

2008 claims data Plus how you can help us to pay more claims

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Quick stats 2008

- Legal & General paid **92.8%** in critical illness claims - a record breaking **£146 million**
- Total number of claims paid **2,076**
- Largest claims payout **£750,000**
- Average payout **£70,327**
- Average age of claimants **46** years
- **Top five reasons** for claiming:
 - Cancer
 - Terminal illness
 - Heart attack
 - Stroke
 - Multiple Sclerosis
- Number of claims rejected **160** (7.2%)
This represents a 39% reduction in the rejection rate versus 2007
 - Number rejected for non-disclosure **94** (4.2%)
 - Claims not meeting definition **66** (3%)

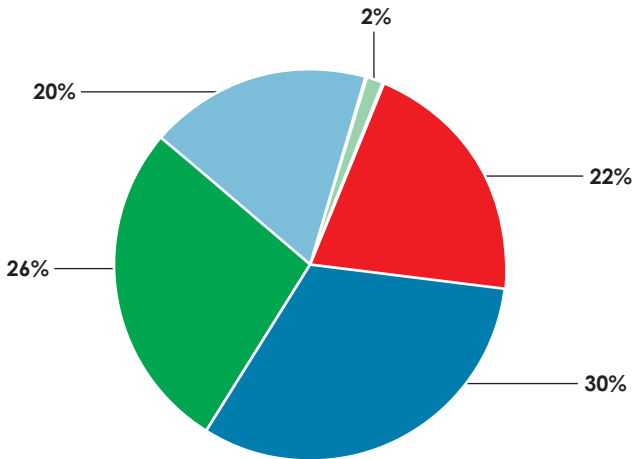
Compared to 2007, the non-disclosure rejection rate is down by 45.5% and the illness not meeting the definition rejection rate by 26.8%.

Critical illness claims paid

Breakdown of critical illness claims paid in 2008

We paid out £146 million in critical illness claims.

The average claim paid was £70,327.

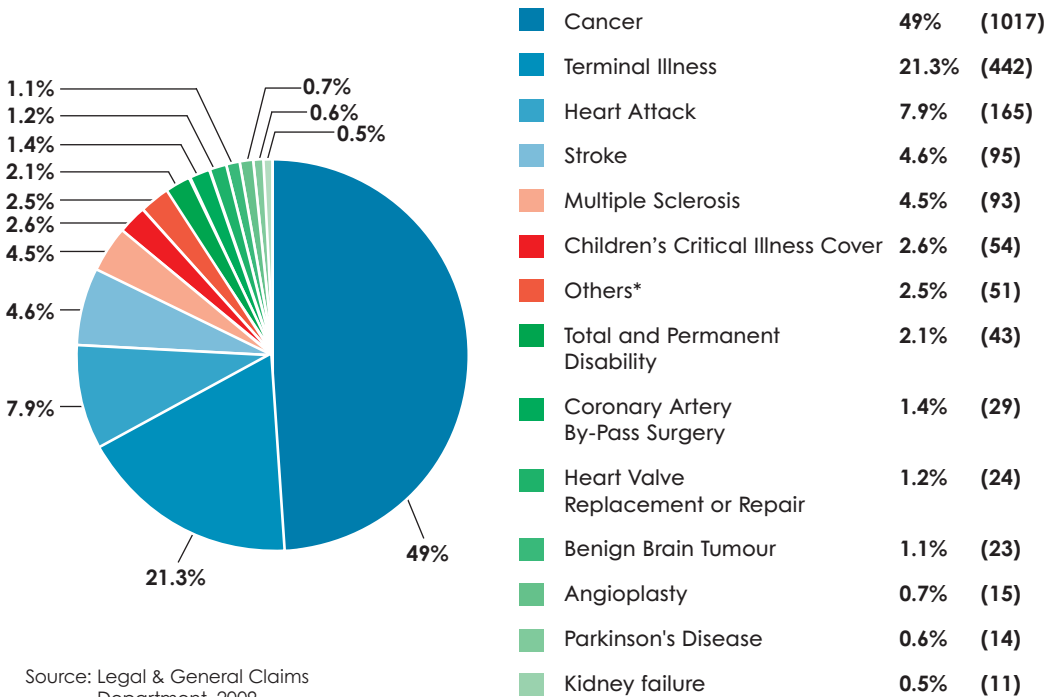


0 to £25,000	22%
£25,001 to £50,000	26%
£50,001 to £100,000	30%
£100,001 to £250,000	20%
Over £250,001	2%

