

Interpretation – redundancy benefit – only payable if employed “full time” – meaning of.

BACKGROUND

Under his bank overdraft policy the complainant was entitled to benefits should he *inter alia* lose his employment due to being made redundant. When he lost his employment due to redundancy his claim for the benefit was declined, the insurer relying on an exclusion clause which provided that no benefit would be payable for redundancy “*if the life assured had not been in full time employment for 12 consecutive months immediately before he/she was made redundant*”.

It was not in dispute that at the time he was made redundant the complainant had been employed for a period in excess of 12 months, but the insurer relied on information telephonically provided to it by the complainant’s erstwhile employer that the complainant had been a driver employed “*on a casual basis*”. It contended therefore that he had not been “in full time employment” as provided for in the exclusion clause.

DISCUSSION

When the office took the matter up with the employer, it became apparent that the employer had not intended to say, when using the phrase “*on a casual basis*”, that the complainant had not been in permanent employment with him. He had not meant that the complainant had worked part-time, but simply that his employment contract was one concluded orally, and not in writing. He explained that in terms of the agreement the complainant was to perform specified duties as a driver for an indefinite period, for payment of a fixed wage. He added that the complainant was working “*as a permanent casual...Monday to Friday on a full day*”.

The complainant himself told the office that he had been employed full time, which in effect was confirmed by the employer, however he had put it.

CONCLUSION

The insurer agreed to pay the benefit.

SM
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