

January 5, 2017

British Friendly is first insurer to release paid claims data for 2016

British Friendly once again becomes the first insurer to publish their claims statistics for the whole of the previous year. In 2016 British Friendly paid 96.13% of Income Protection claims, with over half of all claims (52%) authorised in one day or less. The top three reasons for claiming in 2016 were unchanged from 2015:

- Orthopaedics (musculoskeletal conditions) - 39% of paid claims
- Viral illness /respiratory - 22% of paid claims
- Psychiatric conditions - 13% of paid claims

Other reasons for claiming in 2016 included digestive (6%), cardiovascular (4%), cancer (3%), neurological (2%) and rheumatological (2%) conditions. The age bracket with the most claims was between 50-59 years for both men and women. The precise breakdown of paid/declined figures for 2016 are as follow:

- 96.13% paid
- 3.87% declined (main reasons are non-disclosure 1.93%, not meeting the definition 1.71%)

In March last year, British Friendly launched a discretionary Death Benefit, which paid out on 100% of claims in 2016, including one retrospective claim for a policyholder who died in December 2015, before the benefit was launched. Death benefit is paid to the next of kin when a policyholder dies and is included at no additional cost, for both existing customers as well as new ones. It is paid as a lump sum that amounts to six times the monthly Income Protection payment.

Iain Clark, Distribution and Marketing Director at British Friendly, said: "We have been highly innovative in 2016 to make the job of advising on Income Protection as easy as possible for advisers. We released a decade of claims paid statistics in January 2016, rebranded to a fresh and modern image, introduced death benefit and care assistance benefit for both new and existing members and added more deferred periods to our short-term IP product.

“Alongside these changes, we improved our online systems to help advisers receive more immediate acceptances for their clients who apply for Income Protection online.

“We have more exciting plans for 2017 which we believe will help to grow the appeal of Income Protection in the intermediary market and help advisers to retain customers. We are extremely proud to be a friendly society and, ultimately, everything we do is for the benefit of our members.”

Tom Conner, Director at Drewberry, said: “British Friendly is making a habit of becoming the first UK insurer every year to publish their annual paid claims data. Claims statistics are important because they help advisers to demonstrate to customers that the policies they buy pay out when needed. Sometimes, those inside the ‘Protection Bubble’ forget just how distrustful the public can be about insurance. So insurers and friendly societies who publish decent, prompt claims data help advisers to highlight the true value of Income Protection.”

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Notes to editors

About British Friendly

Founded in 1902 to provide sickness benefits for Commercial Travellers, British Friendly has over a century of experience of “being there when our members need us most.” Based in Bedford, British Friendly is one of the larger UK Friendly Societies with £90m in assets. As a mutual we exist solely for the benefit of more than 19,000 members and have no shareholders to whom we need to pay dividends.
www.britishfriendly.com