

## The Insurance Ombudsman Bureau in the United Kingdom

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Article abstract

L'auteur présente ici la solution apportée par certaines compagnies anglaises au problème de l'Ombudsman, c'est-à-dire du défenseur du citoyen. Il signale que les assureurs faisant affaire dans le marché anglais ne prennent pas tous une part à la dépense. D'un autre côté, certaines entreprises comme la *Royal*, la *Guardian*, la *Royal Exchange* et *General Accident* considèrent que l'Ombudsman, comme on l'appelle en pays étrangers, a son utilité puisqu'il permet de trancher, sans aller jusqu'au tribunal, certains différends survenant au cours du règlement d'un sinistre. M. Pearce donne une idée du fonctionnement et des services que le préposé rend, tant au public qu'aux assureurs. Il s'agit, en somme, d'un tiers indépendant qui intervient pour trancher un différend soulevé par l'assuré, garanti par une des sociétés faisant partie du groupe.

## The Insurance Ombudsman Bureau in the United Kingdom

by

Eric A. Pearce, F.C.I.I.

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This Bureau was set up in March 1981 mainly as a result of an initiative by the Royal Guardian, Royal Exchange and General Accident. The value of such an organization was swiftly recognized and the number of members rose to 100 companies (38 groups) in 1982 and to 125 members (52 groups) in 1983. Nevertheless this still leaves a number of important companies outside the scheme. The Annual Report for 1983 has recently been published and makes very interesting reading for all those working in our great industry, although the report is intended primarily, I believe, for the insuring public. Certainly it contains some gems of advice and good sense.

The functions of the Bureau are confined, naturally, to the United Kingdom and it is authorized to deal only with the policyholder, so that complaints by third parties are excluded, and in relation to personal insurance (i.e. not a policy taken out by a business) and arising out of most classes of insurance. The object is not con-

sumer protection, as such. In this respect the Chairman in a foreword to the Report reminds readers that :

“The Ombudsman’s decisions do not always confirm the hopes of policyholders. If he agrees with the insurance company they feel let down. Perhaps they misinterpret the role of the Ombudsman, seeing him as a ‘consumer champion’. This he is not. He is a fair, understanding and free source of *impartial* judgments on the cases brought to him. He is an alternative to taking your case to the Courts. He does not automatically spring to your defence, he considers all the evidence in the case, calls in expert opinion if necessary and decides whether or not your claim is justified. He cannot change the law. If he agrees with you however, his decision will prevail over that of the company. If the company does not itself revise its decision he can substitute his own, which is binding on the company. If he disagrees with you he will say why – and you may learn from this what cover your insurance policy really provides. Alternatively you can reject his view and remain free to take the issue to the Court. In any event you will be no worse off.”

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The member companies provide funds to enable the Bureau to function, making it an entirely free service to the policyholder. There is an increasing work load as the number of members increases and the existence of the Bureau and its purpose become better known to the public. Nevertheless, when it is realised that in the UK there are nearly four million insurance claims in the year, as one would expect in a country where insurance is so highly developed, and that only 1642 enquiries relating to member companies were referred to the Ombudsman in 1983, it is a monument to the skill and fair dealing of those companies.

The enquiries were divided approximately as follows :

Life and pensions	238
Motor and third party	565
Household, buildings and contents	615
All risks	51
Personal Accident	23
Travel, Marine and others	150

In addition, there were almost an equal number of enquiries in respect of non-member companies which could not be pursued.

There is a useful guide to the routine followed by the Bureau when dealing with enquiries relating to member companies. In brief, the policyholder is told to approach the Chief Executive of the company. If, having done so he is still not satisfied he refers to the Bureau again. Then he is asked to complete an application form and support it with the relevant documents. The Bureau then asks the company for its files, so that a complete dossier can be established. Having read the papers the Ombudsman can :

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- (a) seek further information ;
  - (b) seek technical professional help ;
  - (c) enter into discussion with the company ;
  - (d) conduct research into the law relevant to the points at issue ;
  - (e) call a meeting between the parties ;
  - (f) interview the policyholder ;
- or any combination of these courses of action.

