

Expert Views

Terminal Illness Explored

A global exploration of insurance products and how this valuable benefit can best work for consumers in the future

SCOR
The Art & Science of Risk

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Introduction

Terminal Illness (TI) benefit, also called accelerated death benefit or living benefit in some countries, gives people early access to benefits/money that help them put their financial affairs in order, perhaps to use the funds to make their last days more comfortable or even to plan a family holiday. However, TI providers are sometimes criticized for failing to help those most in need. What can be done to solve these issues? This publication summarizes TI insurance coverage worldwide and seeks to apply fresh thinking to address some of the problems.

TI benefit appears simple and easy to understand at first, but when introduced to consumers or advisors, this may not always be true. Often consumers ask these types of questions:

- What exactly is terminal illness coverage?
- What is the benefit, and how does it work?
- What is the difference between terminal illness benefit and critical illness insurance?

- Does the benefit offer the same coverage in every country?
- Is it always an accelerated payment for life cover?
- Is it easy to make a claim, and are there any problems with TI?

Confusion and misinformation around TI are prevalent in today's market, causing consumers to misunderstand, which may lead to disputes and sometimes even legal challenges that could create financial losses and reputational damage to insurers. This analysis takes a deep dive into the world of TI benefits and explores key topics, including its background, regional practices, and industry issues. We will also discuss the challenges faced by consumers and suggest ways to address the issues.

The article concludes by proposing some practical steps insurers can take to overcome challenges and bring greater certainty and benefits to consumers.



The burden of life-threatening illness on society and health systems

When someone is diagnosed with a terminal illness, the impact on them and their family is immense and it's a really important time for the industry to be there to support our customers. Serious life-threatening and life-limiting illnesses also place a huge burden on society and health systems. Understanding how this burden will evolve in the future is essential to develop policies that alleviate suffering and prevent the weakening of health systems, according to a recent report in *The Lancet*.¹

According to the report, an estimated 48 million people (47% of all deaths globally) will lose their life as a result of serious health-related suffering, which is defined as health conditions that most often generate a need for palliative care (Figure 1). This represents an 87% increase from 26 million people who lost their lives in 2016. 83% of these deaths will occur in low-income and middle-income countries.

Serious health-related suffering will increase in all markets, with the largest proportional rise in low-income countries (155% increase between 2016 and 2060), as shown in Figure 1. Globally, serious health-related suffering will rise most rapidly among people aged 70 years or older (183% increase between 2016 and 2060). In absolute terms, mortality increases will be driven by rises in cancer deaths (16 million people, 109% increase between 2016 and 2060).

The condition with the highest proportional increase in serious health-related suffering (i.e., illness or injury of any kind) will be dementia (six million people, 264% estimated increase between 2016 and 2060), as shown in Figure 2). Health-related suffering becomes serious when it cannot be relieved without medical intervention and when it compromises physical, social, spiritual and/or emotional functioning.

Given the prediction in the report, immediate global action to integrate palliative care into health systems is an ethical and economic imperative.

Figure 1: Projected evolution of burden of serious health-related suffering in World Bank income markets until 2060 (Source: The Lancet report)

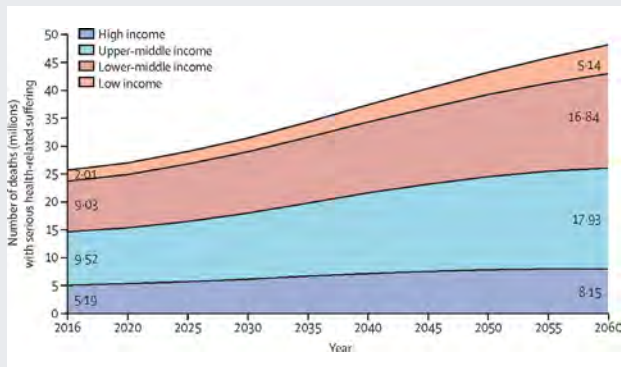
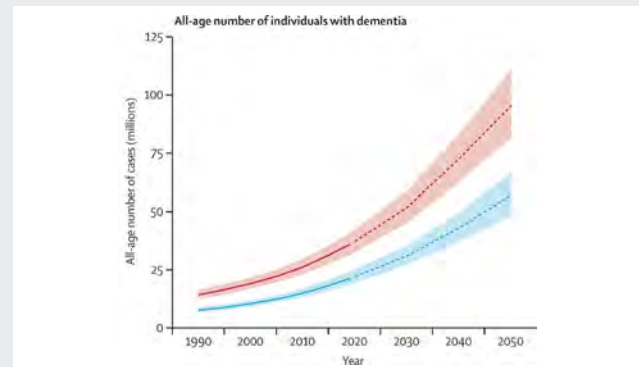


Figure 2: Estimated trends in the global age-standardised dementia prevalence with 95% uncertainty intervals²





Easing the burden on society – the role of the life insurance industry

While many of the problems highlighted by The Lancet report cannot be solved by one single approach, the insurance industry can help alleviate serious health-related suffering by providing insurance products that meet the financial needs of individuals diagnosed with a life-threatening illness.

