

**Press release
29 April 2016**

- **UK Group Risk industry paid out £1.4bn worth of claims in 2015: a £145m increase on 2014**
- **1,878 people were helped to return to work with some form of active early intervention support from an insurer**
 - **Cancer was the main cause of claim across all Group Risk products**
 - **Group Life policies paid out benefits valued at £1bn**
- **Group Income Protection policies paid out annualised benefits of £347m**
 - **Group Critical Illness policies paid out £62.6m**

Analysis of the total payments made by the Group Risk industry shows that a total of £1.4bn was paid out during 2015, over a 10 percent increase on 2014. This helped a total of 24,603 UK families avoid financial difficulty, according to industry data compiled by Group Risk Development (GRiD).

The claims stats, which also reveal the breakdown of benefits paid out by product (Group Life, Group Income Protection and Group Critical Illness), show an increase in all benefits paid out. Group Life policies paid out an increase of £130.1m, Group Income Protection policies paid out an increase of £9m and Group Critical Illness policies paid out an increase of £5.9m.

For Group Income Protection, as well as the claims paid, there are a material number of cases each year where people are helped back to work before a claim becomes payable, often with the support of the insurer, the employer or both. GRiD has captured details of the cases where the insurer supported a return to work with some sort of active early intervention (such as fast-track access to counselling or physiotherapy) before that person was eligible for a monetary payment and 1,878 people were able to go back to work during 2015 because of that intervention.

This figure demonstrates the effectiveness of early intervention and highlights the hugely added value of Group Risk products over and above the purely financial. We often see the most positive outcomes when all parties work together - the employee, the employer, adviser and insurer. (This figure does not capture those additional cases where people who had been claiming then returned to work.)

This year's claims data again demonstrates the extent to which the Group Risk industry benefits families and workers across Britain . as well as wider society, as the payments and support help to avoid financial distress and can reduce the welfare spend. For the first time, the average claim amount for Group Life has gone over £100k, with the average claim at £111,055.

The main cause of claim across all three products was cancer . unchanged from last year with the highest for Group Critical Illness (69%), followed by Group Life (47%) and Group Income Protection (24%).

Please see tables below for average claim amount and main causes of claim across all Group Risk products.

Benefit	No. of claims	Value of claims paid	Average claim amount	% of new claims paid for 2015
Group Life	9,000	£999.5m	£111,055	99.9%
Group Income Protection ¹	14,604	£347.0m pa	£21,884 pa	84%
Group Critical Illness	999	£62.6m	£62,701	81%
Totals	24,603	1,409.1m		

Benefit	Main cause of claim	%	Second main cause of claim	%
Group Life	Cancer	47%	Heart Disease	17%
Group Income Protection	Cancer	24%	Mental Illness	24%
Group Critical Illness	Cancer	69%	Heart Attack	10%

Employer-sponsored group risk financial protection cover is cost effective, and basic level Group Life cover can be provided for around 0.5% of payroll, while a more comprehensive package . including Group Life and Group Income Protection benefits . typically costs less than 2% of payroll.

Katharine Moxham, spokesperson for GRID, commented: "These figures bring a truly unique insight into the collective contribution the Group Risk industry makes to supporting British families. The fact that 1,878 people were helped back to work within 6 months also clearly demonstrates the value that insurers add beyond the pure payment of claims.

¹ The figures for Group Income Protection represent one year's worth of benefit payment. Group Income Protection claims are often paid for several or many years so the ultimate value of these benefits will be much higher. During 2015 there were 4,773 new Group Income Protection claims, totalling £104.5m pa.

Employers are not obliged to provide any of these benefits, but by doing so they make a major contribution towards protecting employees and their families against the financial consequences of death or prolonged disability. Through this, they also ultimately benefit wider society by reducing the welfare burden.

The main causes for claims are also interesting and can help dictate where support might be focused. For instance preventative care and screening can play an important role in the detection and treatment of cancer and heart disease: two of the main reasons for claiming. In addition, there is a wealth of support available within Group Risk products for mental health. We would encourage early utilisation of all Group Risk services to make the most of the support available.

For further information about Group Risk Benefits visit <http://www.grouprisk.org.uk/>

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Notes for editors

About GRiD Claims Data

The GRiD claims data survey was undertaken among its provider members and the figures are an accurate representation of the current Group Risk market in its entirety. Respondents provided figures for Group Life, Group Income Protection and Group Critical Illness claims for 2015.

About GRiD

Founded in 1998, Group Risk Development (GRiD) encourages awareness and uptake of corporate group protection benefits . income protection, group life insurance and critical illness cover . on behalf of its members which include insurers, reinsurers and intermediary businesses. Under the chairmanship of Lee Lovett, Head of Business Development UK and Ireland Life, Munich Re, GRiD aims to enhance the industry's profile among media and stakeholder groups. The Group provides a collective voice to Government and participates in industry wide initiatives such as the qualification in Group Risk launched jointly with the Chartered Insurance Institute. In May 2009, the Group appointed its first dedicated spokesperson, Katharine Moxham, to provide expert media comment on a full range of group risk issues.

www.grouprisk.org.uk

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