Conditions claimed and paid

Breakdown of critical illness conditions claimed and paid

In 2008, we paid 2,076 claims made up as follows:



Source: Legal & General Claims Department, 2009

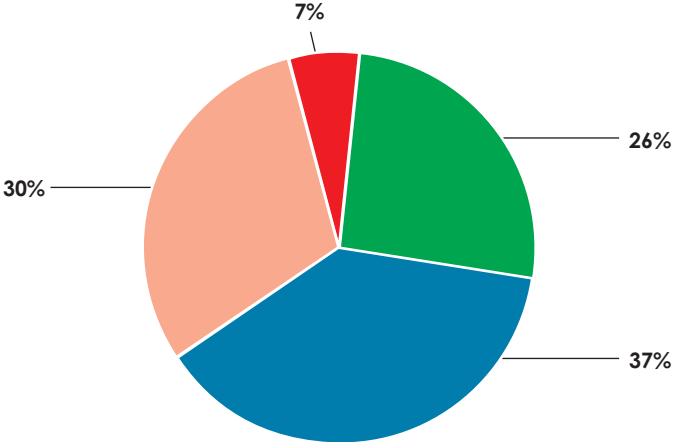
*Others include illnesses with less than 10 claims.

The full list of critical illnesses covered depends on the type of critical illness policy originally taken out and some illnesses may not be covered. For the full definitions relevant to our range of Critical Illness Cover please refer to Legal & General's Guide to Critical Illness Cover or the policy document.

Age range of male claimants

Age breakdown of male critical illness claimants in 2008

Over 60% of male claimants were aged 50 or under.



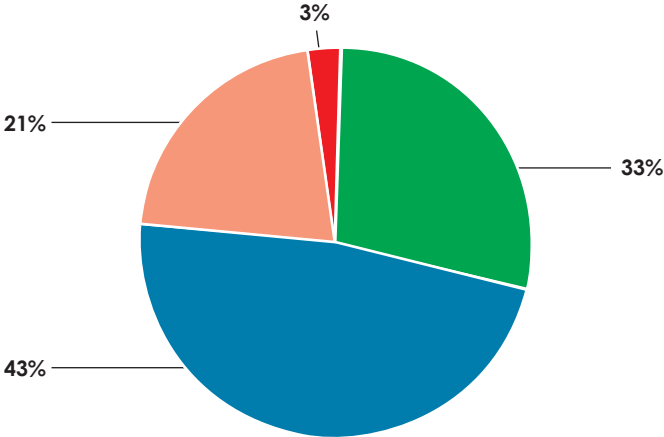
Age		
40 and under	26%	
41-50	37%	
51-60	30%	
Over 60	7%	

Source: Legal & General Claims Department, 2009 based on critical illness claims finalised in 2008

Age range of female claimants

Age breakdown of female critical illness claimants in 2008

Over 75% of female claimants were aged 50 or under.

