**Press release**

**15 May 2023**

**Employees benefit with £2.21bn group risk payouts in 2022**

* The UK Group Risk industry paid out £2.21bn in claims in 2022: equivalent to £6.05m a day.
* Cancer: Main cause of claim across all group risk products
* 5,651 employees returned to work after a period of sick leave beginning in 2022
* 261,631 interactions with the additional help and support services funded by Group Risk insurers

Industry data compiled and published today by Group Risk Development (GRiD) shows that employees and their dependants have benefitted from £2.21bn in claims paid by group risk providers.

Group risk benefits: employer-sponsored life assurance, income protection and critical illness, are some of the most popular benefits offered to staff, and they have been well utilised throughout 2022. Not only are they a valuable recruitment and retention tool, they have been shown to provide financial support at a time when it’s most needed, as well as practical support in helping people remain in or return to work.

There were 261,631 interactions during 2022 with additional help and support services funded by group risk insurers, and 5,651 employees were helped back to work within the same year following a period of sickness absence.

**Total benefits paid across group risk**

* Group life assurance policies paid out total benefits to the value of £1.53bn: a decrease of £36.17m over 2021.

There were fewer deaths as result of Covid, which explains this year-on-year decrease.

* Group income protection (GIP) policies paid out a total of £547.91m: an increase of £1.77m over 2021.
* Group critical illness policies paid out benefits totalling £128.5m: an increase of £22.1m over 2021.

**Average claim amounts**

The average claim amounts for each group risk employee benefit shows that these benefits should not just be seen as perks for the higher paid, but are a highly valuable benefit for any employee, regardless of their salary, age, or position.

* £121,655 for group life
* £26,755 p.a. for group income protection
* £72,427 for group critical illness

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| --- | --- | --- | --- | --- |
| Benefit | No. of claims | Value of claims paid | Average new claim amount | % of new claims paid for 20223 |
| Group Life Assurance |  12,601  | £1,532,980,199 | £121,655 | 99.5% |
| Group Income Protection1 |  16,186  | £547,908,788 | £26,7552 | 75.7% |
| Group Critical Illness |  1,774  | £128,486,199 | £72,427 | 77.7% |
| Totals |  30,561  | £2,209,375,186 |  |   |

**Main causes of claim**

As in previous years, cancer was the main cause of claim across all three products during 2022. Covid19 only accounted for 3.7% of group life assurance claims.

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| Benefit | Main cause of new claims | % | Second main cause of new claims  | % |
| Group Life Assurance | Cancer | 37% | Heart Disease | 14% |
| Group Income Protection | Cancer | 27% | Mental Illness | 18% |
| Group Critical Illness | Cancer | 66% | Heart Attack | 9% |

**Additional help and support**

Embedded benefits within group risk products are continually enhanced and developed, many of which are available to all employees, regardless of a claim being made, and these have been particularly well utilised throughout 2022. Support includes areas such as:

* An Employee Assistance Programme
* Access to virtual GPs and health apps
* Bereavement support and help with probate
* Facilitating a second medical opinion
* Fast-track access to counselling, physiotherapy, or other treatment
* Liaison and mediation

In 2022, there was a total of 261,631 interactions with the additional help and support services, funded by group risk insurers, giving daily value to employers and employees. Of these, 27% involved access to counselling and 13% were related to illness and 5% to legal issues.

**Return to work**

In addition to the claims paid under group income protection, many 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.

A total of 5,651 people had a period of sick leave in 2022 and were helped to return to work within the same year. Of these:

* 4,257 people (39.1% of all claims submitted ~~by 6.2% on 2021)~~ were able to go back to work during 2022 because of such early intervention; of which, 47% had help to overcome mental illness, and 10% had support overcoming a musculoskeletal condition.
* 1,394 people went on to claim a GIP benefit during 2022 and had returned to work within the same year.

A further 1,782 people who became a new group income protection claim in 2021 were helped by insurers to make a full return to work by the end of 2022.

**Covid-19 claims**

**Group life**

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| --- | --- | --- |
|   | Full Year 2022 | Full Year 2021 |
| Percentage of claims related to covid-19 | 3.7% | 11.7% |

Covid-19 claims for 2022 account for 3.7% of group life claims, which is a decrease compared to 2021 where covid-19 accounted for 11.7% of group life claims.

Covid-19 is now the 7th main cause of claim in 2022, compared to 2021, where covid-19 was the 4th main cause of claim for group life.

**Group income protection**

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| --- | --- | --- |
|   | Full Year 2022 | Full Year 2021 |
| Percentage of claims related to covid-19 | 6.1% | 7.0% |

In 2022, covid-19 accounted for 6.1% of new GIP claims, which is a decrease compared to 2021 where covid-19 accounted for 7.0% of new GIP claims.

Covid-19 is now the 6th main cause of claim for GIP in 2022, compared to 2021, where covid-19 was the 5th main cause of claim for GIP.

**Katharine Moxham, spokesperson for GRiD said**: “Once again, our claims stats give a material figure which shows just how much employers and employees gain from group risk benefits: financially, physically and emotionally. No other benefits pay out as much, or offer such good value, which is why we’re seeing their popularity grow year on year.”

* Ends –

1.

Total number of claims paid (new and existing) during 2022 and value of claims in payment as of 31 December 2022, including any claims paid for part of 2022. Group income protection claims are often paid for several or many years so the ultimate value of these benefits will be much higher.

2.

During 2022 there were 6,633 new group income protection claims, totalling £177.47m pa and averaging £26,755 pa.

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**Main reasons for declining claims:**

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| --- | --- | --- | --- | --- |
| Benefit | Main cause of declining claims | Number (%) | Second main cause of declining claims | Number (%) |
| Group Life Assurance | Not Actively At Work | 5 (42%) | Non-disclosure - Medical | 3 (25%) |
| Group Income Protection | Not meeting definition of disability | 1638 (77%) | No Financial Loss | 8 (0.4%) |
| Group Critical Illness | Definition not met | 216 (48%) | Pre-existing condition | 126 (28%) |

Group risk insurers always look for reasons to pay claims and have a proactive philosophy in supporting those they insure in the workplace. It's important and in the interests of all policyholders that only valid claims are paid, in the same way as it is for (say) motor insurance, to ensure that group risk remains affordable, and schemes remain insurable.

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. 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 as well. 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). Although purely work-related issues are not in themselves a valid reason for claiming under a group income protection or group critical illness policy, the general guidance given to employers by their advisers 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 may have been no real expectation on the employer’s (and often the employee’s) part that the claim would be paid.

For group income protection, the reason for providers not being able to pay claims in the vast majority of cases during 2022, 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 2022 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)

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