

The complaint

Mrs L complains that Covea Insurance plc unfairly declined her pet insurance claim.

What happened

In July 2023, Mrs L made a claim for the cost of treatment to repair her dog's right cruciate ligament. The vet's costs were £3,583.13.

Covea rejected the claim, as it said the right cruciate ligament rupture was linked to a previous claim in 2022 for cost of treatment for repair of the left cruciate ligament and is therefore a pre-existing condition.

Covea says Mrs L previously had a policy with it which was due for renewal at end March 2023. Mrs L contacted it in March 2023 to discuss the renewal as the premiums had increased significantly. Mrs L opted to take a new policy with a lower level of cover but this meant any existing conditions would not be covered under the new policy to start at end March 2023. Covea says this was made clear to Mrs L at the time.

Covea says the diagnosis and symptoms in July 2023 are the same as in 2022, therefore making the condition pre-existing. Covea also provided extracts from a number of online sources that state that in dogs, cruciate ligament rupture is predominately due to a disease process, where the ligament degenerates slowly over time, before it has weakened so much that it snaps. It says this supports that cruciate ligament rupture is a degenerative disease and Mrs L's dog was pre-disposed to this happening in the other leg as they would have both been subject to the degenerative changes. In addition, Covea says that cruciate ligament rupture is classified as a bilateral condition, meaning that once one side is affected, the other side is also affected due to additional strain being placed on the alternative leg. As Mrs L chose to set up a new policy, rather than continue the previous one, it says this is now deemed to be a pre-existing condition and this claim is therefore excluded from cover.

Mrs L is very unhappy with this. She says there is no evidence that her dog's cruciate ligament injury is a bilateral condition; the dog was fully recovered from the left cruciate ligament injury and over a year later suffered an injury to its right cruciate ligament as an unrelated separate event.

Mrs L also says that she had to change the policy due to the excessive and unjustified increase in premiums. It feels like she was pushed to a less favourable policy by Covea with the possible intention of making it easier to deny future claims. This practice by pet insurers should be monitored and investigated.

One of our Investigators looked into the matter. She explained that we cannot deal with the complaint about the level of the premiums in this complaint and that we do not monitor pricing generally, as we are not the regulator.

The Investigator considered whether Covea had acted fairly in refusing the claim. The Investigator did not think it had acted fairly and recommended that the complaint be upheld.

The Investigator did not consider that Covea had established that the claim was not due to trauma, rather than a degenerative illness and that it was linked to the claim in 2022. She noted there was no mention in the vet's notes in 2022 of any issue with the right leg, or that there were signs of degenerative changes that would make the dog pre-disposed to rupture in the right leg. The Investigator therefore recommended the claim be paid, together with interest at our usual rate and that Covea should also pay £100 compensation.

Covea does not accept the Investigator's assessment. It has made a number of points in response. I have considered everything it has said but have summarised its main points below:

- It has provided references from five prominent and respected veterinary referral practices, which all state that the majority of cruciate ligament ruptures in dogs are due to the ligament degeneration over time.
- The vet who examined the dog specifically mentioned that he hadn't suffered any trauma, supporting the view that the ligament failure was most likely due to it degenerating.
- It included references, from both vets and clinical studies, showing that cruciate ligament failure in the second leg is common (approximately 50% of dogs) and normally happens 12-18 months after the first rupture. This evidence appears to have not been taken into consideration when the decision has been reached.
- It has provided clear evidence that both incidents had the same cause and in addition, the policy definition of a pre-existing condition includes conditions that have the same diagnosis or clinical signs.
- The Investigator's assessment is out of line with previous decisions about similar cases.

As Covea does not accept the Investigator's assessment, the matter has been referred to me.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I have decided to uphold the complaint about the refusal of the claim, as I think Covea unreasonably declined the claim. I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And they mustn't turn down claims unreasonably.

Mrs L's policy says that it will cover:

"The cost of veterinary fees for the veterinary treatment your pet has received during the policy year to treat an illness or injury up to the maximum benefit.

Cover for any ongoing incident will continue into a new policy year providing you renew your policy and continue to pay the premiums due."

The policy excludes:

"The cost of any treatment for a pre-existing condition".

And it defines pre-existing conditions as:

“Pre-existing condition

- *An injury that happened or an illness that first showed clinical signs before your pets cover started, or*
- *An injury or illness that is the same as, or has the same diagnosis or clinical signs as an injury, illness or clinical sign your pet had before its cover started, or*
- *An injury or illness that is caused by, relates to, or results from, an injury, incident, illness or clinical sign your pet had before its cover started. No matter where the injury, illness or clinical signs are noticed or happen in, or on, your pet’s body. This is in addition to any exclusion(s) stated on your Certificate of Insurance.”*

The policy also defines an “incident” as being:

“A specifically identifiable accident, injury or illness. Recurring and/or chronic incidents shall be considered as one loss and/or condition. Such incidents being defined as:

- *Clinical manifestations resulting in the same diagnosis (regardless of the number of incidents or areas of the body affected) to which your pet has an ongoing predisposition or susceptibility or injury related in any way to the original claim; or*
- *Incidents which are incurable and likely to continue for the remainder of your pet’s life.”*

It is not in dispute that Mrs L’s dog had a left cruciate ligament rupture in 2022, which was before this policy with Covea started.

