



# BOLDLY INNOVATING

Our 2017 claims statistics



THIS IS FOR FINANCIAL ADVISER USE ONLY AND SHOULDN'T BE RELIED UPON BY ANY OTHER PERSON.

# We're making our claims service even better for your clients.

And as you can see from these claim statistics, our determination continues to pay off.

But more than that, we're focused on your clients as individuals. We believe people going through a challenging time need to have a positive, reassuring claims experience.

From a single point of contact so they only have to give information once, to access to a dedicated nurse to provide additional support beyond a payout. From fast track claims to save them worrying about paperwork, to Free Cover to make sure they're protected even before they pay a penny in premiums. We're always looking for new ways to do things differently.

**'I am so impressed with the whole service that you are providing for myself, my wife and my son. It is very rare these days for someone to get in touch and just ask 'how are you?'. You provide a great service and are all so caring, kind and concerned.'**

Luigi, cardiac patient, August 2016



# 99.1%

Total claims paid in 2017



# £517m

Total amount paid to customers in 2017



# 34,573

Claims paid to customers and families at a difficult time

Source - Royal London UK Protection business claims paid (1 January to 31 December 2017)

## Free Cover to make sure your clients are protected straightaway.

Free Cover claims can pay out before a penny in premiums has been paid by the customer. This can be useful, for example, if a customer is waiting for their plan to start while their mortgage is completing.

## Fast track claims to keep things moving.

If your client needs to make a claim, we can help make everything as quick and easy as possible with our fast track claims process for claims under £10,000. It means your client doesn't need to fill out a form as everything is done over the phone. Then, if everything is in order, we can pay the claim the very next day.

## Tailored support for your clients' wellbeing.

Helping Hand provides your clients with a tailored and personal support service. It's available to them and their family (partner and children) from the day their plan starts, not just at claim - and they don't need to pay anything extra to use it. Your client will be offered access to a dedicated nurse who'll provide ongoing emotional and practical support. Their nurse can also arrange additional services, such as bereavement counselling or a second medical opinion, if they think that's what your client needs.



# TERM LIFE COVER

Because Term Life Cover can be taken as a lump sum or an income, your clients can choose how they would like a successful claim to be paid. Perhaps a lump sum to pay off immediate debts would help, or they may prefer a regular income to help their families with ongoing expenses. They may even decide that a combination of the two would work best. Whatever they decide, Life Cover can support their loved ones if they die or become terminally ill.



**97.3%**<sup>1</sup>

Term Life Cover claims paid in 2017



**£142.6m**<sup>1</sup>

Paid out in Life Cover claims in 2017

**£112,979**<sup>1</sup>

The average term Life Cover pay out in 2017



**1,262**<sup>1</sup> Claims paid (families and beneficiaries helped)



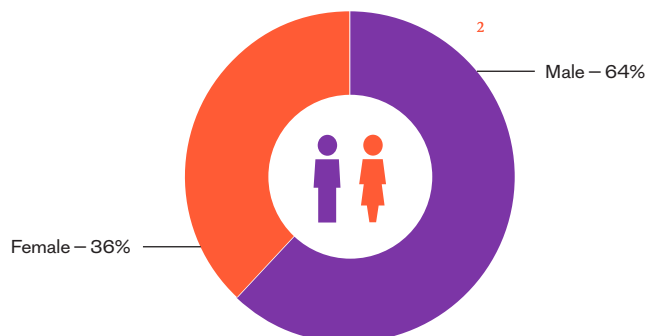
Average age of client at time of claim



Average time period plan in force before claim

## Claims paid by age<sup>2</sup>

Age	Claims paid	Total amount paid	%
Under 40 years	68	£36,917,745	10%
40–49 years	130	£22,400,683	20%
50–59 years	219	£25,510,426	34%
60 and over	230	£14,482,166	36%



Source:

1 - Royal London UK protection business claims paid (1 January to 31 December 2017).

2 - Royal London UK intermediary protection business claims paid (1 January to 31 December 2017).

# WHOLE OF LIFE COVER

Our Pegasus Whole of Life Plan can give your clients protection beyond the life of their mortgage, until they die. Whether they're raising a young family, or concerned about rising inheritance tax liabilities, our Pegasus Whole of Life Plan can help protect them and their loved ones.



