

For UK financial advisers only



Claims Report 2022

Supporting your clients financially,
emotionally and practically



LIVE
PROTECTION

Welcome to our Claims Report

£127m

a record amount paid in personal protection claims

95%

of all personal protection claims paid

8,000

individuals and families supported after a life changing event

I'm pleased to share our annual claims report highlighting how we've been there to support our members during a vulnerable time last year.

2022 saw LV= paying the highest ever amount in Protection claims – over £127m paid out. This sum represents the almost 8,000 individuals and families where a protection policy has made a real difference in 2022. That's not counting the numerous families and loved ones who a protection policy has also supported.

With today's rising costs, protection insurance is so important for our customers who would otherwise face cost of living difficulties at some of the most challenging times of their lives. We know these 8,000 families will have found their claim payments invaluable.

Of course, having a policy with LV= is more than an insurance payout. As seen by the use of our LV= Doctor Services which provides valuable support throughout the life of the policy. Our members also benefit from our mutuality with support via our Legal Advice Line and Member Support Fund. Helping our customers at all points of their lives is important to us. More on page 4.

While it's good to reflect on the claims we paid, it's equally as important to break down the claims we couldn't pay. There's still a job to do to promote transparency across the industry, so we've shared some insights around these claims and your role in making sure your client isn't in this position – more on page 10.

Anna Rogers
Head of Claims and Underwriting



I hope that our claims report helps you demonstrate just how important protection is and how it goes beyond the claim.

Contents

Why talk claims and underwriting?	3
Everyday support	4
Income Protection claims	5
Income Protection feature claims	6
Personal Sick Pay claims	7
Critical Illness claims	8
Life insurance claims	9
Helping ensure your client's claim is paid	10

Why talk claims and underwriting?

Over 50%

of 25-44 year old workers said seeing

claim statistics

would make them

feel more confident

in taking out cover

95%

of all LV= protection **claims** were paid in 2022

In our recent Wealth and Wellbeing research, we asked consumers about their perceptions of claims and underwriting. The responses revealed that for many, claims and underwriting processes are a factor when thinking about taking out a protection policy.

8% without Income Protection don't have it because they **don't trust insurers will pay**

But why do they think this?

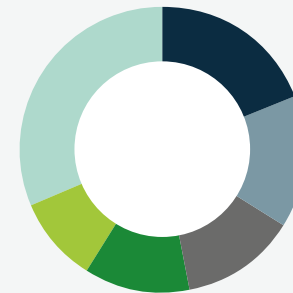
- 56% think protection policies won't pay-out, because they believe insurers don't want to pay
- A third read about unpaid claims in the media
- A small proportion based this on **personal experience** of their own or loved ones



Our range of IP solutions include options to suit self-employed people visit [LV.com/IP](https://www.lv.com/IP)

6% assumed they **wouldn't be eligible for cover**

Here's why they thought they couldn't get cover



- Mental health **22%**
- Unhealthy lifestyle **17%**
- Too old **15%**
- Diabetes **14%**
- Being self-employed **11%**
- Other long-term condition **36%**

Talk claims and underwriting with your clients:

- As an industry we have a lot to overcome in **building consumer trust**. Educating customers on claims can help overcome some of these misconceptions around protection. Making them feel more confident to protect their livelihoods.
- So why not try talking about claims with your next client? For resources to support your conversations visit [LV.com/claims](https://www.lv.com/claims)

Use our pre-underwriting tool

We have no standard exclusions, so whether it's BMI, diabetes or mental health we might still be able to offer cover. Our **pre-underwriting tool** can be used with clients 24/7 to get an indicative underwriting decision in minutes without the need to go through the full application process. It delivers the same outcome as speaking to us directly, giving you and your client confidence in taking the next step.

[Try it here](#)

Automatic exclusion review periods

If we do need to apply exclusions, we can also offer an **automatic exclusion review period** where we apply an exclusion for a set amount of time. After which, as long as no further symptoms arise, we can remove it on client request.

[Learn more](#)

Over 1 in 10 Remote GP appointments were for children, showing how these services support the wider family.

LV= Doctor Services was there for Maria* when her daughter became ill

Maria was worried about her 5 year old daughter, who had come back from school complaining her ear was hurting. Her temperature was 38°C at the time but she otherwise seemed well and was eating and playing normally. She'd had a fever all weekend despite Maria giving her paracetamol.

It was Sunday evening when Maria arranged an online appointment with one of our GPs because her daughter's temperature was now 38.5°C. After confirming her daughter did not have any other worrying symptoms, the GP reassured Maria and advised her of what to do should her daughter's condition change.

