**Press release**

**1 May 2019**

**Group Risk industry helped more families than ever in 2018**

* **UK Group Risk industry paid out a new high of £1.68bn in claims in 2018, a £64.5m increase on 2017, and equivalent to £4.61m a day**
* **5,595 people were helped back to work after a period of sick leave**
* **75,446 interactions with the additional help and support services that are funded by Group Risk insurers**
* **Cancer was the main cause of claim across all Group Risk products**
* **Mental illness was a top cause of claim under Group Income Protection**

Once again, the group risk industry provided financial support to a record number of families during 2018. Industry data compiled and published today by Group Risk Development (GRiD) shows that a total of over £1.68bn was paid out by the group risk industry during 2018, a £64.5 million increase on 2017. More UK families than ever (26,505) were helped to avoid financial hardship after the death, illness, accident or disability of a loved one.

As well as making financial payments, group risk insurers help people in many other ways. David’s, Zoe’s and Will’s stories below give just a few examples of how group risk policies also provide practical support for people. A total of 5,595 people were helped back to work after a period of sick leave and there were a total of 75,466 interactions during 2018 with the additional help and support services that are funded by group risk insurers.

**Total benefits paid**

Group life assurance policies paid out total benefits to the value of £1.117 billion (an increase of £50.2m over 2017); group income protection policies paid out a total of £482.7 million p.a. (an increase of £16.2 million p.a. over 2017); group critical illness policies paid out benefits totalling £82.4 million (a decrease of 1.9 million compared with 2017).

The average claim amounts (£114,691 for group life; £26,322 p.a. for group income protection; £66,824 for group critical illness) evidence the fact that these benefits throw a vital financial lifeline to people regardless of their salary, age or position and that they should not be seen as simply perks for the higher paid.

**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 2018 |
| Group Life Assurance | 10,027 | £1,117.2m | £114,691 | 99.7% |
| Group Income Protection | 15,244\*\* | £482.7m pa \*\* | £26,322 pa\*\*\* | 84.56% |
| Group Critical Illness | 1,234 | £82.4m | £66,824 | 80.97% |
| **Totals** | **26,505** | **1,682.3m** |  |  |

\* All values are rounded

\*\*Total number of claims paid (new and existing) during 2018 and value of claims in payment as at 31 December 2018, including any claims paid for part of 2018. 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 2018 there were 5,258 new group income protection claims, totalling £138.4m pa and averaging £26,322 pa.

**Return to work facilitated for 5,595 employees**

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 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. 3,551 people (36.3% of all claims submitted, up three percentage points on 2017) were able to go back to work during 2018 because of such early intervention (of which, 52.1% had help to overcome mental illness and 17.3% had support overcoming a musculoskeletal condition).

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 5,454 group income protection claims that went into payment during 2017, 2,044 people were helped by the insurer to make a full return to work during that year or during 2018.

**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 other treatment
* Helping people make changes towards better health behaviours
* Liaison and mediation
* Bereavement support and help with probate

In total, there were 75,466 interactions during 2018 with the additional help and support services that are funded by group risk insurers, giving daily value to employers regardless of whether or not a claim was made under their policy.

**Main cause of claim**

Cancer was the main cause of claim across all three products during 2018 – with the highest for group critical illness (69%), followed by group life assurance (42%) and group income protection (24.5%). Mental illness was the second highest cause of claim for group income protection (24.1%).

**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 | 42% | Heart Disease | 15% |
| Group Income Protection | Cancer | 24.5% | Mental Illness | 24.1% |
| Group Critical Illness | Cancer | 69% | Heart Attack | 8% |
|  |  |  |  |  |

**Paying claims**

Group risk insurers always look for reasons to pay claims and have a proactive philosophy in supporting those they insure in the workplace. In essence insurers look to pay all valid claims, only valid claims and, in the case of group income protection, for the period of their validity. Paying non-valid claims can have a detrimental impact on an employer’s scheme experience and on the wider customer portfolio and so to ensure that group risk remains affordable, and schemes remain insurable, diligence on every claim is needed.

Whilst very few claims are declined for group life assurance, on the surface, for group income protection and group critical illness claims, the numbers declined appear much higher. The group risk market has an additional layer of complexity as the employer is the policyholder and so it can sometimes be hard 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 as they may not know the detailed health situation of the employee. Other factors can come into play too. For example a poor manager/employee relationship or capability/disciplinary issues can be a contributory factor for a sickness absence and an employee putting in a claim for either group income protection or group critical illness benefit. The advice given to employers 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 and as the policyholder.

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. One insurer anecdotally reported a chest cough was submitted as a potential critical illness claim (which of course would count as a declined claim) and so GRID urges all organisations to use the materials insurers provide to educate employees, wherever possible. This recommendation affords all parties the maximum protection and clarity and ultimately will lead to an increase in claims acceptance rates.