**£4,133**<sup>1</sup>

The average Whole of Life pay out in 2017

**£128.1m**<sup>1</sup>

Total paid out in Whole of Life claims in 2017

**99.9%**<sup>1</sup>

Of claims paid in 2017



**31,002**<sup>1</sup> Claims paid (families and beneficiaries helped)

**73**<sup>2</sup>

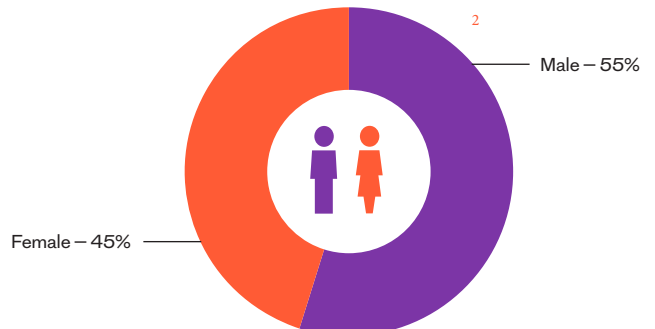
Average age of client at time of claim

**15 YEARS, 5 MONTHS**<sup>2</sup>

Average time period plan in force before claim

## Claims paid by age<sup>2</sup>

Age	Claims paid	Total amount paid	%
40–49 years	10	£2,041,705	5%
50–59 years	13	£1,879,666	7%
60 and over	171	£9,534,769	88%



Source:

1 - Royal London UK protection business claims paid (1 January to 31 December 2017).

2 - Royal London UK intermediary protection business claims paid (1 January to 31 December 2017).

# CRITICAL ILLNESS COVER CLAIMS

We're committed to offering your clients cover where it matters—that's why we focus on having some of the best definitions for the main reasons for a claim—cancer, heart attack, stroke, children's critical illness and multiple sclerosis. And because we know your clients also need cover that's clear and easy to understand, we aim to cover over 60 early forms of cancer diagnoses—within just nine definitions. On top of this, we're also dedicated to supporting your clients and their families through whatever they may face as a result of a claim. Our comprehensive support service, Helping Hand, helps them when they're going through testing times in their lives such as facing a cancer diagnosis or surviving a heart attack.



**91.2%**<sup>1</sup>

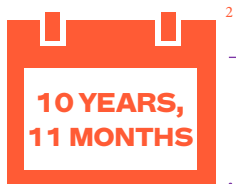
Of critical illness claims paid in 2017

**£206.3m**<sup>1</sup>

Paid out in critical illness claims in 2017

**87%**<sup>2</sup>

87% of claims were for top five reasons for claims (cancer, heart attack, stroke, MS and children's critical illness)



**10 YEARS,  
11 MONTHS**

Average time period plan in force before claim (excluding child CI)

**£107,894**<sup>1</sup>

Average critical illness cover payout

**6.8%**<sup>1</sup>

Claims rejected for not meeting the definition



**49**

Average age of client at time of claim (excluding child CI)



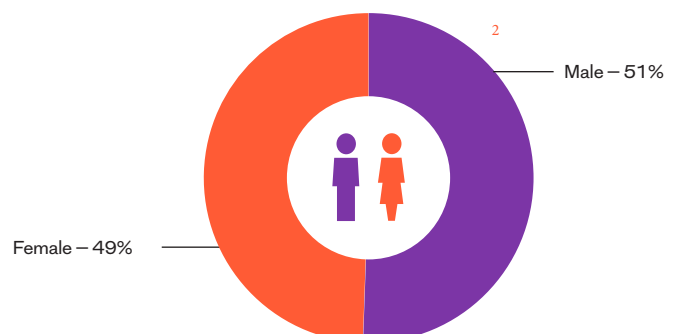
**1,912**<sup>1</sup> Claims paid

**2%**<sup>1</sup>

Claims rejected for misrepresentation

## Claims paid by age<sup>2</sup>

Age	Claims paid	Total amount paid	%
Under 40 years	218	£28,710,643	14%
40–49 years	542	£73,903,656	35%
50–59 years	631	£72,051,076	41%
60 and over	152	£14,794,488	10%



Please note these figures exclude children's critical illness.