For example, proceeds of an insurance policy can go a long way to helping individuals put their financial affairs in order prior to death, reducing anxiety and stress at a time when they have received a devastating diagnosis. Proceeds from insurance products may also help pay for access to vital treatments and improve the quality of life during this difficult time, such as paying for travel costs to obtain medical treatments.

At SCOR, we believe the insurance industry has a vital role to play in helping alleviate the burden of serious illness. More specifically, we recognise the importance of TI for our customers, as we feel it addresses a need at a very difficult time by providing a lump sum payment to allow policyholders to put their financial affairs in order when they have received a terminal diagnosis (usually, the expectation of death within 12 months with regional variations). With TI benefit, insurers can make a positive impact on an individual's life, helping them to live their final months of life to the fullest. In so doing, we can help alleviate the societal burden and we firmly believe we must commit ourselves to expand the TI frontier to provide coverage to more people.

Exploration of the market for TI insurance

This sense of purpose and mission is the critical driver for SCOR's initiative to explore the current market for TI provision. Our exploration was originally driven by challenges we are facing in the UK, one of the most mature markets for the product, but our interest soon spread to other markets in the world. Despite a high acceptance rate for claims in advanced markets like the UK, there has been criticism based on some cases where policyholders with life-limiting or serious illnesses do not receive the expected payments from their TI policies. We therefore began to consider - how can insurers do better to avoid such unfortunate cases?

For this article, we have predominantly used the findings of the following two surveys conducted at SCOR during the past two years:

Survey 1: In 2021, we asked our UK clients for their views on the problems with the current TI benefit and how best to address them. This survey was conducted primarily to consider the size of

the market for TI policies, acceptance and decline rates, views of what TI problems exist and potential solutions to address some of these issues.

Survey 2: In 2022, we conducted a short internal survey at SCOR to consider the provision of TI benefits in different locations around the world. This survey was conducted to look at the differences and similarities in TI products/cover, allowing us to compare the scope of cover and understand any gaps in approach.

The UK market survey (Survey 1) makes up a significant proportion of our exploration, but we also found that wider consideration of international provision across SCOR's markets (Survey 2) uncovered that many markets share the same or similar challenges with TI.



Characteristics of TI benefit – comparison with Critical Illness insurance

TI or accelerated death benefit provision in some markets was developed in the 1980s as a product to meet the needs of policyholders who had a life-threatening illness. TI is commonly included as a rider benefit on a life insurance policy and can pay up to 100% of the life cover benefit.

It is important to recognise that other similar but distinctively different products such as critical illness (CI) are available in many markets to mitigate the effects of life-limiting or serious

illness. CI insurance, which first emerged in South Africa in the mid-1980s, provides cover for many different serious illnesses, including cancer, heart attack, stroke, and multiple sclerosis. CI provides important financial protection for consumers who might not fulfil the policy definition under a TI policy. CI is a product which has seen many enhancements in recent years to cover many more conditions and to include additional payments for less advanced disease and cover for children's critical illness.

The market for TI benefit products around the world

While TI benefit is provided across the world, some features and conditions can vary by country. The table below outlines differences in policy definitions, scope, and policy wordings for TI in different countries.

Our comparison of TI cover in different markets shown in Figure 3 illustrates similarities as well as differences. They are similar in the extent of cover provided as well as the definition of TI. But there are also large differences in some areas, including the expectation of death period, the number of policies sold, and the acceptance rate per market as explained in the next section.








It is typical for a TI policy to require confirmation of an expectation of death within 12 months when

filing a claim, but there are some exceptions. In Australia and New Zealand, for example, regulatory requirements have extended the expectation of death on some policies to less than 24 months, while China and Japan typically have a life expectancy requirement of fewer than six months.

It is fairly common across the world to see a requirement for expectation of death to be confirmed by a qualified medical specialist, but the scope of cover can differ by region. For example, some benefits are capped at a certain percentage of the life cover amount (Canada and the US) or at a certain monetary level (Hong Kong and the US). In the next section, we will discuss another major difference – claims.









