

# Irish Life Protection Claims 2020

## What was the big claims story of the year?

THERE was in fact, two big claims stories from 2020, which we would not have predicted in January 2020. Firstly during 2020, Covid related death claims accounted for 4% of Irish Life's death claims paid. Secondly, the quite unusual reduction in the numbers of claims notified and paid during 2020 versus 2019.

During 2020, Irish Life Assurance plc ("Irish Life") paid out €3.2 million a week to customers to overcome the often sudden and adverse financial consequences of a death, serious illness or the medical inability to work. It's a cliché to say it but it's also true in respect of 2020, that never before has protection cover been more important to the public. It is vital that we as an industry continue to recommend protection cover to families and businesses and that when the time comes, pay claims quickly and professionally. As always, a knowledge of claims can clearly support you in offering advice to potential new protection customers.

Irish Life continued to pay out large monetary amounts in protection claims during 2020.

Summary of Irish Life Retail claims for 2020	Death Claims	Specified Illness Claims
Number of claims paid	1691	701
Amount paid	€111.1m	€47m
Average adult claim amount	€65,739	€67,127
Average age of claimant	66	52
Average duration inforce	18 years	14 years
Additional/Partial payment SIC claims	n/a	25
Number of Child claims	47	23

Source: Irish Life Assurance 2020

We also paid out €3.7 million in respect of 326 individual cover, income protection contracts. The drop in paid claims appears to be industry wide in both Ireland and the UK. For example, Irish Life paid 15% less death claims and 23% less Specified Illness Cover (SIC) claims than we did in 2019. It's hard to be specific why the volume of death claims is down like this, perhaps delays around probates and legal processes in general was a factor.

On specified illness, we know that many of the national screening programmes were closed for much of 2020, along with a general reluctance by people to attend GPs and hospital A&E departments. Even within specified illness categories it is quite surprising to see things like stroke (permanent symptoms) claims being down from 65 in 2019 to 39 in 2020 (down 40%), heart attack claims down from 77 in 2019 to 61 in 2020 (down 20%) and coronary angioplasties down from 45 in 2019 to 19 in 2020 (down 55%). In these three areas, particularly the first two, one might expect the



**Irish Life Assurance plc, paid €166.8 million in death, terminal illness, specified illness cover, income protection and rider benefit claims during 2020, under 3460 plans.**

Source: Irish Life Assurance 2020

customer to have had significant symptoms, leading to a medical consultation. It is likely the volumes of diagnosis for many of these conditions will 'catch up' during 2021 and eventually lead to a SIC claim or possibly a death claim in the future.

To help prompt some reflection on the paid claims, here are some further details.

### Death Claims

60% of claims in 2020 were on male lives, 37% on female lives with 3% being on children. Some of the larger claims we paid, was one for €1.4 million to the estate of an individual in their 70s who died of cancer and a claim for €1.2 million to the estate of an individual in their 40s who died from a cardiac arrest. We paid 19 claims for accidental deaths to the value of €3.3 million; including eight claims as a result of a fatal road accident. As an example, we paid one claim for €200,000 to the estate of an individual who died because of a work related accident under a plan only in force 5 years.

We regularly see unexpected medical deaths where the plan was only in force a relatively short period. For example, Irish Life paid a death claim during 2020 for €149,000 to the estate of an individual who died suddenly from a heart attack where the plan was only in force less than 6 months. In general, we saw twice as many heart attack deaths in men versus women. Interestingly during 2020, we paid claims to the estate of 3 different people where their plans were in force 53 years!

**We have paid 68 COVID-19 related death claims across 63 lives to the value of €3.2 million during 2020.**

**Martin Duffy Chartered Insurer,  
Head of Underwriting and  
Protection Claims, Irish Life**



Only 20% of paid death claims were for over €100,000 with less than 5% being for over €250,000. Even looking at plans only taken out since 2000, where there was a death claim paid during 2020, only 28% were for over €100,000. This information probably shows that we may not be recommending enough cover, particularly to parents of young families. Irish Life paid 28 terminal illness claims during 2020. The total value of these was €3.2 million, with the average claim amount being €116,000 and with average plan duration of 11 years. The average age of female claimants was only 51 vs 58 for males. The two biggest causes of terminal illness claims in 2020 were brain and lung cancers.

Irish Life paid 98.5% of death claims during 2020. This should give you the maximum possible confidence when placing your protection business with Irish Life.

#### **Specified Illness Cover (SIC)**

Within specified illness cover, the top conditions under which we pay claims continues to be malignant cancer (66%), heart related (17%), stroke (permanent symptoms) (6%), multiple sclerosis (3%) and LOI/PTD 1%, so over 93% for the top 5 medical areas. We also paid 25 additional payment claims, which was 3.5% of total SIC, claims, for a total value of €408,000 with the two biggest categories being Carcinoma-in-Situ of the breast and Coronary Angioplasty. Within the malignant cancer category, we paid 110 breast cancers (including 2 on male lives), 77 prostate cancers, 32 lung cancers and 29 colo-rectal cancers.

We paid four individual SIC claims during 2020 with a benefit of around €500,000, all of these to lives aged in their 40s and 50s.

63% of claims were for lives aged between 40 and 60. The average age for SIC claims generally was only 53. Interestingly we paid 3 different SIC claims during 2020 to lives where their plans were in force 30 years.

Irish Life paid 89.8% of specified illness cover claims

2020, with only 2.8% being declined for material non-disclosure reasons. We are one of the few offices in Ireland who regularly publish our decline percentages over time. This probably should be one of the key factors in deciding where to advise customers to place their SIC business.

**Covid claims:** We have paid 68 COVID-19 related death claims across 63 lives to the value of €3.2 million during 2020. The average amount paid was €48,000. While the median age was 73 and most had a pre-existing medical condition, we did pay eight claims to lives under age 50. Typically, the underlying conditions were cancer, heart disease, diabetes, respiratory illnesses, high blood pressure and dementia. The average time duration from date of death to date of notification to Irish Life was 26 days. The earliest death from Covid was in late March 2020.

We have also paid a small number of income protection and rider benefit claims due to Covid, including those with 'Long Covid' symptoms.

I hope that you found this review of the protection claims paid by Irish Life in 2020 thought provoking.

The real big claims story in particular for 2020 and in fact, every year is, are we doing enough to promote the essential nature of protection cover and the resultant claims we pay?

**If you have any comments, questions or suggestions please email me [martin.duffy@irishlife.ie](mailto:martin.duffy@irishlife.ie)**

*Irish Life Assurance plc is regulated by the Central Bank of Ireland.*