Source:

1 - Royal London UK protection business claims paid (1 January to 31 December 2017).

2 - Royal London UK intermediary protection business claims paid (1 January to 31 December 2017).



## Causes of critical illness claims

Claim Reason	All claims		Male			Female		
	Claims Paid	Total Amount Paid	% Of Total	Count Claims	Total Amount Paid	% Of Total	Claims Paid	Total Amount Paid
Cancer	993	£120,933,845	41.6%	413	£53,491,698	58.4%	580	£67,442,147
Heart Attack	195	£22,267,677	87.2%	170	£19,713,685	12.8%	25	£2,553,993
Stroke	94	£10,514,303	66.0%	62	£6,696,285	34.0%	32	£3,818,018
Multiple Sclerosis	58	£7,812,771	22.4%	13	£1,628,263	77.6%	45	£6,184,508
Heart valve replacement or repair	33	£6,996,432	72.7%	24	£5,877,510	27.3%	9	£1,118,922
Benign Brain Tumour	31	£4,251,609	38.7%	12	£1,968,393	61.3%	19	£2,283,216
Coronary Artery Bypass	23	£3,353,457	91.3%	21	£3,228,567	8.7%	2	£124,890
Angioplasty	21	£2,561,433	81.0%	17	£2,076,404	19.0%	4	£485,030
Parkinson's Disease	17	£2,383,476	52.9%	9	£810,838	47.1%	8	£1,572,638
Major Organ Transplant	11	£1,221,095	63.6%	7	£931,598	36.4%	4	£289,497
Motor neurone disease	9	£562,089	77.8%	7	£409,389	22.2%	2	£152,701
Traumatic Head/Brain Injury	8	£721,071	100.0%	8	£721,071	0.0%	0	£0
Kidney failure	6	£498,028	33.3%	2	£90,276	66.7%	4	£407,753
Cardiac arrest	5	£520,793	80.0%	4	£420,793	20.0%	1	£100,000
Dementia	5	£483,846	80.0%	4	£301,092	20.0%	1	£182,754
Ductal carcinoma in situ	5	£314,565	0.0%	0	£0	100.0%	5	£314,565
Open Heart Surgery	5	£1,052,375	60.0%	3	£343,759	40.0%	2	£708,616
Aorta graft surgery	4	£514,143	50.0%	2	£323,383	50.0%	2	£190,760
Accident Hospitalisation Cover	3	£32,793	66.7%	2	£30,032	33.3%	1	£2,761
Alzheimer's Disease	3	£127,526	66.7%	2	£67,599	33.3%	1	£59,927
Bacterial Meningitis	2	£278,985	100.0%	2	£278,985	0.0%	0	£0
Chronic Lung Disease	2	£284,886	50.0%	1	£59,523	50.0%	1	£225,362
Coma	2	£953,812	100.0%	2	£953,812	0.0%	0	£0
Loss of independent existence	2	£240,920	50.0%	1	£12,920	50.0%	1	£228,000
Cardiomyopathy	1	£10,025	0.0%	0	£0	100.0%	1	£10,025
Encephalitis	1	£50,000	0.0%	0	£0	100.0%	1	£50,000
Huntington's Disease	1	£40,114	0.0%	0	£0	100.0%	1	£40,114
Liver Failure	1	£327,791	0.0%	0	£0	100.0%	1	£327,791
Loss of limbs/hands or feet	1	£50,000	100.0%	1	£50,000	0.0%	0	£0
Other	1	£100,000	0.0%	0	£0	100.0%	1	£100,000
<b>Child CI</b>	<b>65</b>	<b>£1,597,607</b>	<b>63.1%</b>	<b>41</b>	<b>£1,026,161</b>	<b>36.9%</b>	<b>24</b>	<b>£571,446</b>
<b>Overall Total</b>	<b>1,608</b>	<b>£191,057,470</b>	<b>51.6%</b>	<b>830</b>	<b>£101,512,037</b>	<b>48.4%</b>	<b>778</b>	<b>£89,545,434</b>

