**Press release**

**30 April 2018**

**Group risk industry has another record breaking year, helping even more families in 2017**

* **UK Group Risk industry paid out a new high of £1.6bn in claims in 2017, a £120m increase on 2016, and equivalent to £4.43m a day**
* **4,944 people were helped back to work after a period of sick leave**
* **7,879 people were referred to help and support funded by Group Risk insurers**
* **Cancer was a main cause of claim across all Group Risk products**
* **Mental Illness was the top cause of claim under Group Income Protection**

Yet again, the group risk industry provided financial support to a record number of families during 2017. Industry data compiled and published today by Group Risk Development (GRiD) shows that a total of over £1.6bn was paid out by the group risk industry during 2017, a £120.5 million increase on 2016. 25,906 UK families were helped to avoid financial hardship after the death, illness, accident or disability of a loved one.

As well as financial payments, group risk insurers help people in many other ways. Julie’s story below gives just one example of how group risk policies provide practical support for policy members. Like Julie, a total of 4,944 people were helped back to work by group risk insurers after a period of sick leave, and a further 7,879 people were assisted by the industry during 2017 through referrals to help and support funded by group risk insurers.

**Total benefits paid**

Group Life Assurance policies paid out total benefits to the value of £1.067 billion (on a par with 2016); Group Income Protection policies paid out a total of £466.5 million p.a.(an increase of £107.8 million p.a. over 2016); Group Critical Illness policies paid out benefits totalling £84.3 million (an increase of £12.7 million over 2016).

The average claim amounts (£113,479 for group life; £24,257 p.a. for group income protection; £71,463 for group critical illness) again demonstrate that these are not just benefits for top earners – these benefits throw a vital financial lifeline to people at the worst times, regardless of their salary, age or position.

**Total claims paid and average new claim amounts**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Benefit | No. of claims | Value of claims paid\* | Average new claim amount | % of new claims paid for 2017 |
| Group Life Assurance | 9,404 | £1,067m | £113,479 | 99.8% |
| Group Income Protection | 15,322 | £466.5m pa \*\* | £24,257 pa\*\*\* | 90.4% |
| Group Critical Illness | 1,180 | £84.3m | £71,463 | 84.4% |
| **Totals** | **25,906** | **1,617.8m\*\*** |  |  |

\* All values are rounded

\*\*Value of claims in payment as at 31 December 2017 and any claims paid for part of 2017. The figures for group income protection represent one year's worth of benefit payment. Group income protection claims are often paid for several or many years so the ultimate value of these benefits will be much higher.

\*\*\*During 2017 there were 5,454 new group income protection claims, totalling £132.3m pa and averaging £24,257 pa.

**Facilitating return to work**

For group income protection, as well as the claims paid, there are a material number of cases each year where people are helped back to work both before and after a claim becomes payable, often with the support of the insurer, the employer or both.

GRiD has again captured details of the cases where the insurer supported a return to work with active early intervention (such as fast-track access to counselling or physiotherapy, funded by the insurer) before that person was eligible for a monetary payment. 2,989 people (33.1% of all claims submitted, up six percentage points on 2016) were able to go back to work during 2017 because of such early intervention (of which, 52% had help to overcome mental illness and 17% had support overcoming a musculoskeletal condition).

On top of this, for the first time, GRiD has also captured details of cases to demonstrate that once a claim is in payment, help and support back to work is still given and people are not forgotten. Of the 5,255 group income protection claims that went into payment during 2016, 1,955 people were helped by the insurer to make a full return to work during that year or during 2017.

**Help and support**

As well as paying claims and helping people back to work, group risk insurers give access to everyday services that can be used to help and support people on a day-to-day basis. This is via a number of ways, including:

* An associated Employee Assistance Programme.
* Facilitating a second medical opinion
* Fast-track access to counselling, physiotherapy or treatment
* Helping people make changes towards better health behaviours
* Liaison and mediation
* Bereavement support and help with probate

For the first time, GRiD has captured the number of referrals that group risk insurers have made to these services. 7,879 people accessed extra help and support during 2017 following a referral by a group risk insurer. This is in addition to countless self-referrals.

**Main cause of claim**

Cancer was a main cause of claim across all three products – with the highest for Group Critical Illness (68%), followed by Group Life Assurance (43%) and Group Income Protection (24.2%). Mental illness was marginally the top cause of claim for Group Income Protection (24.5%).

**Main causes of claim across all group risk products**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Benefit | Main cause of new claims | % | Second main cause of new claims | % |
| Group Life Assurance | Cancer | 43% | Heart Disease | 14% |
| Group Income Protection | Mental Illness | 24.5% | Cancer | 24.2% |
| Group Critical Illness | Cancer | 68% | Heart Attack | 9% |
|  |  |  |  |  |

**Paying claims**

Group risk insurers always look for reasons to pay claims but it’s important for all policyholders that only valid claims are paid, in the same way as it is for (say) motor insurance. Otherwise the cost of these benefits would increase unfairly for everyone.

Very few claims are declined for group life assurance.

For group income protection and group critical illness claims, the numbers declined are higher. A common reason for this is that it can sometimes be difficult for an employer to be sure that the claim an employee wants to make is either genuine or something that is valid under the policy. The advice given to them generally is to submit the claim for the group risk insurer to consider. In these circumstances, the employer can then uphold their role and meet their obligations as the employee’s advocate. Such claims are captured as declined in GRiD’s reporting, even where there would have been no real expectation on the employer’s (and often the employee’s) behalf that the claim would be paid.