A few days later Maria confirmed her daughter was now well and thanked the doctor for reassuring her.



*Names and images are for illustrative purposes only.

Everyday support

[Home](#)

< >

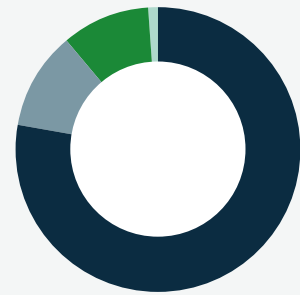
[Learn more about Member Benefits](#)

We're not just here at claim. Your client can benefit from being a protection member of LV= from day 1, with services to support them through life. Here's how we supported members in 2022:

LV= Doctor Services

Six expert services via one convenient app: 24/7 remote GP appointments, prescription services, second opinion, physiotherapy, mental health support and discounted health MOTs.

Services accessed



- Remote GP appointments **78%**
- Mental health support **11%**
- Physiotherapy **10%**
- Second opinion **1%**

[More on LV= Doctor Services](#)

Servicing stats

- 99% GP availability** within operation hours
- 99% appointments** offered within 2 hours (from initial engagement)
- 100% of GP appointments** took place within 10 mins of booked appointment time
- 97% prescriptions fulfilled** within 1 hour of Remote GP appointment

Usage in 2022 vs. 2021

- 126% uplift** in remote GP services
- 71% uplift** in mental health support
- 61% uplift** in physiotherapy

Legal Advice Line

(Available for protection members only)

1,737 calls made

to our legal advice helpline ran by solicitors, offering support for a range of legal queries.

[Find out more about our Legal Advice Line](#)

Support in financial hardship

We can support our members going through financial hardship, through our Member Support Fund and Payment Break facility.

Member Support Fund – Members can apply for financial support when times are exceptionally hard.

Over £19k paid through the Member Support Fund to **24 members**.

Payment Breaks – enables financially vulnerable members to retain cover if unable to afford premiums.

Over £10k paid in premiums allowing **78 members** to keep vital cover in place.

LV= Doctor Services and the Legal Advice Line are provided by third party companies. These services are not regulated by the Financial Conduct Authority or the Prudential Regulation Authority. These are non-contractual benefits and can be changed or removed at any time.

Shelia's* Income Protection stepped in when she couldn't work because of her mental health

Sheila first contacted us in March 2022. She'd been having panic attacks and low mood for some time and had to stop work in February 2022. She had consulted her GP and was on the wait list for counselling.

After this call, our assessor arranged for a referral for treatment through Rehab Support Services included in her policy. Sheila started therapy and by the end of April was able to return to work.

We paid her claim for 50 days and funded her therapy.



Income Protection claims

[Learn more about our Income Protection](#)

[Home](#)

< >

Here's how we've supported our members who couldn't work due to illness or injury.

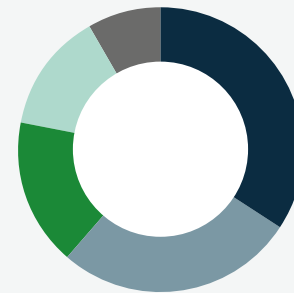
92%** of claims paid

£14.7m** paid in total

Over 1,000**
individuals and families supported



Top reasons for claim



Musculoskeletal	25%
Cancer	20%
Mental health	12%
Fractures	10%
Covid-19	6%

6 years, 9 months

Average age of policy at claim

22 years old

Youngest age to claim

45 years old

Average age to claim

5 years, 3 months

Average claim length

Top occupations to claim

Doctor

Dentist

Nurse

Teacher

Vets



** Includes Income Protection claims made before 1 January 2022 that were still in payment during 2022.

*Names and images are for illustrative purposes only.

We paid an additional £1,000 to Oli* when he fractured his hand

Oli fell at home and broke his hand. He called us at the end of 2022, he said he had surgery and was expected to be off work until the New Year. As a self-employed Graphic Designer, the fracture to his dominant hand meant he couldn't work.

After receiving evidence of his fracture and tax returns we were able to **pay him £1,000 as a Fracture Cover claim** as well as pay out under his Income Protection after his waiting period finished.



*Names and images are for illustrative purposes only.