Cancer Type	All claims		Male			Female		
	Claims Paid	Total Amount Paid	% Of Total	Count Claims	Total Amount Paid	% Of Total	Claims Paid	Total Amount Paid
Breast	335	£40,523,548	0.9%	3	£522,839	99.1%	332	£40,000,708
Bowel/Colo-rectal	87	£9,941,099	59.8%	52	£5,639,139	40.2%	35	£4,301,959
Skin	86	£12,461,553	41.9%	36	£5,376,003	58.1%	50	£7,085,550
Prostate	81	£9,006,376	100.0%	81	£9,006,376	0.0%	0	£0
Lymphoma	48	£5,745,114	58.3%	28	£3,478,363	41.7%	20	£2,266,751
Lung	30	£1,840,125	56.7%	17	£1,217,863	43.3%	13	£622,263
Leukaemia	28	£2,700,801	67.9%	19	£2,065,283	32.1%	9	£635,518
Kidney	27	£3,897,067	74.1%	20	£3,275,151	25.9%	7	£621,917
Ovary	27	£2,131,231	0.0%	0	£0	100.0%	27	£2,131,231
Brain	25	£4,241,511	68.0%	17	£3,297,672	32.0%	8	£943,839
Testicular	21	£5,229,978	100.0%	21	£5,229,978	0.0%	0	£0
Cervix	19	£1,848,631	5.3%	1	£46,311	94.7%	18	£1,802,320
Thyroid	19	£2,605,562	26.3%	5	£660,443	73.7%	14	£1,945,118
Pancreas	16	£1,980,265	62.5%	10	£874,707	37.5%	6	£1,105,557
Oesophagus	14	£1,467,136	85.7%	12	£1,135,899	14.3%	2	£331,237
Tonsils	11	£1,824,491	81.8%	9	£1,586,091	18.2%	2	£238,400
Blood	10	£1,236,082	60.0%	6	£1,047,861	40.0%	4	£188,221
Throat	10	£874,129	100.0%	10	£874,129	0.0%	0	£0
Tongue	9	£887,921	100.0%	9	£887,921	0.0%	0	£0
Myeloma	7	£826,671	71.4%	5	£689,965	28.6%	2	£136,707
Nose	7	£1,622,942	100.0%	7	£1,622,942	0.0%	0	£0
Bladder	6	£452,825	66.7%	4	£357,046	33.3%	2	£95,779
Neck	6	£893,246	83.3%	5	£564,471	16.7%	1	£328,775
Stomach	6	£426,637	100.0%	6	£426,637	0.0%	0	£0
Appendix	5	£653,857	100.0%	5	£653,857	0.0%	0	£0
Endometrium	5	£450,910	0.0%	0	£0	100.0%	5	£450,910
Eye	5	£524,414	40.0%	2	£256,008	60.0%	3	£268,405
Mouth	5	£447,041	80.0%	4	£336,080	20.0%	1	£110,961
Bone	4	£278,934	75.0%	3	£228,843	25.0%	1	£50,090
Liver	4	£377,197	50.0%	2	£237,197	50.0%	2	£140,000
Penis	4	£714,704	100.0%	4	£714,704	0.0%	0	£0
Soft tissue	4	£434,769	50.0%	2	£136,929	50.0%	2	£297,840
Vagina	3	£251,988	0.0%	0	£0	100.0%	3	£251,988
Adrenal glands	2	£204,466	100.0%	2	£204,466	0.0%	0	£0
Bile Duct	2	£565,229	100.0%	2	£565,229	0.0%	0	£0
Bone Marrow	2	£115,006	50.0%	1	£80,925	50.0%	1	£34,081
Peritoneum	2	£90,264	50.0%	1	£34,824	50.0%	1	£55,440
Uterus	2	£319,956	0.0%	0	£0	100.0%	2	£319,956
Vulva	2	£24,617	0.0%	0	£0	100.0%	2	£24,617
Womb	2	£298,256	0.0%	0	£0	100.0%	2	£298,256
Myelodysplasia	1	£64,480	100.0%	1	£64,480	0.0%	0	£0
Neuroendocrine	1	£95,067	100.0%	1	£95,067	0.0%	0	£0
Salivary glands	1	£9,397	0.0%	0	£0	100.0%	1	£9,397
Spine	1	£133,433	0.0%	0	£0	100.0%	1	£133,433
Sternum	1	£214,919	0.0%	0	£0	100.0%	1	£214,919
<b>Child CI</b>	<b>42</b>	<b>£988,995</b>	<b>59.5%</b>	<b>25</b>	<b>£574,260</b>	<b>40.5%</b>	<b>17</b>	<b>£414,735</b>
<b>Overall Total</b>	<b>1,035</b>	<b>£121,922,841</b>	<b>42.3%</b>	<b>438</b>	<b>£54,065,958</b>	<b>57.7%</b>	<b>597</b>	<b>£67,856,882</b>



