For customers

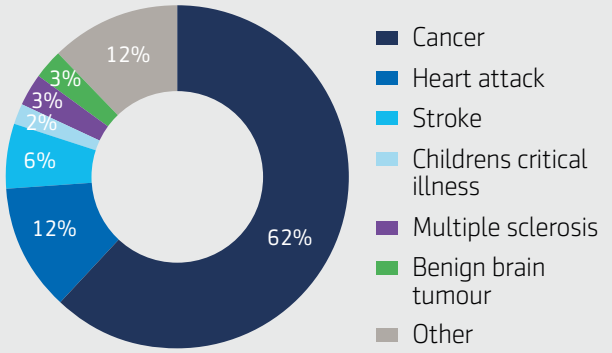
Spotlight on **critical illness claims**

We take a closer look at critical illness protection claims paid to customers in 2020.

Before choosing a protection provider, it's important to know about its claims payment history. So, we've pulled together some of the statistics behind the claims made during 2020, including some examples of real-life claims we've received.

What were the main reasons for claims?

Similar to previous years, cancer claims dominated our critical illness claim payments in 2020. Heart-related conditions also accounted for a significant number of claims.



Other includes claims we've paid for less common illnesses, including intensive care requiring ventilation, open heart surgery, cardiomyopathy, liver failure and rheumatoid arthritis. It also includes a number of claims under the **additional critical illnesses** that we cover, including mastectomy for carcinoma in situ, critical fracture cover, partial loss of sight and accident requiring hospitalisation for 28 days.

Claims we paid in 2020

93% of critical illness claims. Over the past three years, we've paid, on average, **93%**.

A total of **£34.4 million** for critical illness claims.

An average critical illness claim value of **£76,280**.

£1.5 million – the highest critical illness claim to a customer diagnosed with cancer.

Claims by gender

Health and wellbeing service

With our health and wellbeing service, included as part of Policy Plus at no extra cost, you have access to confidential and compassionate support through phone-based counselling and online support tools.

Qualified and experienced counsellors are available 24 hours a day, 365 days a year, to provide support with a wide range of issues, including bereavement, emotional health, relationships, family concerns, finances, debt, legal issues and consumer rights.

Call 0800 028 9095 or visit healthassuredeap.co.uk and login using user ID: aegon and password: support4u

You can also download the **My Healthy Advantage** app from the App Store or Google Play and login using the unique code: MHA043731

Second medical opinion service

We also offer a second medical opinion service as part of Policy Plus. If you're diagnosed with a medical condition, this can provide additional support and reassurance of your diagnosis and treatment.

You'll receive a confidential face-to-face consultation with a UK-based specialist who's local to you, and our partners, RedArc, will allocate a dedicated personal nurse adviser to provide guidance and support before and after your consultation.

You can call RedArc's experienced registered nurses on 01244 62 51 80 to see if a second medical opinion would be right for you (call charges will vary).

51 years old – the average age of the insured person at the time of claim

7 years 9 months - the average age of a policy at the time of claim

4% of claims not paid for not meeting the definition

3% of claims not paid due to misrepresentation

Why do you not pay some claims?

There are two main reasons why we're occasionally unable to pay claims.

Claims not paid for not meeting the definition

We may not be able to pay a claim if it's for an illness that doesn't meet our medical definition set out in our policy conditions. In 2020, we were unable to pay 4% of claims due to this.

Sometimes we'll receive a claim too early, but this doesn't mean that we won't ever pay the claim. It just means that we can't pay it at the time we've received the claim request. In these circumstances, we'll work with the insured person and their consultants to make sure we pay the claim when they meet our medical definition.

Claims not paid due to misrepresentation

Misrepresentation occurs when customers don't give us all the relevant information about their health or lifestyle when they apply for protection.

In 2020, we were unable to pay 3% of critical illness claims due to misrepresentation.

The best way to avoid misrepresentation is to take a few extra minutes to make sure you've answered all questions fully and completely.

Case studies

Here we highlight how our claims payments have helped real families in 2020.

Life with critical illness

In December 2005, a couple took out life with critical illness protection including total permanent disability, on a joint-life basis.

In January 2020, the wife contacted us to tell us she'd suffered a heart attack in September 2019. She'd come home from work and was out in the back garden doing some tidying up when she heard a commotion at the front of her house. She ran to see what it was and felt pain in her chest and down her arm. She sat down, but the pain didn't ease. Her daughter called an ambulance.

