

SCOTTISH WIDOWS PUBLISHES CLAIMS DATA

Scottish Widows today publishes its critical illness claims history. The data shows that between January 2000 and October 2005, Scottish Widows paid out over £95 million in critical illness claims.

During this period, 2,929 claims were paid – averaging more than one every day.

The top five causes of claim account for 95% of the 2,929 critical illness claims that Scottish Widows paid. Cancer was the most common cause of claim accounting for 63% of all claims, paying out over £34 million for women and over £26 million to men. After cancer, the next most common causes of claim were:

- Heart Disease
- Stroke
- Multiple sclerosis
- Children's cover

As you can see from the statistics above, Scottish Widows' critical illness insurance also includes critical illness insurance for children. Although cancer in children is very rare, most of the children's claims were for leukaemia.

Nick Kirwan, Protection Market Director at Scottish Widows, comments: "People don't want to listen to scaremongering - we believe they want the plain facts. We hope that publishing our claims history will help people better understand precisely what we do and don't cover which will help them make an informed choice about what insurance they need."

Of the claims received in the past 12 months 18% have been turned down. The two main reasons for claims being turned down are:

- Non-disclosure of material information when the policy was taken out – 41%
- The claim not meeting the policy definition – 58%

Other reasons for claims being turned down include cases where the cause of claim is specifically excluded (eg where an individual policy exclusion is applied after underwriting when the policy starts) or the policy reached the end of the term before the illness started.

Nick Kirwan continues: “We hope that by setting out our claims history and the reasons why claims get turned down people will take the time to understand what their policy covers and will fill in the application form carefully, to the best of their knowledge and belief. When people take out insurance, it’s vital that they can rely on the policy to pay out when the needs arises. That’s why this is so important.”

Claims Panel

As part an ongoing initiative to enhance the way our customers are treated, a new Scottish Widows Claims Panel has been set up to review all provisionally declined borderline claims, as well as all provisionally declined critical illness claims for children. The panel comprises a combination of protection experts and non-experts, all of whom are independent of the usual Claims Team. The Panel will review cases before a final decision is reached.

Nick Kirwan continues: “Our aim is to pay 100% of all valid claims promptly and without fuss. Our new Claims Panel aims to support the claims process by ensuring that when we consider borderline claims, we do so fairly and make the right decision – first time, every time.”

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