# CHILDREN'S CRITICAL ILLNESS COVER

No one likes to think of their child becoming critically ill, but it's an unfortunate reality. When your clients take out our Critical Illness Cover, they can choose to include either Standard or Enhanced Children's Critical Illness Cover. We pay out 50% of the cover amount on successful claim, up to a maximum of £50,000. And we're proud to say our definition includes any legally adopted children and financially dependent children up to the age of 21 (whether born before or after the starting date of the plan). The money from a Children's Critical Illness claim could help provide the best care and support for a sick child and allow their parents the financial freedom to change their working patterns in order to look after them.



**£1.6m**

Paid out in Children's Critical Illness claims in 2017

**£24,579**

Average payout



**6 YEARS,  
4 MONTH**

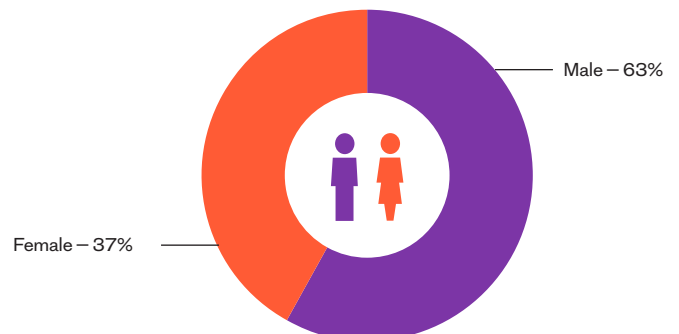
Average time period plan in force before claim



**65** Claims paid



Average age of child at time of claim



# INCOME PROTECTION CLAIMS

Bills will still need to be paid if your client is unable to work due to long-term ill-health or injury. Income Protection can offer your clients an income if they're too ill to work, giving them one less thing to worry about and the ability to focus on getting back to work.

Like last year, the ABI (Association of British Insurers) is asking members to report income protection figures based on new claims paid or declined during the previous year. Prior to 2017 the ABI methodology which we adhered to was to report decisions on new income protection claims plus income protection claims that continued to be paid (for example, a claim which was admitted in 2016 and continued to be paid during part or all of 2017). The new method has the effect of reducing the numbers reported because many income protection claims continue to be paid over long periods of time. This can be months and sometimes years.

The figures below show our Income Protection claims paid on both the old and new reporting methods.

**92.1%**<sup>1</sup>

Of Income Protection claims paid (includes those already being paid on 1 January 2017)

**£3.9m**<sup>1</sup>

Paid in Income Protection claims (includes those already being paid on 1 January 2017)



Average age of client at time of claim (new claims admitted in 2017)

**72.9%**<sup>1</sup>

Of Income Protection claims paid (new claims admitted in 2017)

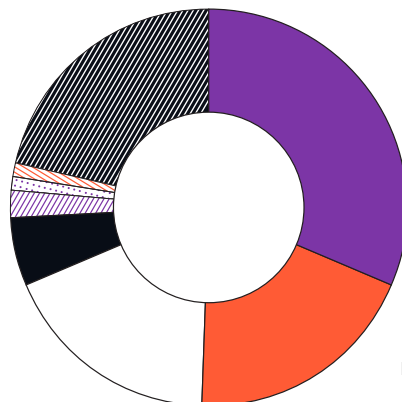
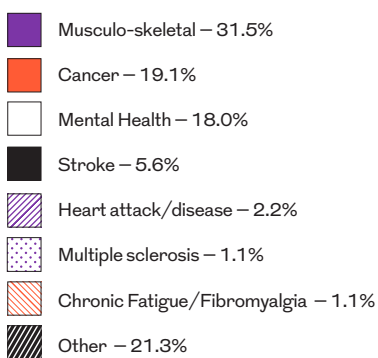
**£620,000**<sup>1</sup>

