get travel insurance.

The company ask about Becky's mental health history. They also ask about how Becky is managing her condition at the moment.

The company risk assess how likely Becky is to make a claim based on her personal circumstances. And by looking at reliable information, such as statistics on psychosis.

Becky has been well for 3 years by taking medication. The insurer decides to offer Becky insurance. But they charge her a higher premium.

You don't necessarily have to disclose your mental illness to a insurer, but you do have to answer questions honestly.^{6,7} Not answering question honestly is called misrepresentation. If you misrepresent yourself there could be consequences such as the following.

- Your insurance becomes invalid. This means that if you make a claim your insurer won't pay out.
- Your insurance is cancelled.
- It may be more difficult for you to get insurance in the future.

The Consumer Insurance Act gives you legal protection if you unknowingly give incorrect or incomplete information to your insurer. This means your insurer will not be able to decline a claim if you didn't tell them something unless you carelessly or deliberately lied or misrepresented your circumstances.⁸

[Top](#)

2. Are there any rules or guidelines insurers should follow?

Financial Conduct Authority

Insurance is regulated by the Financial Conduct Authority (FCA). Their rules say that an insurance company should:^{9,10,11}

- try to make sure that you only buy a policy that you can claim under,
- give you information about how to complain, and
- deal with claims quickly and fairly.

Equality Act 2010

The Equality Act protects people with 'protected characteristics' from unfair treatment. Unfair treatment is known as 'discrimination'.

Having a mental health disability, which has a big affect on your life is an example of a protected characteristic.

The Equality and Human Rights Commission have created a webpage which has some examples of unlawful discrimination from services. The webpage link is in the 'further reading' section of this factsheet.

You can find out more about '**Discrimination and mental illness**' at www.rethink.org. Our call our General Enquiries team on 0121 522 7007 and ask them to send you a copy of our factsheet.

[Top](#)

3. What do I do if I am discriminated against?

Think about the following options if an insurer has discriminated against you because of your mental health problem.

Make a complaint

Complain directly to the insurance company first. You can take your complaint to the Financial Ombudsman Service (FOS) if the insurance company hasn't dealt with your complaint properly. Contact details for the FOS are at the end of this factsheet.

Take legal action

If you decide to take this route, you will need to seek advice from a solicitor. Try to find a solicitor who specialises in both insurance and disability law. You can search for solicitors in your local area by speciality. The Law Society website has a filter which you can use to do this.

If you don't have access to the internet you can call the law society. They can help you to find the right sort of legal advice. Contact details for the Law Society are at the end of this factsheet.

A solicitor will be able to give you advice and tell you if you have a case which may be successful in court.

You will usually have to pay fees if you take legal action.

You can find more information about:

- Discrimination and mental illness
- Legal advice

at www.rethink.org. Or call our General Enquiries team on 0121 522 7007 and ask them to send you a copy of our factsheet.

[Top](#)

4. What are the different types of insurance?

Below is a list of the most common types of insurance that are available to buy.

Remember that an insurance company might refuse to insure you. Or ask you to pay more if they have reliable information to show that you are likely to make a claim because of a pre existing medical condition such as a mental health condition. See section 1 of this factsheet for more information.

A pre-existing medical condition may also apply to symptoms which you have already seen your doctor about before buying the insurance, even if you haven't been diagnosed yet.¹²

Life insurance

Life insurance is paid out to your to your loved ones if you die. This can be paid as a lump sum or smaller payments over a period of time. Often life insurance will have certain rules in their policy about when they will pay out. For example if you died because of alcohol or substance misuse this may invalidate your policy.

Not everyone needs life insurance. But if you have people who depend on your income you may want to think about it.

Critical illness insurance

Critical illness insurance will usually pay out a lump sum to you if you are diagnosed with a specific illness. Check what the policy covers before you take out critical illness insurance. Not all conditions will be covered.

Health insurance

Health insurance offers a way to pay for private health treatment if you become unwell. This could include medication, talking treatment or operations.

Some policies may include an exclusion clause for conditions that develop during the first few years of the policy. This means that if you develop a certain condition within this period the insurer will not pay out.

Income Protection Insurance

This is a long term insurance policy that can help you if you can't work because you're ill or injured. It is there to make sure that you get a regular income until you retire or you're able to return to work again. It usually does the following things.

