Holloway Friendly

It's all about keeping life colourful

Our claims performance in 2020

Keeping life colourful

Introduction

2020 was not the year anyone was expecting, a global pandemic and the stalling of “normal” life. Throughout this, our focus remained as always, to help keep our Members’ lives colourful, our colleagues safe and to continue protecting people’s income.

In 2020 we paid 98% of claims*, and kept life colourful for 697 of our Members during an unpredictable year.

Together with our partners we were able to offer Members so much more than just paying their claim.

Members received clinical reviews so they could receive early support, treatment and rehabilitation through the Heath Claims Bureau. Carefirst provided Members with support on financial issues, bereavement and many other personal difficulties they faced. And Best Hopes were able to give our Members mental health support throughout.

We grew our claims team so we could help our Members sooner, kept all our phonelines open and increased support in other areas to answer Members calls and answer their questions and concerns.

Looking back on 2020 we hope we’ve made it a better year for our Members than it could have been if they didn’t have income protection.

As we emerge into 2021 we continue to help support our Members to keep life colourful.

Suzy Esson
Director of Operations

A record-breaking year

98% of claims paid*

697 Members supported

£3.4 million paid out in claims

*98% of claims paid in 2020 excluding cases of non-disclosure.

2020 in numbers

In 2020 we supported more Members than ever before and paid out over £1 million more in claims than in 2019.

- We paid **98% of claims** excluding cases of non-disclosure
- We helped **697 Members** and their families
- We paid **£3.4 million of benefit** in 2020, that's £1 million more than in 2019
- We couldn't pay 83 claims

The most common reasons for our Members claiming were:

Accident and injury - 27%

Musculoskeletal - 19%

Mental health - 10%

Joints and tendons - 6%

Surgical procedure - 6%

- **89%** of claims paid (if all cases of non-disclosure are included)
- Youngest claimant - **20 years old**
- Oldest claimant - **64 years old**
- Average age of claimant - **41 years old**
- Average annual claim payment - **£11,000**
- Average length of claim - **44 weeks**
- Longest claim - **32 years**

How we support recovery

A Member submitted a claim in May 2020 for back pain. As part of our claims investigation, we discovered that their employment had ended, and our claims assessment did not support their inability to work as a result of back pain.

Our Claims Specialist identified that the medical certificates provided in support of the claim also stated tension and depression. We investigated these and identified a longer history of mental health issues.

To support the Member, we arranged counselling sessions. After these sessions, they are now looking to return to work. Further support sessions are planned.

How we support our Members

Our Claims Specialists are trained to consider Members' needs as widely as possible and are ready to go beyond our plans' terms and conditions to provide the right support. We know everyone is unique and not everything is black and white.

We have many examples of where we've done more than just pay the claim. We have:

- Paid for private treatment such as physiotherapy, steroid injections or psychological therapy rather than waiting for treatment on the NHS
- Arranged vocational support to assist return to work plans to ensure a sustainable and successful return for the long-term
- Provided career coaching or analysis of transferrable skills for Members who couldn't perform their "own occupation" but could work in alternative roles and needed support to achieve this
- Supported independent medical examinations for Members who were not being seen by a specialist and whose recovery was slow or not progressing. Such interventions help to provide advice on future treatment and how this could impact on their quality of life

More support for our Members

In 2020 not all our Members needed to claim, some needed financial support. They'd seen their income reduce because of furlough or reduction of work. Members simply couldn't afford to keep paying their premium but realised the importance of income protection so didn't want to cancel their plan. We introduced a premium holiday option for all Members which has extended into 2021 to continue our support.

Additionally, our Member Assistance Programme also offered vital support through services including:

- Telephone counselling service
- Information and advice providing practical support on a wide range of areas like financial, education and employment
- Online Cognitive Behaviour Therapy
- Wellbeing support, coping techniques and resilience strategies

Going "above and beyond"

A Member made a claim in September 2020 as they were suffering from stress. When we spoke to them we found out that part of their stress had been caused by their relationship with their manager at work. They probably could have continued working if they had a different manager.

Now technically this claim didn't meet the plan definition of disability, however we took an approach that our Member needed help. We accepted the claim and provided the Member with counselling sessions. The Member returned to work on a phased approach and eventually back to full time. The counselling taught the Member a range of new skills including coping strategies to help prevent a relapse.

Why we didn't pay all claims

We always try to pay claims but sometimes we're unable to. In 2020 we couldn't pay 83 claims. There are a number of reasons why we are unable to pay a claim. Three reasons are straight-forward:

1. **No loss of income** – income protection provides an income when there is no income, so if a Member is still receiving an income there is no claim to be paid
2. **Plan criteria not met** – for a Member to make a successful claim they need to show us how their circumstances have changed related to their cover. A claim may not be paid if they're still able to do the duties of their normal job or unable to provide evidence of their income
3. **Claiming for an excluded condition** – some Members have conditions excluded when they take out a plan so that they can have cover for everything else except that exclusion, for example a back issue. If a claim is made for an excluded condition it will not be accepted

The fourth reason is **non-disclosure**. There are different types of non-disclosure.

