**Press release**

**12 May 2022**

**Employees benefit as Group Risk industry pays out record amount in claims during 2021**

* The UK Group Risk industry paid out £2.22bn in claims in 2021 - equivalent to £6.1m a day
* 6,113 people helped back after a period of sick leave
* 220,886 interactions with the additional help and support services funded by Group Risk insurers
* Cancer: Main cause of claim across all group risk products

Industry data compiled and published today by Group Risk Development (GRiD) shows that once again, employers utilised group risk protection to provide financial support to a huge number of employees and their families during 2021. A total of £2.22bn was paid out by the group risk industry during 2021, an increase of £208.4 million on 2020 figures.

Group risk insurers have helped people in many practical ways as well as making financial payments. In total 6,113 employees were helped back to work after a period of sick leave and there were 220,886 interactions during 2021 with additional help and support services funded by group risk insurers.

**Katharine Moxham, spokesperson for GRiD said**: “The statistics categorically show that group risk benefits (employer-sponsored life assurance, income protection and critical illness) really are some of the most valued benefits that employers can offer: financially, practically and emotionally.”

**Total benefits paid**

Group life assurance policies paid out total benefits to the value of £1.57 billion (an increase of £198.47 million on 2020 figures); group income protection policies paid out a total of £546.1 million (a decrease of £4.72 million compared with 2020); group critical illness policies paid out benefits totalling £106.3 million (an increase of £14.7 million on 2020 figures).

The average new claim amounts (£116,414 for group life; £28,977 p.a. for group income protection; £73,089 for group critical illness) evidence the fact that these benefits should not just be seen as perks for the higher paid, as they throw a vital financial lifeline to all people regardless of their salary, age or position.

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| --- | --- | --- | --- | --- |
| Benefit | No. of claims | Value of claims paid | Average new claim amount | % of new claims paid for 2021 |
| Group Life Assurance |  13,479  | £1,569,149,331 | £116,414 | 99.82% |
| Group Income Protection |  15,9981  | £546,134,4191 | £28,9772 | 75.69%3 |
| Group Critical Illness |  1,455  | £106,344,648 | £73,089 | 79.55%4 |
| Totals |  30,932  | £2,221,628,398 |  |   |

**Return to work**

For group income protection, as well as the claims paid, there are a material number of 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. 4,395 people (45.3% of all claims submitted, up by 13.5% compared to 2020) were able to go back to work during 2021 because of such early intervention (of which, 54% had help to overcome mental illness and 10% had support overcoming a musculoskeletal condition).

GRiD has again captured 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 2020, 1,718 people were helped by the insurer to make a full return to work by the end of 2021.

**Moxham continued**: “The figures show the extent of the holistic support offered via group risk benefits: in the event of death, serious illness, prevention, early intervention and rehabilitation. It’s no wonder that an increasing number of employers are offering these to their workforces, and not just among large corporates, but SME and micro-SMEs too.”

**Help and support**

As well as paying claims and helping employees back to work, group risk insurers give access to everyday services that can be used to help and support a workforce 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
* Liaison and mediation
* Bereavement support and help with probate
* Access to healthcare apps and virtual GPs

In total, there were 220,886 interactions during 2021 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. Of these interactions, 39% involved access to counselling and 11% were related to illness and 4% to legal issues.

**Main causes of claim**

Cancer was the main cause of claim across all three group risk products during 2021.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Benefit | Main cause of new claims | % | Second main cause of new claims  | % |
| Group Life Assurance | Cancer | 33% | Heart Disease | 16% |
| Group Income Protection | Cancer | 27% | Mental illness | 18% |
| Group Critical Illness | Cancer | 67% | Heart Attack | 9% |

**COVID-19**

COVID-19 was the third most common cause of claim on group life assurance (11.7%). GRiD reported earlier this year on COVID-related claims: the average lump sum death benefit payment for COVID-19 claims was £100,387

For group income protection, COVID-related claims were the fifth most common reason for claims. There were 372 new claims in 2021, of which 66 had returned to work by the end of the year. This shows a pattern of increase, as there were 41 COVID-19 claims in 2020.

**Moxham concluded**: “COVID isn’t going away: so the support available within group risk benefits will be good news to many employers who are continually looking at ways of how to offer support as we learn to live with the virus.”

* Ends -

Notes:

Total number of claims paid (new and existing) during 2021 and value of claims in payment as at 31 December 2021, including any claims paid for part of 2021. Group income protection claims are often paid for several or many years so the ultimate value of these benefits will be much higher.

During 2021 there were 5,302 new group income protection claims, totalling £153.6m pa and averaging £28,977 pa.

3.

For group income protection, the reason for providers not being able to pay claims in the vast majority of cases during 2021 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).

4.

For group critical illness, the main reason for turning down claims during 2021 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.

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**Notes for editors**

**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 Insurance Brokers) 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