- Replace part of your income.
- Pay out until you can work again, retire, die or the end of the policy term. Whichever is sooner.
- Only pay out when other policies stop protecting you such as company sick pay.
- Cover most illnesses that leave you unable to work. This will depend on the policy.
- Allow you to claim as many times as you need to.

You may want to think about this sort of policy if you:

- don't get employee sick pay,
- don't have savings,
- don't have people who can support you, or
- couldn't pay your bills on state benefits

Travel insurance

Most standard travel insurance policies don't cover pre-existing medical conditions. An example of standard travel insurance may be the type that a travel agent sells to you at the time of booking the holiday.

Sometimes insurers will not give you cover if you have been in hospital for a mental illness for a period of time before your date of travel.

It is unlikely you will get travel insurance if your doctor has advised you not to travel.

Arrange your travel insurance as soon as you can after booking your holiday. Depending on your policy, this could cover the cost of your holiday if you become unwell leading up to your holiday and you aren't able to go. This is called cancellation cover.¹³

Do I need travel insurance if I have a European Health Insurance Card?

An EHIC will entitle you to the same state-provided healthcare in another European Economic Area (EEA) country or Switzerland. As

long as the trip is temporary. And not specifically to get treatment for a condition.¹⁴

This doesn't mean that you will get free healthcare. It depends on the local rules of the country that you visit.¹⁵ With an EHIC you are treated the same as local people. This means if they pay towards their healthcare, you will have to pay too.

Travel insurance can cover the whole cost of healthcare. It can also cover other areas such as delayed flights, lost baggage and cancellation costs.

How do I get an EHIC?

You will see a website link at the end of the factsheet which you can use to apply for your EHIC. Be aware that there are sites who will charge you a fee to get a EHIC. Do not use these websites. It is free to get your own card.

You will be able to get an EHIC even if you have a pre-existing medical condition. Most people who live in the UK will be able to get an EHIC.

Motor insurance

You should be able to get motor insurance if you have a driving licence and you are safe to drive. Sometimes you won't have to disclose your health to your insurer. But always check the policy. Even if they haven't asked to know about your condition there may be a clause in the policy to state that you have to tell them. If you don't follow the rules of your policy your insurance may not pay out if you make a claim.

You can find more information about '**Driving and mental illness**' at www.rethink.org. Or call our General Enquiries team on 0121 522 7007 and ask them to send you a copy of our factsheet.

Payment Protection Insurance (PPI)

Payment Protection Insurance (PPI) pays out if you can't make payments on loans, such as your mortgage, or credit cards because of illness or redundancy. Check the policy for rules about a pre-existing medical condition. Usually PPI won't cover certain illnesses.

You may want to think about this sort of policy if you:

- don't get employee sick pay,
- don't have savings,
- don't have people who can support you, or
- couldn't pay your bills on state benefits.

You can find more information about:

- Debt and money management
- Options for dealing with debt

at www.rethink.org. Or call our General Enquiries team on 0121 522 7007 and ask them to send you a copy of our factsheet.

[Top](#)

5. Is there anyone who can give me advice about insurance?

You could contact the Rethink Mental Illness Advice Service or the Money Advice Service for general information about insurance.

An insurer should be able to give you specific information about their policy. And if it will cover your needs.

You could contact an insurance broker if you would like advice about who to take out your insurance with. Or if you need insurance. You may have to pay for an insurance broker.

Details for these services are in the useful contacts section of this factsheet.

[Top](#)

FURTHER
READING

Equality & Human Rights Commission Core guidance: Using businesses that offer goods, facilities and services to the public

<https://www.equalityhumanrights.com/en/advice-and-guidance/core-guidance-using-businesses-offer-goods-facilities-and-services-public>

Financial Conduct Authority: Access to Financial Services in the UK.

Chapter 7 in the document is called 'Segmented Markets'. It has useful information about some problems that people have had with insurance.

<https://www.fca.org.uk/publication/occasional-papers/occasional-paper-17.pdf>

USEFUL
CONTACTS

Equality Advisory Support Service (EASS)

They give free advice on discrimination and human rights issues to people in England, Scotland and Wales. Their helpline is open Monday-Friday 9am-7pm and Saturday 10am-2pm

Telephone: 0808 800 0082

Textphone: 0808 800 0084

Address: FREEPOST EASS HELPLINE FPN6521

Email: Through the website

Live Chat: Through the website

Website: www.equalityadvisoryservice.com

European Health Insurance Card

Apply for a EHIC through the website.