The table below highlights the main reasons for declining claims across all three group risk products. **There is further explanation and detail in the attached FAQs document.**

**Main reasons for declining claims across all group risk products**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Benefit | Main cause of declining claims\*\*\*\* | Number (%) | Second main cause of declining claims\*\*\*\* | Number (%) |
| Group Life Assurance | Claim did not comply with policy terms | 7 (39%) | Claimant did not meet actively at work conditions | 6 (33%) |
| Group Income Protection | Not meeting definition of disability | 565 (98%) | No financial loss | 4 (<1%) |
| Group Critical Illness\*\*\*\*\* | Not meeting definition of critical illness being claimed for | 107 (49%) | Claim was for a pre-existing or related condition excluded under the policy | 106 (48%) |
|  |  |  |  |  |

\*\*\*\*Please see attached FAQs document for further explanation

\*\*\*\*\*There were also 34 notifications where a member requested payment for an illness or condition that was not insured under the policy.

**Katharine Moxham, spokesperson for GRiD, commented:** “Once again, it’s great to be able to show how employer-sponsored group risk protection benefits support people through some really difficult times through a financial pay-out as well as in other ways.

“GRiD’s latest employer research cites the key reasons why employers provide group risk benefits. These include helping with recruitment and retention/differentiating their company, being able to recoup the costs in improved productivity and team morale, and paternalism.

“Enlightened employers see exactly how group risk benefits and their inherent additional services help with engagement and productivity, support employee wellbeing and enable a business to fulfil its duty of care. They also ensure fair and consistent treatment of people, and can put businesses in a prime position to comply with their role in the Government’s ambitions for healthier and more inclusive workforces.

“One size doesn’t fit all – people’s needs are met when they are treated as individuals. These figures illustrate the very real difference that group risk protection products make to peoples’ lives day in and day out.”

**Please also see the accompanying FAQs document.**

[**http://bit.ly/2jFa8OV**](http://bit.ly/2jFa8OV)

**Note: For collated claims data including those from the individual protection market, please refer to the ABI’s website** <https://www.abi.org.uk/>

**Julie’s story (not her real name)**

During her work for a global professional services firm, Julie had become so stressed and anxious she found herself unable to speak when working with and around colleagues. The office was open-plan and the nature of her fixed, desk-based work meant there was little respite for Julie – and there was no option for her to work from home.

Julie’s line manager was unsupportive, disagreeing with her requests, distrusting her reasons and questioning whether Julie’s sickness absence was genuine. The result of being at odds with her boss led to a complete breakdown of the relationship between the two, Julie’s disengagement with both the process and her work, and - in a vicious circle - an increase in Julie’s stress and anxiety levels.

The group income protection insurer facilitated an initial return to work interview between Julie, her employer’s HR representative and her line manager in a candid, but supportive manner where all parties could outline their concerns. The insurer was able to address the flashpoints highlighted and create practical solutions acceptable to all.

A point was reached where everyone understood the need for Julie to be able to work, but in an environment that supported her recovery. Julie’s line manager agreed to provide a laptop to ensure some flexibility within the office. The insurer also highlighted the importance of work and health, and the impact one had on the other, in order to encourage Julie to try a graduated return to work plan.

The ability to clear the air and listen to each other within a non-confrontational, mediated environment was key to building bridges. The provision of the laptop allowed Julie some much-needed flexibility. If Julie’s anxiety flared up, she was able to remove herself from the pressures of a busy office to work in a quiet meeting room.

As a result of the insurer’s support, the relationship between Julie and her line manager greatly improved, removing another stress factor and barrier to her recovery. Since completing the graduated return to work plan, Julie is now successfully fully back at work.

**-Ends-**

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**Notes for editors**

**About GRiD Claims Data**

The GRiD claims data survey was undertaken among its provider members and the figures are an accurate representation of the current Group Risk market in its entirety. Respondents provided figures for Group Life, Group Income Protection and Group Critical Illness claims for 2017.

**About GRiD**

Group Risk Development (GRiD) is the industry body for the group risk protection sector, promoting the value to UK businesses of providing financial protection for their staff, enhancing their wellbeing and improving employee engagement. Our membership includes insurers, reinsurers and intermediaries who have a collective wealth of experience built over years of operating in the group risk protection market. Under the chairmanship of Steve Bridger (MD Group Protection, Corporate, Aviva UK Life) GRiD aims to promote group risk through a collective voice to Government, policymakers, stakeholders and employers.

GRiD works with government departments and regulators involved in legislation and regulation affecting group risk benefits, and with other organisations involved in the benefits and financial protection arenas. GRiD also seeks to enhance the industry's standing by encouraging best practice and by participating in industry-wide initiatives such as the professional qualification in group risk managed jointly with the Chartered Insurance Institute.

GRiD’s media activity aims to generate a wider awareness and understanding of group risk products and their benefits for employers and employees.

GRiD's dedicated spokesperson, Katharine Moxham, provides expert media comment on a full range of group risk issues.

[www.grouprisk.org.uk](http://www.grouprisk.org.uk)

Follow Katharine Moxham on Twitter @KMoxham