Income Protection: Feature claims

[Home](#)

[<](#) [>](#)

Our comprehensive Income Protection supports your clients in more ways than one, with built-in features that offer more ways to benefit from having cover in place. Here's how we supported beyond the main Income Protection benefit in 2022:

Fracture Cover claims:

Over £63k
paid out to **48 individuals**
who suffered a fracture

Death claims:

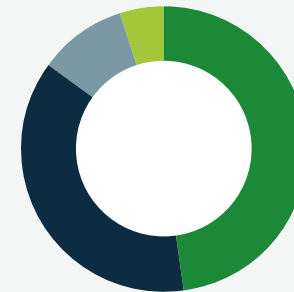
£30k
paid to **5 families** who lost their
loved one

Parent and Child claims:

6 families supported with
over £47k
paid out at a difficult time

Spotlight on our rehab support services

Our rehab support services support your client as soon as they're unable to work. That means we can offer support from as early as the waiting period, aiding their recovery before symptoms worsen. Whether it's physical or mental health issues, we're here for your client.



- Musculoskeletal **48%**
- Mental health **37%**
- Other **10%**
- Cancer **5%**

We supported **134 individuals**
with their **recovery**

81% of referrals were for **treatment**

19% for vocational **rehab**

“ Almost **4 in 10** referrals were for
mental health

Suffering a physical illness can also impact mental health. Whether a mental health issue is the primary reason for claim or occurs during their illness or injury, we're here for your clients.

Anna Rogers, Head of Underwriting and Claims

[Learn more about our Income Protection features](#)

Rob* contracted Pneumonia and had to stop working

Rob called us in mid-February to make a claim on his Personal Sick Pay policy. He was a Welder, and hadn't been able to work since the start of the month with what he thought was the flu. His symptoms got worse and he was admitted to hospital, and found to have Pneumonia and a collapsed lung. He was in hospital for 5 days and was expected to take 6 weeks to recover.

He sent us a copy of his discharge note from hospital and we approved his claim. His recovery took longer than expected, and he needed 16 weeks before he was able to return to work. **We paid a total of £3,700 in Personal Sick Pay benefits.**



Personal Sick Pay claims

[Learn more about our Personal Sick Pay](#)

[Home](#)

< >

Designed for clients in riskier occupations, our Personal Sick Pay protects your client's income if they can't work due to illness or injury

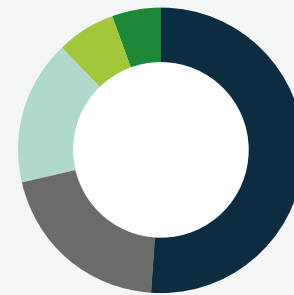
88%** of claims paid

£3.3m** paid in total

Over 1,100**
individuals and families
supported



Top reasons for claim



Musculoskeletal	38%
Covid-19	15%
Fractures	12%
Coughs/colds/sore/throats	5%
Mental health	4%

4 years, 3 months

Average age of policy at claim

22 years old

Youngest age to claim

41 years old

Average age to claim

9 months

Average claim length
(Full Personal Sick Pay)

Top occupations to claim

Warehouse worker

Carpenter/Joiner

Builder

HGV driver

Nurse



** Includes Personal Sick Pay claims made before 1 January 2022 that were still in payment during 2022.

*Names and images are for illustrative purposes only.

James* was diagnosed with kidney cancer

James called us in March 2022. He had recently been diagnosed with Kidney Cancer after experiencing a period of stomach pain.

We requested reports from his consultant and were able to tell him his Critical Illness claim was accepted by the end of April.

His policy also included our Cost of Cancer Diagnosis payment, so we were able to pay an additional £1,000 while his claim was being assessed to support with any immediate costs. We paid him £381,000 in total.



Critical Illness claims

[Learn more about our Critical Illness cover](#)

Being diagnosed with a serious condition is incredibly difficult for all involved, your clients and their loved ones. A Critical Illness payout can mean there is one less worry. Here's how we supported our customers last year.

88% of claims paid

£28.3m paid in total

Over 360
individuals and families
supported

£400k
Highest claim payment

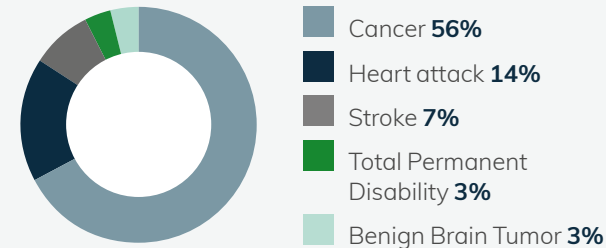
Child Critical Illness claims

It's hard to think about a child becoming seriously ill, but sadly it does happen to families each year.