Website: www.ehic.org.uk

Financial Ombudsman Service

An organisation set up to help sort disagreements between businesses and customers. They can look into problems for most types of money matters. Their helpline is open Monday – Friday 8am- 8pm & Saturday 9am – 1pm.

Telephone: 0800 023 4567 (free) or 0300 1239 123

Address: The Financial Ombudsman Service, Exchange Tower, London E14 9SR

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

Money Advice Service

They are a free independent service that are set up by the government. They can give advice about insurance. But they can't recommend a particular insurer to you. Open Monday – Friday 8am – 8pm and Saturday 9am – 1pm.

Telephone: 0800 138 7777

Address: Holborn Centre, 120 Holborn, London, EC1N 2TD

E-mail: enquiries@moneyadvice.service.org.uk

Website: www.moneyadvice.service.org.uk

Civil Legal Advice

They are a free service and help you deal with your legal issues if you qualify for legal aid .

Telephone: 0345 345 4345

Website: www.gov.uk/civil-legal-advice

The Association of British Insurers (ABI)

An organisation that promotes best practice within the insurance industry. They provide information to the public on insurance products on their website. Their telephone message has useful information too.

Telephone: 020 7600 3333

Address: Association of British Insurers, One America Square, 17 Crosswall, London, EC3N 2LB

Website: www.abi.org.uk

The Law Society

They are an independent professional body that has a list of solicitors in different areas. You can search on their website to find a solicitor who specialises in insurance or disability cases. Or you can call them.

Telephone: 020 7320 5650

Address: The Law Society's Hall, 113 Chancery Lane, London WC2A 1PL

Website: www.lawsociety.org.uk

Below is a list of financial advisers and insurers who state that they may be able to advise or provide cover to people with mental illness. Rethink Mental Illness don't work with any of these services are companies. Therefore we can't recommend any to you. The list is for your information.

Financial advice service

British Insurer's Broker Association (BIBA)

If you want someone to suggest a specific company to you and support you if you need to make a claim you should speak to a broker. BIBA have a list of insurance brokers. You are likely to have to pay a broker for their services.

Telephone: 0370 950 1790

Email: enquiries@biba.org.uk

Website: www.biba.org.uk

Price comparison services

PayingTooMuch.com

Call them or work out your quote online. They can help people with pre-existing medical conditions to get insurance cover.

Telephone: 01243 784000

E-mail: help@payingtoomuch.com

Website: www.payingtoomuch.com

The Insurance Surgery

They can help people with pre existing medical conditions find competitive life insurance and travel insurance.

Telephone: 0800 083 2829

Address: 45 Pickford Street, Macclesfield, SK11 6HD

Email: enquiry@theinsurancesurgery.co.uk

Website: www.the-insurance-surgery.co.uk

JustTravelcover.com

They provide a way to compare travel insurance cover for pre existing medical conditions and travel insurance for people who are over 65.

Telephone: 0800 294 2969

Email: admin@justtravelcover.com

Website: www.justtravelcover.com

Insurance companies

Orbis Insurance

They provide life assurance and travel insurance for people with medical conditions.

Telephone: 01274 518393

Address: 2 Aire Valley Business Park, Bingley, BD16 1WA

Email for travel insurance: orbistravel@riskalliance.co.uk

Email for life insurance: orbislife@riskalliance.co.uk

Website: www.orbisinsurance.co.uk

AllClear Travel

They provide medical travel insurance for people with pre-existing medical conditions.

Telephone: 01708 339026

Address: AllClear Insurance Services Limited, AllClear House, 1 Redwing Court, Ashton Road, Romford, Essex, RM3 8QQ

Website: www.allcleartravel.co.uk

Freedom Insurance are able to provide travel and life insurance to people with pre-existing conditions.

Telephone: 01223 446 914

Address: Richmond House, 16-20 Regent Street, Cambridge, CB2 1DB

Email: via website

Website: www.freedominsure.co.uk

Free Spirit Travel Insurance

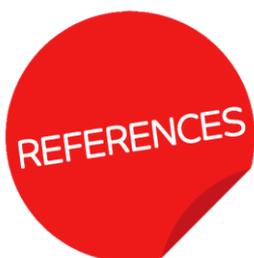
They provide travel insurance for people with medical conditions. They have no age limits.