As outlined in the Chairman's foreword, the Ombudsman's decision is binding on the company, but does not in any way prejudice the rights of the policyholder.

The handling of enquiries is an on-going routine, obviously, and the Report provides a Table showing the current action position :

<i>Action completed</i>		
Adjudication by the Ombudsman	284	
Summary advice given by Ombudsman	<u>17</u>	301
Resolved after referral to the Company		475
Outside the terms of reference of the Ombudsman including general enquiries		318
Withdrawn by policyholder		117
Outcome of enquiry unknown, file closed		<u>345</u>
		<u>1556</u>

## A S S U R A N C E S

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<i>Enquiries pending at end of year</i>		
General enquiries not yet finalized	208	
Under consideration by Ombudsman	<u>153</u>	<u>361</u>
		1917
Less enquiries pending at beginning of year		<u>275</u>
		1642

A very interesting item is that referred to as General Enquiries, which are apparently questions submitted by companies for guidance, as well as by policyholders, not necessarily related to disputed claims.

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There is also humour in the Report but I choose just one instance : It seems that a policyholder slipped while working in his loft and in falling damaged the ceiling of the room below. It was suggested that there was a claim under the section "damage due to animal impact" as man ranks with the animals. However, the policyholder had overlooked a clause excluding damage by animals under the policyholder's control.

A number of almost routine misunderstandings are described in some detail and the intention is eventually to publish the decisions which have been taken by the Ombudsman in the course of his duties. This would be interesting and helpful, but unfortunately it is not possible to do this at the present time because of pressure of more urgent work within the Bureau.

Some of the advice given to companies may be useful to all :

(a) When talking or writing to a policyholder, think whether the words you use mean the same to him as they do to yourself. If in doubt, explain.

(b) If you can sense difficulty ahead, send the most senior official you can spare to sort things out personally with the policyholder. When done early enough this can save time, money and wasted effort.

There is also advice for the insuring public :

(a) Do make sure the questions in the proposal are correctly answered. If you don't you may be sorry.

(b) You don't expect your insurers to pay for your worn out clothes ; why ask him to pay for your worn out roof ?

(c) One does not seek medical advice from a banker or financial advice from a doctor. It seems however that many people are prepared to seek insurance advice from almost anyone. Misleading advice given by neighbours can lead to unjustified claims and result in disappointment.

328 The latter is reminiscent of the philosopher who, many years ago, coined the adage : Everyone is an expert on insurance, except those actually engaged in the insurance industry.

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### La publicité en langue française

Qui connaît mieux les Canadiens français qu'un Canadien français, note un collaborateur d'*Envoie – CN Rail* ?

C'est vrai, mais encore faut-il que celui qui prépare l'annonce soit intelligent et qu'il ait la formation voulue. Sans quoi ses textes seront sans intérêt.

En publicité, tout compte : le dessin, le lettrage, les couleurs et surtout le sujet. Je me rappelle qu'il y a une vingtaine d'années, les pneus Michelin avaient une affiche mise en place aux meilleurs endroits de la route Paris-Marseille. Elle se lisait ainsi : « Voir Naples et ne pas crever ». C'était une trouvaille, car elle évoquait cette phrase célèbre : « Voir Naples et mourir ».

Donner une simple traduction d'un texte anglais n'est pas nécessairement à-propos. Bien au contraire.

Par ailleurs, comment justifier des slogans ainsi rédigés : « C'est bon rare », que l'on emploie par la publicité de certaines bières. Ou encore : « Ça-là la propriété de. . . » ou « Donnes-y la claque », qu'affectionnent certains *sportifs*, paraît-il ? La radio et la télévision avaient autrefois une excellente réputation. Il ne faudrait pas qu'elles la perdent avec une publicité aussi lamentable. Surtout si elle est l'oeuvre de Canadiens français.