The vet’s notes from 2022 say the dog had been limping for a few days and when it did not improve, the dog was referred for x-rays and surgery to repair a ruptured cruciate ligament. The dog is noted as having recovered well from the treatment.

I have not seen any reference to this being caused by degenerative disease, or to their being any issue with the right cruciate ligament, or any likelihood or possibility of a future issue with the right ligament.

In May 2023, Mrs L took the dog to the vet as it was lame on its right hind leg. It is noted this improved a little with rest but Mrs L went back again in mid-June 2023 as it had got worse. I have set out some of the relevant entries in the vet’s notes below:

On 26 May 2023 the vet noted: *“Right stifle, effused [swollen] and mild/moderate degree of instability suggestive of injury of the CCL. Partial./complete tear?”*

On 5 June 2023 the vet recorded: *“Doing better on the RH. Only occasionally lame on RH. Effusion has gone down and very small degree of instability in the right stifle”*. The vet advised to monitor the dog with rest and review in a few weeks but they were hoping the joint would stabilise.

Then around a week later: “*right stifle rather unstable and positive drawer movement. Most likely he damaged any fibrotic tissue that was providing some stability to the joint. Discussed options, advised surgical repair.*”

The dog was referred for x-rays and surgery, and it was confirmed the right cruciate ligament had ruptured.

We generally say, unless there’s evidence that the claimed for condition is causally linked to the pre-existing condition, it’s not reasonable for an insurer to decline the claim on the basis of the claimed for condition being pre-existing.

Covea says that as there was no evidence of any trauma causing the rupture on either occasion and the evidence shows that the majority of cruciate ligament ruptures in dogs are due to a chronic degeneration, which would be classed as an illness. Covea says that the fact the dog had a rupture on the left side in 2022 essentially speaks for itself and that this must mean there were degenerative changes. And as there is no evidence of any trauma causing the rupture on either occasion, and as most cruciate ligament ruptures in dogs are due to chronic degeneration, this means in Mrs L’s case this was classed as an illness and that dogs that rupture one cruciate ligament are predisposed to rupture the other.

I have considered the articles provided by Covea. They all state that there can be rupture of the cruciate ligament joint in dogs due to trauma but that it is common for there to be degenerative weakening.

The vet’s clinical notes say there was no obvious trauma but the vet also refers to this as being an injury, rather than an illness. The clinical notes set out above show the joint was unstable and was swollen (“*effusion*”) joint. There is not any reference to cruciate ligament disease in Mrs L’s dog. I also note the claim form signed by the vet said the claim was for injury to the cruciate ligament.

I haven’t seen anything in the clinical notes to say that Mrs L’s dog had cruciate ligament disease or that Mrs L’s vet suspected or discussed cruciate ligament disease. While the articles provided by Covea say that sudden rupture of a healthy ligament is unusual, there’s no veterinary evidence in this case specific to Mrs L’s dog to say that the dog had cruciate ligament disease or that the cruciate rupture was likely due to cruciate ligament disease. And even if sudden rupture without underlying disease is rare, this does not mean it can never happen.

Cruciate ligament rupture can be the result of an accident or trauma and while it is the same type of injury, there is not enough evidence to show the left hind rupture in 2022 was linked to the rupture in the right hind in 2023

Considering the definition of a pre-existing condition, as set out above, this injury did not start before the start of this policy and there is no evidence it relates to, was caused by, or results from the previous cruciate ligament rupture. And while it was the same type of injury, as it was a rupture of a joint, it was not the same joint and I do not therefore think it can reasonably be deemed to be the same injury.

I have also considered if it can be excluded as it is part of the same “*incident*” as the previous claim but this can only apply if there is an “*ongoing predisposition or susceptibility*” which I do not think has been established in this case; or the “*injury is related in any way to the original claim*” which again I do not think has been established.

Having considered all the evidence, I don't consider Covea has shown that the dog's injury was due to illness rather than an accident, or that it relates to the previous claim in 2022. As such, the fair and reasonable outcome is that Covea should pay Mrs L's claim, subject to any other remaining policy terms. If Mrs L has already paid her vet for this treatment, Covea should also pay interest at our usual rate, from the date she paid for the treatment to the date of reimbursement.

I also consider that Covea should pay some addition compensation and agree with the Investigator that the sum of £100 is reasonable.

My final decision

I uphold this complaint. I require Covea Insurance plc to:

- Pay Mrs L's claim for the dog's traumatic cruciate rupture, subject to the policy limit and any applicable excess; and add interest to the resulting claim payment at the simple rate of 8% per year from the date Mrs L paid the vet's bill until the date of reimbursement, subject to evidence of the date/s of this payment/s; and
- pay Mrs L £100 compensation for the distress and inconvenience caused by its handling of the matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 2 October 2024.

Harriet McCarthy
Ombudsman