It should also be noted that, in times of uncertainty (such as has been the case with Brexit), there is an expectation that the industry will see far more of this kind of “try it and see” claim submissions so there will be a corresponding increase in declined claims, as has been the case during 2018.

The table below highlights the main reasons for declining claims during 2018 across all three group risk products.

**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 | 15 (56%) | Claimant did not meet actively-at-work conditions | 6 (22%) |
| Group Income Protection | Not meeting definition of disability | 909 (96%) | No financial loss | 9 (<1%) |
| Group Critical Illness\*\*\*\* | Not meeting definition of critical illness being claimed for | 157 (54%) | Claim was for a pre-existing or related condition excluded under the policy | 138 (48%) |
|  |  |  |  |  |

\*\*\*\*There were also 21 notifications where a member requested payment for an illness or condition that was not insured under the policy.

**Katharine Moxham, spokesperson for GRiD, commented:** “It’s always great to be able to demonstrate how employer-sponsored group risk protection benefits do what they say on the tin, not just in terms of financial payment but also by helping people through some really difficult periods of their lives.

“Despite the uncertainty around Brexit, the health and wellbeing of staff - particularly mental wellbeing - continues to move up the Government’s workplace agenda. Employers looking for help in how to support this will find that group risk protection products can provide a lot of answers as the inherent support services that come with them significantly extend the reach of the help employers can give to their people, especially for mental health.

“It’s important to remember that every number has a person and a story behind it. We meet people’s needs by treating them as individuals and tailoring support to their unique circumstances and, once again, these figures demonstrate the positive difference the group risk industry makes to people’s lives every day.”

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

**David’s Story (not his real name)**

David works in the IT sector and suffered from an infection related to his pacemaker which led to a series of operations and a stay in hospital lasting nearly three months. Although the initial issue related to his pacemaker, the extensive time in hospital led to muscle wastage and mental health issues associated to the extent of the illness and potential for re-occurrence.

The group income protection (GIP) provider’s vocational rehabilitation consultant (VRC) arranged for physiotherapy, with two sessions a week for the first two weeks and a further five sessions on a weekly basis, paid for by the GIP provider. The GIP provider also paid for eight sessions with a psychologist.

The VRC also designed a return-to-work plan lasting eight weeks with a mixture of home and office working, highlighting that time-critical or high-volume work should not be undertaken. The return-to-work plan accommodated the physiotherapy and psychology appointments over time, and David was back in full-time work within four months of leaving hospital. The VRC maintained support throughout the return-to-work plan and indeed beyond the point at which David was back to his full-time hours while the psychology treatment remained ongoing.

**Zoe’s Story (not her real name)**

Zoe stopped attending the office in May 2018 due to fibromyalgia. Her symptoms meant she was unable to leave her home and her parents were having to visit in order to cook and clean for her. Zoe tried to work from home but was only able to work sporadically and up to a maximum of 5 hours per day when she felt able.

Zoe’s employer asked the group income protection (GIP) provider to consider a proportionate benefit claim as she was not working her normal hours.  Following an initial assessment call from the GIP provider’s case manager at the end of June 2018, Zoe was referred to a complex pain management support programme through one of the GIP provider’s rehabilitation partners. This company has been working with Zoe since July 2018 and has provided her with support and given her an increased understanding of how to self-manage her condition.

As a result of this intervention, Zoe has developed pacing skills and has gradually increased her levels of daily activity, including attending choir practice, visiting church and being able to meet friends for coffee.  In line with this increase in function, Zoe has also increased the hours she is working; she is currently in discussions about returning to the office and in line with her return-to-work plan, will return to working full-time on a mixed home/office basis over the next few weeks.

**Will’s Story (not his real name)**

Will became absent from work in February 2018 due to an acute episode of mania whilst in the office and he was subsequently diagnosed as Bipolar and suffering from anxiety.

The medical information provided to the group income protection (GIP) provider indicated that Will was making positive progress but when the GIP provider’s case manager spoke with Will’s employer in August 2018, several concerns were raised by the company given Will’s pivotal role and the nature of his ill health. The GIP provider referred Will to its rehabilitation partner’s network of clinical psychologists and funded a course of appropriate talking therapy.

As Will’s health improved, the GIP provider’s in-house occupational therapist made contact with Will and his employer in order to develop a phased return to work plan. Through working closely with all parties, providing education, support tools and taking the process step by step, the GIP provider was able to support Will back to the workplace, in his contractual role.

Will is now working 30 hours of his contractual 37 hour week, and as well as providing Will with ongoing support during his graded return to work, the GIP provider is further supporting him by paying a proportionate benefit - thus allowing the necessary time for full resolution of the ongoing symptoms of his chronic condition.

**-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 2018.

**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 (Managing Director Group Protection, Aviva UK Insurance - Corporate) 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)

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