Telephone: 0800 1707704

Address: Stansted House, Rowlands Castle, Hampshire PO9 6DX United Kingdom

Email: contact@freespirittravelinsurance.com

Website: www.freespirittravelinsurance.com/



¹ schedule 3(21), Equality Act 2010 c15.

² s12, Data Protection Act 1998, c29.

-
- ³ Citizens' Advice. *Insurance companies – When discrimination is allowed*. <https://www.citizensadvice.org.uk/consumer/discrimination-in-the-provision-of-goods-and-services/discrimination-in-the-provision-of-goods-and-services1/goods-and-services-what-are-the-different-types-of-discrimination/what-doesn-t-count-as-unlawful-discrimination-in-goods-and-services/insurance-services-when-discrimination-is-allowed/> (access 12th July 2017)
- ⁴ As note 1 (EA 2010), s21
- ⁵ Financial Conduct Authority. *Access to financial services*. Page 94. <https://www.fca.org.uk/publication/occasional-papers/occasional-paper-17.pdf> (accessed 28th July 2017)
- ⁶ Financial Ombudsman Service. *Consumer Insurance (Disclosure and Representations) Act 2012*. http://www.financial-ombudsman.org.uk/publications/technical_notes/misrepresentation-and-non-disclosure.htm#a3 (accessed 12th July 2017)
- ⁷ Association of British Insurers (ABI). *Consumer Insurance (Disclosure and Representations) act implementation recommendations*. <https://www.abi.org.uk/globalassets/sitecore/files/documents/publications/public/migrated/consumer-insurance-act/consumer-insurance-act-recommendations.pdf> (accessed 27th July 2017)
- ⁸ Association of British Insurers. *What the Consumer Insurance Act means for customers*. <https://www.abi.org.uk/data-and-resources/tools-and-resources/how-to-buy-insurance/what-the-consumer-insurance-act-means-for-customers/> (accessed 12th July 2017)
- ⁹ Financial Conduct Authority (FCA). *Insurance: Conduct of Business Sourcebook*. Release 162. London: FCA June 2015. ICOBS 5.1.1(1).
- ¹⁰ As note 9. ICOBS 8.1.1(1).
- ¹¹ As note 9. ICOBS 6.2.2
- ¹² The financial Ombudsman. *Travel Insurance* http://www.financial-ombudsman.org.uk/publications/technical_notes/travel-insurance.htm (accessed 27th July 2017)
- ¹³ As note 12.
- ¹⁴ NHS Choices. *European Health Insurance Card (EHIC)* <http://www.nhs.uk/NHSEngland/Healthcareabroad/EHIC/Pages/about-the-ehic.aspx> (accessed 7 August 2017)
- ¹⁵ As note 14.

© Rethink Mental Illness 2014
Last updated July 2017
Next update July 2020
Version 7

This factsheet is available
in large print

Rethink Mental Illness Advice Service

Phone 0300 5000 927
Monday to Friday, 9:30am to 4pm
(excluding bank holidays)

Email advice@rethink.org

Did this help?

We'd love to know if this information helped you.

Drop us a line at: feedback@rethink.org

or write to us at Rethink Mental Illness:

RAIS
PO Box 17106
Birmingham B9 9LL

or call us on 0300 5000 927.

We're open 9:30am to 4pm
Monday to Friday (excluding bank holidays)



Leading the way to a better
quality of life for everyone
affected by severe mental illness.

For further information
on Rethink Mental Illness
Phone 0121 522 7007
Email info@rethink.org

 [facebook.com/rethinkcharity](https://www.facebook.com/rethinkcharity)

 twitter.com/rethink_

 www.rethink.org

Need more help?

Go to www.rethink.org for information on symptoms, treatments, money and benefits and your rights.

Don't have access to the web?

Call us on 0121 522 7007. We are open Monday to Friday, 9am to 5pm, and we will send you the information you need in the post.

Need to talk to an adviser?

If you need practical advice, call us on 0300 5000 927 between 9:30am to 4pm, Monday to Friday. Our specialist advisers can help you with queries like how to apply for benefits, get access to care or make a complaint.

Can you help us to keep going?

We can only help people because of donations from people like you. If you can donate please go to www.rethink.org/donate or call 0121 522 7007 to make a gift. We are very grateful for all our donors' generous support.