

## A change is not always good

### Background

In 2017 Simon's insurance broker recommended that he switch his cover, so Simon cancelled his existing policy and took out a new plan with a different health insurer.

A year later Simon made a claim, but it was denied due to pre-existing conditions. The new insurer cancelled his policy and explained that they would not have provided insurance if the pre-existing conditions had been disclosed.

Simon made a complaint against the insurer to their dispute resolution scheme, but this complaint was not upheld.

Unsatisfied, Simon contacted Financial Dispute Resolution Service (FDRS) to complain about the broker and the advice provided.

### Next steps

Financial Dispute Resolution Service accepted the complaint and obtained further information from both Simon and his broker.

FDRS suggested mediation as pathway forward for them.

### Mediation

Almost three years had passed since Simon switched policies.

It became clear that both Simon and his broker wanted a resolution without delay. Despite COVID-19 and the nationwide restrictions, FDRS was able to arrange a mediation by teleconference.

Simon was angry, because the advice to move insurers was not in his best interests and had left him without insurance.

The broker was also frustrated, having been unable to resolve Simon's complaint with him directly and having been involved in a previous dispute resolution process with Simon and the insurer.

Despite their opposing views and frustrations, the mediator assisted them to explore options.

### Outcome

During the mediation, Simon and his broker reached a confidential agreement. Both parties were relieved when the matter was able to be settled at mediation.