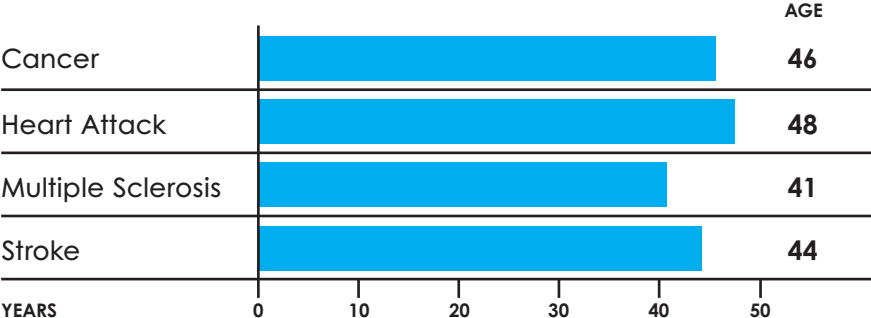


Age

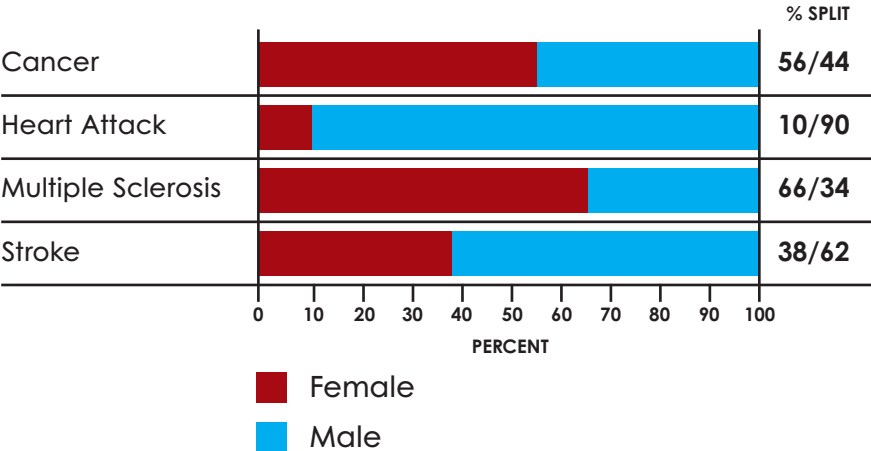
40 and under	33%
41-50	43%
51-60	21%
Over 60	3%

Type of claim by age/gender

Average age of a critical illness claimant in 2008.



Male/female conditions resulting in critical illness claims for 2008.

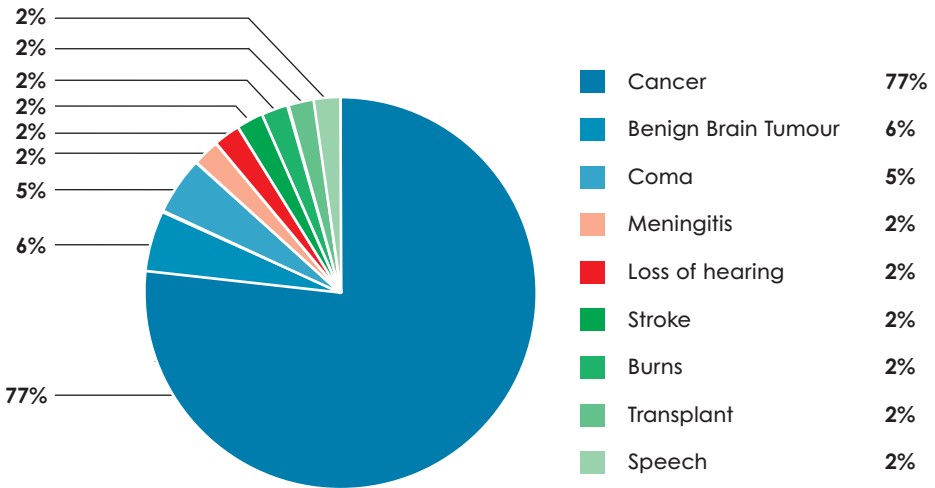


Source: Legal & General Claims Department, 2009 based on critical illness claims finalised in 2008

Childrens' critical illness claims

Breakdown of children's critical illness claims 2008

In 2008 we paid 54 childrens' claims.



Source: Legal & General Claims Department, 2009
based on critical illness claims finalised in 2008

Parents who take out one of our critical illness cover policies for themselves will automatically receive critical illness cover for their children*.

The full list of critical illnesses covered depends on the type of critical illness policy originally taken out, and some illnesses may not be covered. For the full definitions relevant to our range of Critical Illness Cover please refer to Legal & General's Guide to Critical illness Cover or the policy document.

* Terms and conditions apply.

Non-disclosure

The issue of 'non-disclosure' – where a client doesn't tell us everything we need to know – is one of the main problems affecting the protection industry today. In fact, 4.2% of critical illness claims in 2008 to Legal & General were declined as a result of non-disclosure.

Whilst this rejection rate is 45% lower than 2007, we'd like you to help us to reduce this even further.

By helping us to reduce the chances of non-disclosure you will help us to ensure that all valid claims are paid. You will also help us to make the right underwriting decisions and apply the right pricing to the policy. In turn, this will reduce the number of policy cancellations and commission reclaims. More importantly, it will help you to retain your client's confidence and maintain your reputation.

Common areas of non-disclosure:

1. Back pain

A history of back trouble and pain can be perceived as a trivial matter, and not worth mentioning. However, your clients must tell us about it, as this can affect the terms we can offer, especially for benefits that are payable due to incapacity from work. For example, income or mortgage protection, waiver of premium and Total and Permanent Disability under Critical Illness Cover. Exclusions to Critical Illness Cover for back trouble only, are sometimes necessary where there is a history of this complaint.

2. Stress, anxiety and depression

Clients may be hesitant about disclosing or discussing these matters, but they are a major cause of disability claims, and therefore we need to know all the details. If they are reluctant to disclose information, they can supply the details with the application form on paper in a sealed envelope, or they can send it directly to the chief medical officer. Full details are given on the application form.

