

# Legal & General critical illness update improves quality of cover and reduces complexity

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- *Legal & General has updated its critical illness offerings, improving cover and simplifying the terminology used in conditions*
- *The changes are aimed at making critical illness cover much easier for customers to understand and to give them more certainty that they'll be covered should the worst happen*
- *Broadened and simplified definitions following feedback from intermediaries who said they preferred similar conditions to be grouped together where appropriate*

Legal & General has today announced the launch of an updated critical illness offering with improved cover and a simplified list of conditions that makes our critical illness products much easier for advisers and customers to understand. The changes are part of Legal & General's longer-term mission to raise awareness about critical illness cover and to continue providing competitive, quality cover as the UK's number one life insurance provider\*. The updated products will be available to intermediaries from 29<sup>th</sup> July 2019.

The new merged list of conditions makes it much easier for intermediaries to explain to their clients what conditions are covered, allowing for more straightforward protection conversations. For example, 'coronary artery by-pass grafts' and 'open heart surgery' have been combined to 'specified heart surgery'. The conditions covered and quality of definitions are a crucial part of whether a CI claim is successful and more simplified wording will give customers greater understanding that a future claim could be accepted.

This latest update shows that Legal & General continues to listen closely to and act upon feedback from intermediaries. During recent polling by the FTSE100 insurer, 81% of intermediaries said they would prefer similar conditions to be merged together where it makes sense.

Legal & General's critical illness offering also includes the following changes:

## **Critical Illness Extra (CIx)**

Legal & General is increasing additional payments for CIx, which is only available via intermediaries, from a maximum of £30,000 or 25% to £30,000 or 50% of the amount of cover, whichever is lower. The insurer has also added additional payments for coronary angioplasty, brain abscess drained via craniotomy, primary sclerosing cholangitis and necrotising fasciitis.

## **Children's Critical Illness Extra (CCIx)**

Legal & General has extended its children's cover to include more conditions. If CCIx is purchased with either CI or CIX, cover will be extended to include all conditions covered under Critical Illness Cover, Critical Illness Extra and Children's Critical Illness Extra. Until now, Children's Critical Illness Extra has only included conditions listed under Critical Illness and CCIx

## **Critical Illness Cover (CIC)**

Improvements have been made to definitions around liver failure by removing the drug and alcohol exclusion and major organ transplants which now include artificial devices or animal transplants. Coverage on pulmonary hypertension has also been extended to cover all causes, assuming policyholders meet the specified New York Heart Association classifications.

### **Craig Brown, Director of Intermediary, Legal & General, said:**

"Last year, our research into critical illnesses found that conditions like cancer and heart disease take a staggering £15.2bn a year out of Britain's economy. Worse still, these terrible illnesses can have a hugely damaging personal impact, not just on the health of the individual affected but for the financial livelihood of their family, too.

"At Legal & General, our mission is to work together with intermediaries to ensure more people across the country are protected from the financial impact of a critical illness. That's why we're listening to our intermediary partners, the very people on the front line of conversations about cover, taking on board their feedback to improve our critical illness offerings.

"Quality over quantity is really important to us as a business. These latest changes improve the level of cover we offer to customers, but also reduce the complexity of critical illness products. We think that will make it easier for advisers to have those important protection conversations and explain these products to clients, while also giving consumers much more certainty over the support they have if and when they need it."

### **Alan Lakey, Director, CIEExpert said:**

"CIEExpert is a long-time advocate of simplicity within critical illness plan design. The days of adding yet more conditions, many of which provided little likelihood of a successful claim, are gone.

"The changes announced by Legal & General provide the triple benefits of reducing complexity, reducing condition numbers and enhancing the prospect of a successful claim.

"The process of combining linked conditions into one over-arching version is the way forward and Legal & General's changes is a first positive step in this direction."

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### **FURTHER INFORMATION (JOURNALISTS ONLY)**

Sarah Whybrow  
Communications Director  
[Sarah.Whybrow@landg.com](mailto:Sarah.Whybrow@landg.com)

Charlotte Merlin-Jones  
Nick Seymour  
020 7440 8670  
[landg@rostrum.agency](mailto:landg@rostrum.agency)

[www.legalandgeneral.com/adviser](http://www.legalandgeneral.com/adviser)

### **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.

Combined conditions include:

- ‘Coronary artery by-pass grafts’ and ‘open heart surgery’ and replaced with ‘specified heart surgery’.
- ‘Brain injury due to anoxia and hypoxia’ and ‘traumatic brain injury’ and replaced with ‘brain Injury due to trauma, anoxia or hypoxia resulting in permanent symptoms’.
- Both drug resistant epilepsy conditions to form one additional payment. Legal & General will still cover drug resistant epilepsy when treated by both nerve vagus stimulation & invasive surgery to brain tissue.
- ‘Kennedy’s disease’ with motor neurone disease’.
- ‘Loss of hand or foot’ with ‘paralysis of a limb’ and replaced with ‘loss of use of hand or foot’

### **\*Swiss Re-Term & Health Watch 2018**

### **ABOUT LEGAL & GENERAL**

Established in 1836, Legal & General is one of the UK’s leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With over £1 trillion in total assets under management, as at 31 December 2018, we are the UK’s largest investment manager for corporate pension schemes and a UK market leader in pensions de-risking, life insurance, workplace pensions and retirement income. We have also invested over £19 billion in direct investments such as homes, urban regeneration, clean energy and small business finance.

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