



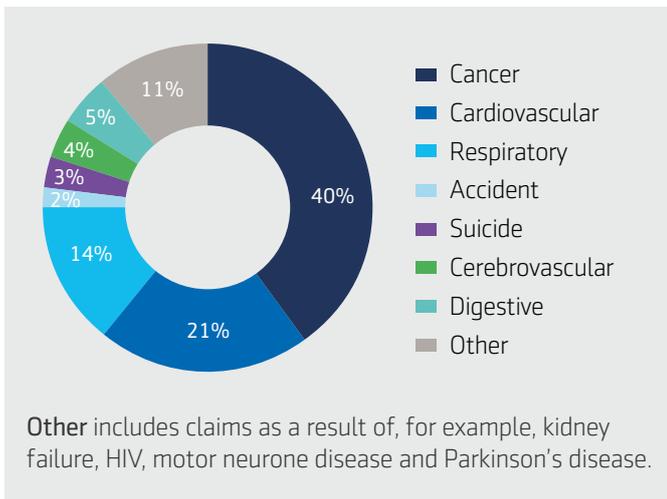
Spotlight on life protection claims

We take a closer look at life 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?

Cancer and heart-related (cardiovascular) claims continued to be the main reasons for cause of death in 2020.



Funeral payment pledge

The death of a loved one can leave families facing financial hardship. Even if it's only for a short time while waiting for the estate to be distributed, it can be a burden when you're already dealing with a loss.

We include a funeral payment pledge as part of our Policy Plus services, at no extra cost. This helps bereaved families meet the funeral costs of their loved one. We'll pay the funeral director or funeral home an advance claim payment of up to £10,000 on valid life protection claims where there's no will, or delays due to probate.

Claims we paid in 2020

96% of life protection claims. Over the past three years, we've paid, on average, 97%.



A total of **£81.3 million** for life protection claims.

An average life protection claim value of **£100,751**.



£6 million – the highest life protection claim for a heart attack.

Claims by gender





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



8 years 6 months –
the average age of
a policy at the time
of claim



No claims not paid
for not meeting the
definition



4% of claims
not paid due to
misrepresentation

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 4% of claims due to misrepresentation – 31% of these were as a result of customers not being completely honest about their alcohol usage. People seem to think that if they tell us they drink more than the NHS recommended amounts, it will affect the cost of their insurance policy. This is incorrect – we usually allow much higher levels before it will affect the cost of your policy. Read our [Spotlight on alcohol](#) to find out more.

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

Coronavirus pandemic

2020 saw the development of the coronavirus pandemic across the world. For many, the pandemic has intensified the emotional and financial upheaval a death or serious illness can bring, and our experienced team of claims assessors have been on hand to support them through every step.

All our protection policies provide you, and your immediate family, with access to Policy Plus - our range of support services. This includes access to our 24/7 health and wellbeing service, second medical opinion service, key person replacement service and funeral payment pledge.

Given the impact the pandemic has had in 2020, we've pulled together some key statistics behind the coronavirus claims we've received.

- We received 17% more life protection claims in 2020 than in 2019. While we can attribute coronavirus to some of that increase, it doesn't account for it all.
- Of the life protection claims we received, coronavirus was shown on 12% of death certificates as the cause of death – we paid 99% of these claims.
- When assessing these coronavirus-related claims, a number of individuals had underlying health conditions such as cancer, diabetes and respiratory conditions which were potentially going to lead to a claim in the near future.
- Three quarters (75%) of the claims we received were for males, and the average age at claim was 63 years old.
- Our youngest claimant was a 48-year-old male.

Case studies

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

Coronavirus

In January 2012, a couple took out life protection on a joint-life basis.

In April 2020, the 48-year-old husband was admitted to hospital with coronavirus. He had no underlying health conditions that increased his risk of death from coronavirus. His oxygen levels

dropped and unfortunately he never recovered. His wife contacted us in May to tell us that her husband had sadly died in hospital.

We assessed the policy and paid the claim less than two weeks after we received it.

Funeral payment pledge

A 63-year-old female took out life protection in January 2012.

In December 2019, her financial adviser contacted us to let us know that she'd passed away following a battle with cancer.

She wasn't married and didn't leave a will. Her brother applied to the courts for Grant of Letters of Administration, to allow him to deal with her estate.

The claim was valid and we had no concerns around misrepresentation. We knew there might be a delay in her brother receiving the correct

paperwork to allow us to pay the claim, so we told him about our funeral payment pledge – where we can pay an advance claim payment to cover the funeral costs.

Her brother sent us the funeral bill of just under £3,000 which we paid directly to the funeral director. This took some of the financial burden away while he waited on the legal paperwork.

We deducted this advance payment from the total claim value, which we paid as soon as we received the relevant legal paperwork.

While we want to pay all valid claims, unfortunately there are occasions where we're unable to. Misrepresentation around alcohol usage is one of the biggest reasons for us having to turn down claims in 2020. Here we highlight an example why.

Alcohol misrepresentation

In July 2020, a 54-year-old female took out life protection, telling us she was of average height and weight and drank no alcohol.

Just two months later, in September, her husband contacted us to let us know his wife had passed away suddenly at home. The death certificate stated the cause of death was alcoholic liver disease.

We contacted her doctor for details around her alcohol consumption and it quickly became clear that she had a long history of alcohol abuse. Her doctor had advised her to reduce her alcohol consumption numerous times and she'd been referred to a community alcohol team.

During the application process, we ask:

'Have you ever been advised to reduce or stop your alcohol consumption by a doctor, nurse or other medical professional? This includes referral for specialist support such as an alcohol dependence unit or Alcoholics Anonymous.'

Had we been fully aware of her alcohol consumption, we'd have been unable to offer cover.

As a result of this misrepresentation, we had to turn down the claim, cancel the policy and refund all the policy payments that she'd made.

Misrepresentation – diabetes and body mass index

In April 2018, a 73-year-old female took out life protection, telling us she didn't smoke or drink alcohol and that she weighed 100 kilogrammes.

In November 2019, her daughter contacted us to tell us her mother had passed away at the end of October. The death certificate stated the cause of death was sepsis, peripheral vascular disease and diabetes.

We contacted her doctor as the policy had only been in force for just over a year and we were concerned about misrepresentation. They confirmed her diabetes had first been diagnosed in early 2016. She had also suffered with cellulitis and serious leg ulcers since 2004. There were also a number of other issues that should have been disclosed at application stage including issues with obesity and anemia. When she'd applied for her policy, she stated her weight was 100 kilogrammes. However, because she suffered with diabetes her weight was closely monitored – she'd in fact weighed around 145 kilogrammes when she applied for the policy.

As a result of the doctors report, it became clear she'd incorrectly answered multiple questions during the application process, including:

'Do you now have, or have you ever had, diabetes or sugar in urine?'

'Other than previously stated, in the last five years have you had, been treated for or been advised to have follow-up for anaemia or any blood or thyroid disorder?'

'Do you have any other information to give us about any medical investigation, test or consultation, advice, counselling, operation, medication or treatment that you've had or been advised to have or currently having, but haven't told us about?'

Had we been aware of the true position we'd have been unable to offer cover. We discussed the misrepresentation with her family, to see if they could offer an explanation as to why the information wasn't provided on the application form. They agreed it should have been disclosed.

As a result, we had to turn down the claim, cancel the policy and refund all policy payments that she'd made.

Hopefully this highlights the importance of providing full and accurate information when you apply for cover.

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 14 02 (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.

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