**E****mployer-sponsored Group Risk benefits pay record claims to employees during 2020**

* **UK Group Risk industry pays record £2.01bn in claims to employees and dependants in 2020, equivalent to £5.5m a day**
* **4,476 employees helped back to work after a period of sick leave**
* **Cancer: main cause of claim**

Company-sponsored group risk benefits (life assurance, income protection and critical illness) provided by employers paid out a record £2.01bn to employees and their dependants in 2020, shows industry data compiled by Group Risk Development (GRiD).

This is an increase of £255.7 million over 2019. Thousands of UK employees and their families (28,733) were helped to avoid financial hardship during the worst of times for them: after the death, illness or disability of a loved one, because of the benefits put in place by their employer.

While employers widely understand that group risk products will provide financial support when needed, it is the additional embedded benefits that increase their value for many. Help and support from insurers, such as vocational rehabilitation, case management, mediation, fast access to counselling and physiotherapy and other interventions helped 4,476 employees back to work after a period of sick leave.

Interactions with other embedded services such as an Employee Assistance Programme, HR and line manager advice, online GP services, second medical opinion services and physical and mental health apps increased exponentially to a record number of 138,222 interactions (compared with 74,707 interactions during 2019). Where the type of support service interaction has been recorded, insurers have seen significant online and telephone usage (45% online, 42% telephone, 11% face to face.) The provision of remotely accessible support services has been invaluable in supporting people during the pandemic and periods of social distancing.

These embedded services are funded by the insurer, provided at no extra cost to the employer and can be accessed 24/7 regardless of whether a claim has been made.

**Katharine Moxham, spokesperson for GRiD said:** ‘The group risk industry is growing year on year and these figures demonstrate why. They’re some of the most valued benefits for employers and employees. Their value is tangible, financial and practical, and employers recognise just how much they help their business and their workforce.’

**Total benefits paid**

Group life assurance policies paid out total benefits to the value of £1.37 billion (an increase of £199.78 million over 2019); group income protection policies paid out a total of £550.86 million (an increase of £57.88 million compared with 2019); group critical illness policies paid out benefits totalling £91.64 million (a slight decrease of £1.96 million over 2019).

The average new claim amounts (£118,244 for group life; £28,138 p.a. for group income protection; £70,274 for group critical illness) evidence the fact that these benefits should not just be seen as perks for the higher paid but that they throw a vital financial lifeline to people regardless of their salary, age or position and they are often the only financial protection many employees will have.

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

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| --- | --- | --- | --- | --- |
| **Benefit** | **No. of claims** | **Value of claims paid\*** | **Average new claim amount** | **% of new claims paid for 2020** |
| Group Life Assurance | 11,592 |  £1,370.6m  | £118,244 | 99.8% |
| Group Income Protection |  15,837 \*\*  |  £550.86m\*\*  | £28,138\*\*\* | 76.2%\*\*\*\* |
| Group Critical Illness | 1,304 |  £91.64m  | £70,274 | 77.4%\*\*\*\*\* |
| **Totals** | **28,733** |  **£2,013.1m**  |  |   |

**Return to work facilitated for 4,476 employees within 2 years**

For group income protection, as well as the claims paid, there are many cases each year where employees 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 employee was eligible for a monetary payment. 2,362 people (31.8% of all claims submitted, down slightly by 2.9 percentage points on 2019) were able to go back to work during 2020 because of such early intervention (of which, 59% had help to overcome mental illness and 11% had support overcoming a musculoskeletal condition).

GRiD also captures details of cases to demonstrate that once a claim is in payment, help and support back to work is still given and employees are not forgotten. Of the new group income protection claims that went into payment during 2019, 2,114 employees were helped by the insurer to make a full return to work during that year or during 2020.

**Main cause of claim**

Cancer was the main cause of claim across all three products during 2020. Covid-19 was the third most common cause of claim on group life assurance (8%).

**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 | 37% | Heart Disease | 14% |
| Group Income Protection | Cancer | 28% | Mental Illness | 22% |
| Group Critical Illness | Cancer | 67% | Heart Attack | 9% |
|  |  |  |  |  |

**Moxham concluded:** ‘This year, health and wellbeing is firmly at the top of the corporate agenda, and we expect employers of all sizes to even more fully embrace the value that group risk benefits provide. From access to rehab, support for long Covid through to financial pay outs, they provide some of the most comprehensive support for businesses and their employees.’

* Ends -

\* All values are rounded

\*\*Total number of claims paid (new and existing) during 2020 and value of claims in payment as at 31 December 2020, including any claims paid for part of 2020. Group income protection claims are often paid for several or many years so the ultimate value of these benefits will be much higher.

\*\*\*During 2020 there were 5,053 new group income protection claims, totalling £142.2m pa and averaging £28,138 pa.

\*\*\*\*For group income protection, the reason for providers not being able to pay claims in the vast majority of cases during 2020 was because the employee did not meet the definition of disability under the policy terms (i.e. they were still capable of doing their own job despite their reason for absence). An example of this would be someone unable to work because of caring responsibilities but not being ill themselves. Or where medical evidence doesn’t support that someone’s medical condition is severe enough to prevent them being able to perform the duties normally required for their job (or suitably modified duties made as “reasonable adjustments” under the Equality Act 2010).

\*\*\*\*\*For group critical illness, the main reason for turning down claims during 2020 was the employee’s condition not meeting the definition of critical illness being claimed for. An example of this might be someone claiming for a heart attack when they had only had angina.

**Notes to editors**

**About GRiD Claims Data**

The GRiD claims data survey was undertaken among its provider members and the figures provide an accurate representation of the current Group Risk market. Respondents provided figures for Group Life, Group Income Protection and Group Critical Illness claims for 2020.

**About GRiD**

Group Risk Development (GRiD) is the industry body for the group risk 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, intermediaries and those operating in (or with other interests in) the UK group risk market. Together this forms a collective wealth of experience built over many years. Under the chairmanship of Paul White (head of technical, Howden Employee Benefits & Wellbeing) 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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