We paid 25 claims for children totalling over £544k

for ages ranging from **0-17 years old**

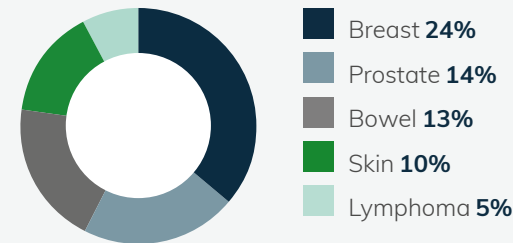
Top reasons for claim



Almost 6 in 10 claims were for cancer

Cancer appears as the top reason for claim year on year. Here were the main cancers being claimed on in 2022:

Main cancers being claimed on in 2022



8 years, 4 months

Average age of policy at claim

22 years old

Youngest age to claim

47 years old

Average age to claim

Claim reasons by age:

30-39 years	Breast cancer Heart attack Benign brain tumour
40-49 years	Breast cancer Heart attack Skin cancer
50-59 years	Breast cancer Heart attack Cancer (other)

Mary's* Life Insurance policy meant her sons were financially supported when she passed away

Mary's family called us at the beginning of February 2022 to let us know she'd passed away in December 2021. She was only 58 when she died. She'd been diagnosed with breast cancer in May 2021 and unfortunately contracted COVID at the end of November 2021. We accepted the claim and paid her sons £50,000.



Life claims

[Learn more about our Life Insurance](#)

[Home](#)

< >

Life Insurance provides valuable financial support to your client's loved ones when they pass away.

97%** of claims paid

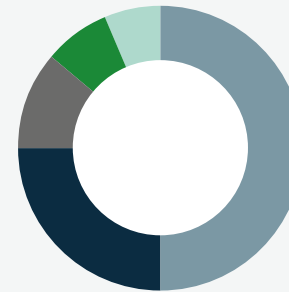
Over £80.6m**
paid in total

Over 5,400**
individuals and families
supported after the loss of a
loved one

£1m**
Highest claim payment

**These figures include claims paid for Life Insurance, Family Income Benefit, Terminal illness and our Whole of Life products (including some guaranteed over 50's whole of life products). Our whole of life products are no longer available.

Top reasons for claim



- Cancer **40%**
- Heart related **20%**
- Respiratory **9%**
- Covid-19 **6%**
- Stroke **5%**

8 years, 6 months

Average age of policy at claim

25 years old

Youngest age to claim

63 years old

Average age to claim



While during 2021 we were still in the grip of Covid, 2022 was the year we “lived with Covid”. We're still seeing people being diagnosed and unfortunately passing away due to Covid, but the claims have reduced as predicted. The lockdowns and pandemic are times we will never forget and it's clear that their impact continues, whether that's with our overall well-being, financial resilience, or our healthcare system.

Anna Rogers, Head of Underwriting and Claims

*Names and images are for illustrative purposes only.

Helping ensure your client's claim is paid

We paid almost 95% of all personal protection claims in 2022. We believe it's as important to break down the claims we couldn't pay and why, as well as the ones we do.

We want to be there for all our customers at these crucial moments, and for your advice to hold when it matters most – so it's vital that providers are transparent and advisers understand their role in helping to ensure claims are paid.

Last year we couldn't pay:

3% of all Life claims

11.9% of Critical Illness claims

19.8% of new IP claims

14.2% of new PSP claims

Misrepresentation or fraud accounted for almost 70% of claims we couldn't pay

Most common areas of misrepresentation:

- Smoking
- Alcohol
- BMI
- Health history
- Health problems not being disclosed

How we make a decision when the outcome isn't clear

In cases where unintentional misrepresentation has occurred, we may still make a decision to pay a proportion of the claim. For example, if we had the right information at outset and would still have been able to offer the customer cover. However, for cases where clear misrepresentation or fraud has occurred where we wouldn't have been able to offer cover in the first place, we will be unable to pay the claim.

We have processes to thoroughly review complex claims - where there's not a clear outcome. On occasion we have paid a claim even if it falls outside the T&Cs of the policy, just because it was the right thing to do for that customer.

The Adviser checklist:

Before application:

- ✓ Emphasise the importance of an accurate and honest application.
- ✓ Use our pre-underwriting tool to check any disclosures to set client expectations.

Application stage:

- ✓ If possible, fill in the application with your client present.
- ✓ Have your client double check their information.

Once their policy is live:

- ✓ Remind your client they're sent a copy of the information given in their application, emphasise the importance of checking for inaccuracies and letting us know about any straight away.
- ✓ Make sure your client is confident with how to check their policy documents for claim criteria – it's a great way to remind them of all that's featured in their policy too.

For more about LV= claims and underwriting

Access our claims hub
for more resources

[LV.com/claims](https://www.lv.com/claims)



Keep up to date with
[Protection Pays](#), our claims
and underwriting publication



Contact your LV= account
manager to arrange a

[CPD session](#)

