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Legal & General pays a record £797m in UK claims

- **Legal & General paid 97%¹ of individual protection claims – the equivalent of 46 claims every day in the UK during 2021, totalling more than £797 million**
- **The provider paid more than £3.5 billion in claims over the past five years**
- **Covid-19 claims paid out last year amounted to over £73 million, double the amount paid in 2020**
- **Nearly 17,000 customers and their families benefitted from an average pay out of £47,243**
- **Project Smile launches to support children going through a difficult diagnosis**

Legal & General paid out a record 46 personal protection claims every day in the UK during 2021, totalling £797.9 million – an increase of £33.9 million from 2020 – and benefitting 16,890 customers and their families.

As the UK's number one individual Life Insurance provider Legal & General has paid out more than £3.5 billion in claims over the past five years across its Life, Critical Illness Cover (CIC), Terminal Illness Cover (TIC) and Income Protection (IP).

Overall, the provider paid 97% of individual protection claims with an average pay out of £47,243.

Of the small percentage not paid, almost nine in 10 were because of 'deliberate or reckless misrepresentation'. Over 30% of misrepresentations were due to lifestyle factors that should clearly have been in the customers knowledge, with the majority of these being linked to alcohol.

Legal & General continues to work closely with its partners and distributors to help minimise misrepresentation and do more to explain how insurance claims work so it can support even more customers in 2022.

The wider impact of Covid-19

As in 2020, the pandemic impacted the 2021 claims data; with almost one in seven life claims Covid-19 related. Legal & General paid out 1,579 Covid-19 life claims at an average of £46,769 per claim, making up a combined total of almost £74 million – over £34.6 million more than last year.

The difference in claims for men versus women when it came to Covid-19 related deaths is stark. Only 35% of Life Insurance claims came from women, compared with 65% from men. Legal & General's figures continue to reflect those from the Office for National Statistics that show men are more likely to pass away from Covid-19 than women². In contrast, 60% of Legal & General's overall Life Insurance claims are for men, again indicating an increase when looking at Covid-19 claims specifically.

Income protection continues to play an important role

Legal & General paid 417 IP claims in 2021, at a monthly average of £1,067 per claim, totalling over £3 million. The main cause of IP claims was musculoskeletal disorders (37%), followed by cancer (12.5%) and coronavirus (9.8%).

All IP products include Legal & General's Rehabilitation Support Service. It gives customers access to an in-house team of healthcare professionals who offer wide-ranging physical and mental health support at no extra cost.

Project Smile

This year saw the launch of Project Smile, an initiative to support children going through a difficult diagnosis. For every claim relating to a child's illness paid, the provider sends a gift to the child to help bring a smile to their face. Gifts are chosen according to the preferences of the child and can include anything from a voucher to a Peppa Pig toy.

David Banks, Director of Claims and Underwriting said:

"Paying claims is core to what we do. As we continue to come back from Covid-19, we remain focused on giving our customers and their loved ones financial support when they need it most. But more has to be done to tackle misrepresentation.

"At Legal & General we're working closely with partners and distributors to help make the underwriting process as transparent and streamlined as possible. We hope that increasing knowledge around the lifestyle and general health information required will minimise misrepresentation and help us support even more customers in their moment of need.

"We're proud to have paid out more than £797million in claims last year, but it's the personal impact behind the figures that's most important. We know an injury or illness affects the whole family, none more so than when it happens to a child. That's why we have launched Project Smile. Our assessors get to know the families throughout the course of a claim – we wanted to go beyond just dealing with the paperwork and show that we are thinking of them through what is likely to be the most challenging time of their lives."

- ENDS -

Notes to editors

The information contained in this press release is intended solely for journalists and should not be relied upon by private investors or any other persons to make financial decisions.

Sources

1. 96.8% of personal protection claims were paid out by Legal & General in 2021, this figure has been rounded up to 97%
2. [Office for National Statistics](#): *Coronavirus (COVID-19) and the different effects on men and women in the UK, March 2020 to February 2021*

About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with over £1.4 trillion in total assets under management* of which a third is international. L&G also provides powerful asset origination capabilities. Together, these underpin our leading retirement and protection solutions: we are a leading international player in pension risk transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

* at 31 December 2021

About Legal & General, Retail

As of 1st January 2022, Legal & General Retail Retirement and Legal & General Insurance (our two retail businesses) have been combined into one division, Legal & General Retail, to enable us to better serve the needs of our retail customers.

Legal & General Retail helps protect lives and futures of our customers; the division covers the savings, protection and retirement needs of our c12 million retail policyholders and workplace members. In 2021, we wrote £957 million of annuity premiums, and issued £848 million of Lifetime Mortgages and Retirement Interest Only Mortgages. Our Workplace pension platform served 4.4 million members, while in the UK we paid out a total of £1,133.8 million in insurance claims.

Further information

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