Paid in Income Protection claims (new claims admitted in 2017)

**£6,395**<sup>1</sup>

Average amount paid to customers whose claim was admitted in 2017

## Top reasons for claim for 2017:<sup>2</sup>



Of claims declined due to not meeting the definition



Of claims declined due to misrepresentation

Source:

1 - Royal London UK protection business claims paid (1 January to 31 December 2017).

2 - Royal London UK intermediary protection business claims paid (1 January to 31 December 2017).

# FREE COVER

If your clients apply for a plan with us and it doesn't start right away, we want to make sure they're protected in the meantime. That's why we offer Free Cover. It's temporary cover, the same type as your client has applied for and it starts as soon as we receive their completed application form. So, they're covered even before their plan has officially started.

And our Free Cover really does make a difference. We paid out over £700,000 in claims in 2017 to customers who sadly had to make a claim before their plans had started.

The shortest length of time between us receiving the application and the clients making a claim was 12 days.

**£729,000**

Paid in Free Cover claims in 2017

**£91,000**

Average Free Cover pay out

**37.5%**

Life Cover



**25%**

Income Protection

**37.5%**

Critical Illness Cover

# HELPING HAND

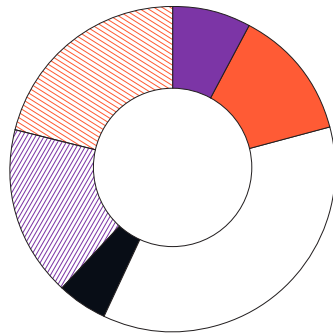
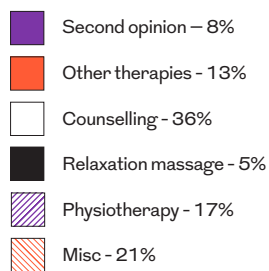
During difficult times in your client's life—like when they're seriously ill—they might not know where to turn to for help. Dealing with the unknown can be daunting. Our Helping Hand service gives your clients access to a dedicated nurse who'll provide tailored and personal support whenever they need it—for as long as they need it.

Whether they need someone to talk to or access to specialist services, your client will always speak to the same person who can provide a personal support plan which complements NHS services and gives continuity of care.

Helping Hand is available from the day your client's plan starts. They won't need to pay anything extra to use it and their family (partner and children) can use it too.

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## Services used by clients in 2017



Average time a client or their family are in touch with their nurse



The longest amount of time Helping Hand supported a customer

Source: RedArc Statistics (1 Jan - 31 Dec, 2017)

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## Life Cover

Losing a loved one is a devastating and very personal experience. Some people struggle to cope with their grief, which may lead to problems later on. Helping Hand offers long-term support from access to a dedicated nurse to professional bereavement counselling for your client's family if they need it. This trained expert can help them explore their feelings and come to terms with their loss.

During this emotional time, there will also be practical issues that need taken care of. To help with this, we'll give your family access to an independent legal helpline to discuss any questions they may have around wills or probate.

**'I didn't know that the insurance offered this service, we are in such a sad place, what you are providing is terrific.'**

Life Cover claim, August 2016

## **Critical Illness Cover**

Being diagnosed with a critical illness such as cancer, or suffering from a heart attack or stroke, is traumatic and can impact everyone differently. Whether it's finding ways to cope with facing an illness or support on the road to recovery, Helping Hand offers access to long-term support from a dedicated nurse.

### **Jenny's story**

When Jenny was diagnosed with cancer, she faced a long road to recovery. She was anxious about her significant surgery and treatment, and was stressed about being off work for a long period. Helping Hand offered Jenny a dedicated nurse who gave advice on the side effects of her treatment, therapies to improve her strength and information on her right to time off work. Jenny was reassured that when she needed to talk, there was someone there to listen and that she had a constant source of support for as long as she needed it.