At hospital, she was diagnosed with a heart attack, with severe disease in the right coronary artery. She went on to have two stents fitted.

We requested medical information from her consultant which confirmed the diagnosis. We paid the claim in March 2020 and the policy came to an end.

Our customer said:

'Everything was explained by phone throughout and I felt as though the person I spoke to understood what I had been through.'

'Very friendly helpful staff, I often spoke to the same person who remembered previous conversations which really helped.'

Multiple sclerosis

A 39-year-old female took out reducing life with critical illness protection and separate reducing life protection in March 2012, to cover her mortgage.

In August 2017, she began to have problems with her ears causing dizziness and balance issues. She was thought to be suffering from labyrinthitis. However, in August 2018 things deteriorated further, and she began suffering with headaches, tiredness, fatigue, blurred vision and numbness in her fingers. She was referred to a neurologist, who arranged a magnetic resonance imaging (MRI) scan of the brain. This showed plaque on the brain. A further scan in March 2019 and a lumbar puncture test led to a final diagnosis of relapsing remitting multiple sclerosis.

In August 2019, she contacted us to tell us that she'd been diagnosed with multiple sclerosis and wanted to make a critical illness claim.

She was able to send us copies of medical evidence from the hospital and we were able to agree the claim.

We paid the claim in January 2020. Her separate reducing life protection cover continues.

Our customer said:

'Excellent and felt listened to. Good to find out other services are available to me when I feel ready to use them.'

'Although difficult due to the pandemic, we were made to feel important to your company by everyone who dealt with us.'

While we want to pay all valid claims, unfortunately there are occasions where we're unable to. Here, we highlight a couple of instances where we had to turn down critical illness claims in 2020.

Not meeting the definition

In August 2018, a single female took out life with critical illness protection.

In March 2020, she contacted us to tell us she'd been diagnosed with ovarian cancer.

She had been experiencing pain which at first they thought was an appendicitis, but scans revealed this wasn't the case. The pain continued and eventually two small cysts were identified in her ovary and she was told it might be cancer. The cysts could not be biopsied and she was scheduled for a full hysterectomy in April 2020.

Because no formal diagnosis had been made, we had to wait until the surgery was completed before we could make a claim decision. After the surgery, we received a copy of the histology report which showed the mass in her ovary was benign and there was no sign of any cancer. The mass was a fibroma, which is a benign tumour which can grow in any organ.

This was good news as she didn't need any further treatment and we explained we could not pay the claim as she didn't have cancer and therefore the claim did not meet the definition. Her policy continues to provide life with critical illness protection.

Misrepresentation

In May 2017, a couple in their early 50s took out reducing life with critical illness cover and separate reducing life cover.

In March 2020, the husband contacted us to tell us he'd suffered a stroke in February 2020 and had spent six days in hospital.

We arranged a tele-claim call to discuss the details and gather the information we needed to assess the claim fully.

When we asked him the smoking question, he confirmed he'd been a heavy smoker in the past but had smoked one cigarette a day in the evening since 2015. On the application form, he'd stated he was a non-smoker. We arranged for a smoking declaration to be completed to make sure we had the correct information.

During the tele-claim call, he told us he had some medical reports relating to his stroke, which he sent to us. The reports showed he was a regular cannabis user and had been since he was 17. Again, he had not told us this on his application.

We ask the following questions on our application:

'Do you currently smoke or have you, in the last 12 months, smoked or used any nicotine products, such as gum or patches?'

'Have you ever taken or injected any drugs that haven't been prescribed by a doctor?'

He couldn't explain why he'd answered 'No' to both questions.

Had we been aware of both the smoking and the cannabis use, we'd have offered cover with higher policy payments as a result of both his smoking and cannabis use.

Smoking and drug use are both classed as lifestyle questions. By lifestyle, we mean things that the insured person would know about. The misrepresentation was classified as being deliberately withheld from us and we had to turn down the claim. We cancelled the policy and refunded all the policy payments that had been made.

Hopefully this highlights the importance of providing full and accurate information when you apply for cover, and explains why we sometimes have to turn down claims.

To talk to a member of our Claims team call 03456 00 04 93 (call charges will vary) or visit aegon.co.uk/claims to find out more about our claims service.

If you'd like a large print, braille or audio CD version of this document please contact us on 03456 00 1402 (call charges will vary) or at aegon.co.uk/onlineform We're always here to help so if you need some additional support from us please let us know.