



Spotlight on terminal illness claims

We take a closer look at our terminal illness benefit and the claims paid to customers in 2018.

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 2018, including some examples of real-life claims we've received.

What is terminal illness benefit?

Terminal illness benefit is a feature on life protection policies to help make the last few months of a terminally ill customer's life easier. It gives them the opportunity to get their finances in order before their death.

If we agree the terminal illness claim, we'll pay out the value of the customer's life protection benefit early.

When will you pay the terminal illness claim?

We'll assess a terminal illness claim when the insured person:

- has been told by a doctor/consultant that they have a condition which is incurable;
- has 12 months or less to live, and
- is expected to die before the end of the policy.

We can only pay a terminal illness claim when our Chief Medical Officer agrees with the insured person's consultant, that their life expectancy is less than 12 months, and that they're likely to die before their life protection policy ends.

If a terminal illness claim is made under life protection (not critical illness), we won't pay a claim within 12 months of the policy ending.

What were the main reasons for claims?

Cancer continued to be the main reason for terminal illness claims in 2018. However, we've also paid a number of claims where customers have been in the later stages of motor neurone disease and respiratory failure.

Claims we paid in 2018



95% of terminal illness claims

23% of life protection claims paid early as a terminal illness claim



A total of **£23 million** for terminal illness claims

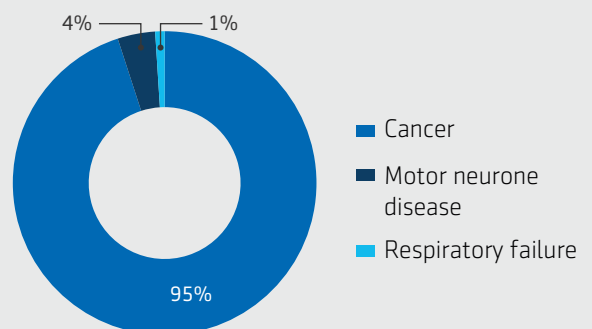
An average terminal illness claim value of **£106,072**



Claims by gender



Main reasons for claims in 2018





60 years

– the average age of the insured person at the time of claim



7 years 5 months – the average age of a policy at the time of claim



3.5% of claims declined for not meeting the definition



1.3% of claims declined due to misrepresentation

Case studies

Here, we highlight how our claims payments have helped real families in 2018.

Life with critical illness protection

A couple in their 40's took out reducing life with critical illness protection and separate reducing life protection in October 2010. Both benefits were to cover their mortgage and had a 12-year term.

In September 2017, the couple contacted us to let us know the wife had been diagnosed with a glioblastoma, or tumour of the brain.

The first symptoms were tiredness and loss of power in one of her hands. Medical information from her consultant confirmed the diagnosis and we paid a critical illness claim for cancer in November 2017 under their life with critical illness protection. Their policy continued with the separate reducing life protection they'd taken out.

Shortly after we'd paid the critical illness claim, the husband contacted us again to let us know they'd been told that his wife's life expectancy was less than 12 months. This meant we could also consider a terminal illness claim under their remaining reducing life protection.

We requested a medical report, and the results of a recent scan showed that the tumour had grown significantly and life expectancy was just a few months.

We paid the terminal illness claim immediately.

Reducing life protection

A couple in their early 30's took out reducing life protection with waiver of premium benefit to protect their mortgage payments. The policy started in August 2009 and had a 30-year term.

In July 2018, the wife contacted us to let us know her husband had been diagnosed with bowel cancer, which had already spread to his liver. He'd undergone surgery and chemotherapy but this hadn't helped, and they'd been told he had less than 12 months to live. He was now receiving palliative care and assistance from a district nurse.

While assessing their terminal illness claim, the wife contacted us again to let us know her husband had died.

We agreed to pay the claim using the death certificate. As they had a reducing policy, we paid this as a terminal illness claim, using the benefit amount on the date the husband received the prognosis that he had less than 12 months to live. This meant that we could pay the maximum claim value possible, rather than paying it as a life protection claim using the slightly reduced benefit amount on the date of his death. We paid this within two weeks of the wife contacting us to make a claim.

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