**Terminal Illness Campaign**
Annex, Pennycombe Farm, Exeter EX6 7XF

**OPEN LETTER**
Nikhil Rathi CEO
Financial Conduct Authority
12 Endeavor Square
London E20 1JN

27th March 2023

Dear Mr Rathi.

We submitted our report 'Dying for a Payout' to your organisation over a year ago in January 2022.
Crucially, the report calculated that in one company alone up to 1470 vulnerable terminally ill insurance claimants were being unnecessarily exposed to financial meltdown and severe mental distress on top of their terminal diagnosis. If the same calculation is applied to all companies, a total of 7336 are at risk each year.

The design and delivery of the product can cause extreme distress, which in itself reduces survival.
It also encourages consideration of suicide or the withholding of treatment to meet policy deadlines.
We supplied a verifiable and indefensible case study to show that this very harmful practice happens.

Our report shows that the way insurers present their statistics serves to hide the issue from prospective customers and regulators alike. We also cited expert peer evidence that the industry wide rule requiring claimants to prove they will die within 12 months is 'virtually impossible' to achieve. We believe the rule is unfit for purpose.

We also proposed that the practice of insurers deferring vulnerable terminally ill claimants is discriminatory and cited legal precedent and appeal regarding the matter. We disagree with your interpretation below and reiterate that discrimination is only acceptable if it is absolutely necessary in order to achieve an essential outcome.
We agree this is true in the case of Cox v DWP but not in the case of private insurance claimants.
Insurers do not have to use the harmful 12 month rule to achieve a working product.

More than a year on, and your review team has come up with absolutely nothing to disprove our findings.
Your most recent reply on the 3rd of March 2023 clearly shows that your review team's answers are evasive, speculative and without any verifiable proof.

As a terminally ill claimant who has experienced this problem firsthand, it may be too late for me but I want to make sure that nobody else suffers in the same way. The FCA are responsible for protecting vulnerable customers, but they are also required to protect the integrity of the financial markets. Which comes first?

**I CHALLENGE THE FCA TO ANSWER THE FOLLOWING AND BACK IT WITH VERIFIABLE FACTS**:

1. Given that you have been reviewing this issue for over a year, and that one of your prime objectives is to protect vulnerable people, you should be able to answer this question immediately. Please tell us how many terminal illness claims were deferred across the industry in 2018 and the years since?
2. How many vulnerable terminally ill claimants have to be affected for the FCA to take action?
3. Explain why you accept the '12 month rule' as fit for purpose when the peer report 'Six months to Live' and insurance industry experts deem it 'virtually impossible' for even a clinician to achieve?
4. The issue of discrimination with regard to terminally ill benefit claimants was a complex issue that required High Court Judicial review. Please explain why you have had no communication with the discrimination experts EHRC, or sought legal council outside of your own internal team?

**Pete Bull** **Campaign Lead – TI Claim Survivor**

*Campaigning for fairer treatment of terminally ill insurance claimants – click here to find out more*

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