3. Height and weight inaccuracies

This is a common problem area where there can be discrepancies between the height and weight stated on the application form and reality. Accurate details are important to us.

4. Joint problems and arthritis

Joints, such as the knees and neck are put under a lot of pressure. Good functioning of joints is important to help your client carry out their job, especially if it is manual in nature.

5. Tests and investigations

When completing the application form, it is important that your client tells us of any tests, investigations or specialist referrals that they are waiting to have or may have had in the past. Please note that usually we cannot proceed with the underwriting until the outstanding tests, investigations or specialist referral has taken place and the results are available.

6. Smoking (including if your client has used any tobacco products in the last 12 months)

Smoking can have a huge effect on someone's health and is a factor in setting the premium. It's important that your client tells us if they smoke, however light or occasional the smoking. They may have tried to give up and failed but they must be honest about their smoking status.

7. Alcohol consumption

On our application, we ask about past and present alcohol consumption, and if the client has ever been advised to reduce their alcohol intake.

8. Raised blood pressure and cholesterol

It is common for a doctor or practice nurse to check a patient's blood pressure and cholesterol. Sometimes if there is a temporary problem, this can be dealt with, either with or without treatment. Sometimes long-term treatment will be required. The application form includes questions about blood pressure and cholesterol, so it's important that your client reads the questions carefully, and answers them accurately.

Critical illness case studies

18-29 age group at claim					
Sex	Age	CIC condition	Occupation	Amount	Time policy was in force (months)
Female	28	Cancer	Sales Representative	£64,000	44
Male	27	Benign Brain Tumour	Pilot	£217,000	40
Male	22	Multiple Sclerosis	Garage Mechanic	£30,000	64
Female	25	Cancer	Retail Assistant Manager	£26,000	98
Female	29	Burns	Company Secretary	£140,000	13

30-39 age group at claim					
Sex	Age	CIC condition	Occupation	Amount	Time policy was in force (months)
Female	33	Cancer	Office Worker	£100,000	6
Male	38	Heart Attack	Hairdresser	£100,000	98
Female	31	Stroke	Solicitor	£70,000	131
Female	36	Heart Valve Surgery	Shop Assistant	£69,000	56
Male	38	Cardiomyopathy	Motorway Patrolman	£77,000	112

40-49 age group at claim					
Sex	Age	CIC condition	Occupation	Amount	Time policy was in force (months)
Male	46	Heart Attack	Stonemason	£65,000	32
Male	42	Major Organ Transplant	Teacher	£143,000	145
Female	44	Benign Brain Tumour	Housewife	£120,000	139
Female	44	Cancer	Houseperson	£20,000	2
Female	40	Cancer	Carer	£33,000	31

50 and over at claim					
Sex	Age	CIC condition	Occupation	Amount	Time policy was in force (months)
Male	54	Total & Permanent Disability	Factory Worker	£100,000	207
Female	54	Cancer	Nurse	£88,000	16
Male	52	Multiple Sclerosis	Joiner	£33,000	61
Female	61	Heart Attack	Carer	£16,000	189
Female	58	Bacterial Meningitis	Nursery Nurse	£64,000	108

Source: Legal & General Claims Department, 2009 based on critical illness claims finalised in 2008

How you can help us to pay more claims

1. Ensure that **ALL** questions on the application form are answered truthfully and accurately, for example, does the height and weight they've given, seem right compared to how your client looks in the meeting?
2. Go over the questions, and where possible explain any medical terms to ensure your client understands. If you need assistance, you can call our Medical Underwriting Technical Advice Line (MUTAL) on 0370 3333 699.*
3. When a client makes a disclosure, ensure they answer all follow-up questions accurately. With many medical conditions it is possible for our underwriters to assess the risk without the need to obtain medical evidence, provided sufficient detail has been given. All the relevant information must be disclosed.
4. Clarify any vague answers your client may give – **IF IN DOUBT WRITE IT DOWN.** Lack of information will always result in further questions being asked and a much greater chance of medical evidence being requested.
5. Advise your clients that disclosures can be made in a sealed envelope to the chief medical officer if they prefer.
6. Make sure your client knows that any changes in their health or circumstances between when they apply for cover and the later of returning their signed confirmation declaration back to us or being accepted for cover, must be reported.
7. Always explain the impact of non-disclosure, to your clients. They need to be aware that their claim could be declined and policy cancelled. Our new client facing non-disclosure Sales Aid 'The reason we ask you to tell us everything' (W11434) explains how they can help us to stop this from happening.


* Call charges will vary. We may record and monitor calls.



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