Our Claims Specialists work closely with our Members and the majority of the time the reason a claim isn't paid is because we weren't given all the necessary information when they first applied for income protection. This may happen through mistake, although sometimes it is deliberate, which is why it's vital responses to the questions asked are answered as fully as possible.

Innocent non-disclosure

This is when there is an honest and understandable oversight when the application was completed, not all relevant information was provided. If at application stage we had received this information the underwriting decision would have been different.

Negligent non-disclosure

This is when information is deliberately withheld at application stage, and a different underwriting decision would have been made.

An example of negligent non-disclosure was when a Member applied for income protection in August 2019 with no medical disclosures made. We received a claim in March 2020 as the Member was unable to work due to back pain. Our claims process indicated there may have been a history of back problems which had not been disclosed. Medical evidence from the GP highlighted that they had seen their GP in May 2019 with lower back pain and had a history of back pain problems. The GP evidence also highlighted a history of work-related stress requiring periods of time off work.

Had the application been completed accurately, the plan would have been postponed for 12 months and then offered with exclusions for spine and mental health. The Member explained that they'd not disclosed the history of mental health as they thought it was only minor and the back pain was related to a sports injury so didn't think it was relevant.

Looking beyond the T&Cs

A Member had just become a father, his son had been born prematurely and had a life-threatening condition. The baby was transferred to another hospital far from the family home for 10 weeks before surgery could be performed.

Though the Member was able to take a month's holiday and move closer to his son's hospital, he was unable to take any more time off which was causing him severe stress.

The Member made a claim for stress but at the time had not seen a GP or been signed off with stress, so strictly we couldn't accept it as a claim. But we wanted to support him and his family at an extremely difficult time so we paid him 3 months of benefit. Because if he had seen his GP, he would have been signed off with stress.

The Member's son has since recovered from his operation and returned home. The Member said "we can't thank you enough for all the help you have given us at this time".

Protecting our Members from fraud

Holloway Friendly is owned by its Members. And it's our responsibility to protect them and their money from fraudulent claims. That is why we won't simply pay a claim but will always review it thoroughly.

Deliberate non-disclosure

This applies where the Member would have known that the information they had provided was incorrect and was relevant to us. This can be seen as an attempt to commit fraud.

An example of "deliberate non-disclosure" was when a Member applied for income protection on 6 March 2020, with no medical disclosures made. We received a claim a few weeks later as they were unable to work from 23 March due to breast cancer. Medical evidence from the GP highlighted that the Member had seen them on 4 March with a history of symptoms related to the breast and was fast tracked for a mammogram on 5 March due to a concern that their symptoms may indicate breast cancer. Had the application been completed accurately the plan would have been postponed awaiting the outcome of the mammogram. Because of this, the claim was declined.

A future of paying more claims

To be able to pay more claims in the future, we're working with Advisers to help them and their clients provide us with all the necessary information at application stage. We understand that sometimes it's uncomfortable to disclose personal health issues to strangers especially those not medically trained. That's why we have the option of completing the medical information with specialist nurses who can work through the medical side of the application with clients.

We're helping Advisers understand the level of detail we need at application through webinars, presentations, educational campaigns and online learning.

All these activities will help reduce the number of claims not being paid because of non-disclosure, which means that we will be able to pay more claims in the future.

Member Testimonial

A Member claimed as a result of a diagnosis of Gastric Cancer. His Adviser passed on the Member's comments:

"He wanted to thank you for how easy it's been to claim and the service has been exemplary. My client has now realised how important this type of cover is and wanted to thank everyone who had dealt with the claim."

Summary

2020 has challenged everyone, individuals and businesses alike. We've all had to adapt quickly to new ways of living and working. Being alone, but together in a global pandemic.

The fact we paid 98% of claims, £3.4 million in benefits, which is £1million more than the previous year and helped 697 Members is a huge achievement, especially during such a difficult and unpredictable year.

I am incredibly proud of all my colleagues who have helped record numbers of Members and their families, who, without income protection, could have been financially impacted by their illness or injury.

We've never been about just paying a claim. We truly want to help our Members and their family as if they were our own. This is why we have introduced so much additional support for Members before, during and after a claim. Though the assurance of financial support can help ease the mind, sometimes more is needed like faster access to medical treatment or simply a friendly ear to listen.

So that we can pay more claims in the future, we're working more closely with Advisers to improve the information provided at application so there are no surprises which could result in a claim not being paid.

We look to 2021 and beyond with optimism and relish the challenges ahead, knowing we can overcome them. We want to break more records by doing what we do best – helping our Members to keep their lives colourful.

Stuart Tragheim
Chief Executive Officer

Contact us.

We're here to help.

Address
Holloway House
71 Eastgate Street
Gloucester GL1 1PW

0800 716 654

Advisers@holloway.co.uk

holloway.co.uk

We're here

Monday - Friday 9.00am to 5.00pm

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