**‘Words cannot express how much I appreciate the support I’ve had and it’s so reassuring to know that there’s someone out there to help and support you.’**

Cancer claim, March 2018

## **Income Protection**

If your client has been off work because of an illness or injury it can be hard to get back into the swing of things. Helping Hand can help them recover and get back to work. Helping Hand offers access to long-term support from a dedicated nurse who can help to manage stress and depression, suggest counselling, physiotherapy and complementary therapies.

### **Adam's story**

When Adam had a stroke at just 45 he was left with ongoing problems with his speech, attention span and decision making. He also suffered from poor memory and fatigue. These symptoms made him anxious about returning to work, and he was unsure if he would be able to function and communicate with colleagues and customers. His dedicated nurse was able to give him coping strategies to help with his symptoms and practical ways to help with his memory problems – such as using electronic organisational tools. She was also able to put him in touch with a local charity that organised extra speech therapy after being discharged from the NHS. And, when he was ready to return to work she gave Adam literature for his employer so they understood his condition, and encouraged him to make a phased return to work so it didn't set his recovery back.

**‘Nic really trusts you and values your ongoing support.’**

Income Protection claim, July 2016

Helping Hand is a package of support services, provided by third parties that aren't regulated by the Financial Conduct Authority. These services aren't part of our terms and conditions, so can be amended or withdrawn at any time.

# PAYING CLAIMS

We know that losing a loved one is a traumatic experience and how well a bereavement claim is handled is a key 'moment of truth' for both you as an adviser, and for a customer making a claim.

## **The Funeral Payment Pledge**

On 24 March this year, we signed up to this pledge that agrees to pay a proportion of the sum assured, up to £10,000, to pay for the costs of the person covered's funeral where full payment of a claim was delayed due to uncertainty over where the policy proceeds should be paid. Payment of death claims can often be delayed by the time taken to obtain the appropriate grant of representation (known as confirmation in Scotland), which enables the personal representatives to administer the deceased's estate. This delay can arise where a plan hasn't been assigned or written in trust. In complex cases, the process can take many months or even years.

The Funeral Payment Pledge allows us to act on a promise to support our customers when they need us most.

## **Fast track**

A key cause of delay within our claims process previously was that for all bereavement claims, we needed representatives to complete a form and return documentation, regardless of the claim's value. We recognised that this wasn't always necessary and so we now only ask for paperwork in certain circumstances. We're now able to settle many bereavement claims within days where it would have previously perhaps taken weeks for the beneficiaries to receive their payout.



In 2017 we were able to pay 85% of claims in less than three days



**29,460** loved ones helped, quickly

## **Tele-claims and E-signatures**

We're always looking for ways to make the claims experience better for your customers. This can mean making the process simpler, more convenient and personal to them as an individual. Tele-claims allows a customer to provide initial details about their claim over the telephone at a time they choose, saving them the task of waiting for, completing, then returning the claim form to us.

E-signatures allows for claims to be processed quicker by sending a secure access email to your customers request their permission to receive medical information from their doctor.

We're making both initiatives available to more customers in 2018, which could reduce delays for your clients if they make a claim, and help us to pay more claims, more quickly.



# HOW YOU CAN HELP US TO PAY MORE CLAIMS

We know that your clients have taken out cover to give both themselves and their families peace of mind. Our aim is to pay valid claims as promptly and efficiently as possible and we always assess claims in a fair and consistent way. However, there may be occasions when claims are not paid because of misrepresentation or if a claim doesn't meet our plan definition.

You can help us to reduce the number of claims we have to reject by continuing to emphasise to your clients the importance of answering our application form questions fully and accurately.

And for income protection review your clients' cover regularly to make sure the level of cover and the deferred period remains appropriate for them.

- Make sure that all questions on the application form are answered honestly and in full. It's far better to give more information than not enough.
- Your clients may wish to speak to their doctor before making the application if they are unsure about any details.
- For income protection, review your clients' cover to ensure it remains appropriate.

**“I was amazed that you could deal with the issue over the phone without seeing the actual policy. That makes life so less stressful when an executor is trying to sort out the affairs of the deceased... It is wonderful to find a large company who have such systems in place. Not only was the claim dealt with efficiently, but today I also received your cheque which I find incredible service.”**

Son of a plan owner, March 2017



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