



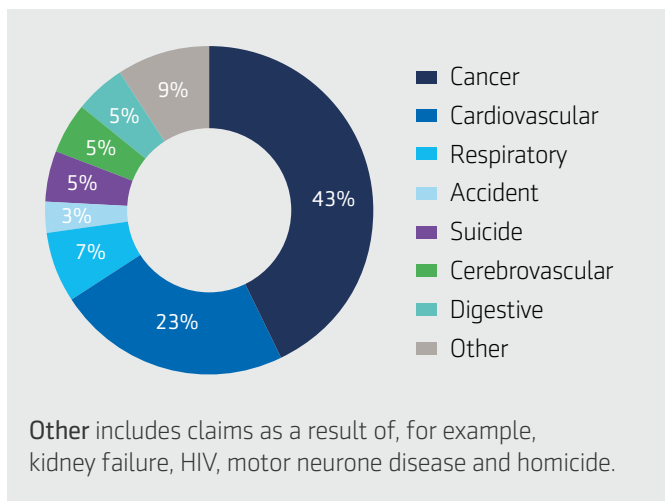
Spotlight on life protection claims

We take a closer look at life protection claims paid to customers in 2019.

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 2019, 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 2019.



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 Policy Plus, 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 2019

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



A total of **£71.5 million** for life protection claims

An average life protection claim value of **£100,619**



£4.8 million – the highest life protection claim for a heart-related (cardiovascular) death

Claims by gender





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



8 years 4 months – the average age of a policy at the time of claim



0.5% of claims declined for not meeting the definition



3.5% of claims declined 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 2019, we declined 3.5% 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.

Case studies

Here we highlight how our claim payments have helped real families in 2019.

Death by suicide

A 60-year-old male company director took out life protection in March 2010 with a benefit amount of £1 million. On his application he'd told us he was a non-smoker, of average height, who drank around 28 units of alcohol a week. He had some raised blood pressure, and both his father and brother had a history of heart attacks. Due to the level of cover he was applying for, we also asked his doctor for medical information to confirm this.

Nine years later, his daughter contacted us to tell us that her father had passed away in April 2019. Sadly, he'd taken his own life, leaving a note indicating that he couldn't see any other way out of the debt he'd found himself in. His partner also took her own life, but wasn't covered under his policy.

As our suicide exclusion only applies during the first year of the policy, this was a valid claim. We paid the claim to the executor after receiving the Grant of Probate.

Funeral payment pledge

A 56-year-old female took out life protection in May 2012.

In June 2019, her husband contacted us to let us know that she'd passed away following a battle with colon cancer, which she'd been diagnosed with five years earlier.

He sent us the original death certificate and told us that he was waiting for Grant of Probate, which he'd been advised could take months. He'd taken a loan for £3,000 to pay half of the funeral invoice, but the funeral directors were chasing him to settle his bill.

We told him about our funeral payment pledge, where we can pay an advance claim payment to cover the funeral costs. We paid the outstanding funeral bill directly to the funeral director, and reimbursed the husband for the half he'd already paid. This was a big weight off his mind.

We deducted this advance payment from the total claim value, which we paid once we received the Grant of Probate.

While we want to pay all valid claims, unfortunately there are occasions where we're unable to. With misrepresentation around alcohol usage being one of the biggest reasons for us having to turn down claims in 2019, here we highlight a couple of examples why.



Alcohol misrepresentation

In October 2018, a 64-year-old male took out life protection, telling us he smoked, was of average height and build, drank two units of alcohol a week, and suffered from an eye problem and some back pain.

Just three months later, in January 2019, his daughter contacted us to tell us her father had passed away earlier that month. The death certificate indicated that his cause of death was fatty liver changes, which is known to be caused by alcohol abuse.

We contacted his doctor, and it quickly became clear that he had a history of heavy drinking over the past 15 years. He was alcohol dependent and had been referred for detox and psychological referral. His doctor had advised him to reduce his alcohol consumption numerous times. Blood results due to alcohol were also abnormal.

His daughter confirmed that her father did drink excessively at times.

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 aware of the true position, 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 policy payments that he'd made.

Misrepresentation on alcohol usage and heart problems

In March 2019, a 71-year-old male took out life protection. He told us he didn't smoke or drink alcohol and that his brother had heart problems.

In August 2019, his son contacted us to tell us that his father had died in July from kidney issues, heart failure and heart disease. He also told us that his father had suffered from heart disease for the past 18 months – which hadn't been disclosed on his application.

We contacted his doctor, as we were concerned about misrepresentation around his heart problems. They confirmed that he had a medical history of heart disease and diabetes, and had a pace maker fitted. He also drank excessive amounts of alcohol (35 to 40 units a week) for a number of years. Just 12 days before applying for life protection with us, he'd been in hospital with heart problems.

Had we been fully aware of this, 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 policy payments that he'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.

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