Figure 3 – TI definition and scope of cover*




Country/Region	Typical life expectancy covered	Typical definition, or policy wording of terminal illness	Scope of cover
 UK	12 months	<ul style="list-style-type: none"> A definite diagnosis by your hospital consultant of an illness that satisfies both of the following: <ul style="list-style-type: none"> The illness either has no known cure or has progressed to the point where it cannot be cured; and In the opinion of your hospital consultant and our Medical Officer, the illness is expected to lead to death within 12 months. 	<ul style="list-style-type: none"> An acceleration of the death benefit with the same sum assured. A model definition was included in the Association of British Insurers' model wordings up to 2018 but was removed as the majority of claims were for cancer (already covered under CI products).
 Ireland			
 Australia	24 months	<ul style="list-style-type: none"> A terminal medical condition exists at a particular time if two medical practitioners certify that the member is suffering from a sickness or has incurred an injury that is likely to result in death no more than 24 months from the date of the certification (the certification period). 	<ul style="list-style-type: none"> The TI definition has been extended by the regulator from 12 to 24 months for superannuation schemes, which effectively accelerates access to those benefits on diagnosis of a terminal illness. Protection policies have largely followed so that customers have consistency across their financial products.
 New Zealand		<ul style="list-style-type: none"> At least one of the medical practitioners must be a specialist in the area of the sickness or injury. 	
 Canada	12 to 24 months	<ul style="list-style-type: none"> The Canadian market does not offer TI as a standalone product but it is offered as an accelerated benefit of life cover (similar to the UK definition). 	<ul style="list-style-type: none"> Benefits where offered are usually capped 50% to 75% of the sum insured up to a maximum of \$50,000 to \$100,000 with a life expectancy of 12 or in some contracts 24 months.
 USA	12 to 24 months	<ul style="list-style-type: none"> Called accelerated death benefit or sometimes living benefit. 	<ul style="list-style-type: none"> Maximum amounts vary, up to 95% of the death benefit
 China	6 months	<ul style="list-style-type: none"> The insured is medically diagnosed with a serious illness and is expected to die within 6 months. 	<ul style="list-style-type: none"> TI is sold as rider to the main death benefit that accelerates the pay-out as full benefit or certain percentage of basic death benefit.

*Features presented here were reported after our internal market survey and represent some of the most commonly found features in the relevant market.



Country/Region	Typical life expectancy covered	Typical definition, or policy wording of terminal illness	Scope of cover
 Hong Kong	12 months	<ul style="list-style-type: none"> The insured must be suffering from a disease, which in the opinion of our appointed medical consultant is likely to lead to death within 12 months from the date we receive notification of claim. 	<ul style="list-style-type: none"> TI normally is one of the major CI covers and is typically capped at US\$1.5million. TI is not a standalone product. It is imbedded in critical illness products and accelerates the SA of death cover.
 Japan	6 months	<ul style="list-style-type: none"> The insured is medically diagnosed with a serious illness and is expected to die within 6 months. 	<ul style="list-style-type: none"> Capped as per CI benefits. TI not sold separately but only as part of CI product. TI benefit, called Living Needs rider, has been in the market for more than 30 years and the definition is industrial standardised.
 India	6 to 12 months	<ul style="list-style-type: none"> The conclusive diagnosis of an illness, which in the opinion of a registered doctor who is an attending consultant and agreed by the insurers' appointed registered doctor. 	<ul style="list-style-type: none"> If TI is sold as a part of CI, maximum limit will be equivalent to the maximum CI sum insured limit.
 Singapore  Malaysia	12 months	<ul style="list-style-type: none"> The Person Covered must no longer be receiving active treatment other than that for pain relief. The diagnosis must be supported by written confirmation from an appropriate specialist and confirmed by the appointed doctor. 	<ul style="list-style-type: none"> Varies by different insurers. Income eligibility rules are applied.
 Germany	12 to 24 months	<ul style="list-style-type: none"> Serious illness within the meaning of these conditions is any progressive, incurable illness which, in the opinion of the attending specialist and our company doctor, will lead to death within 12 months. In cases of doubt, the insurer is entitled to obtain the opinion of an independent medical specialist. 	<ul style="list-style-type: none"> TI is mainly an add-on to term life insurance, either as part of the basic cover or as an option to be chosen by the applicant. The common life expectancy period is death within 12 months but sometimes 24 months. In accordance with the general insurance conditions, the duration of the TI benefit is usually one year shorter than the duration of the main insurance.



Country/Region	Typical life expectancy covered	Typical definition, or policy wording of terminal illness	Scope of cover
Iberia:  Spain  Portugal  Andorra	6 to 12 months	<ul style="list-style-type: none"> • Serious terminal illness shall be understood to be serious illness diagnosed during the validity of the policy which reduces the life expectancy of the Insured to a period not exceeding 12 months. 	<ul style="list-style-type: none"> • TI cover is not common in the Iberian market, but it can be offered as an acceleration of the death benefit, as a rider to the CI cover or as a stand-alone product. The life expectancy is 6 to 12 months. It is offered at a 50% maximum of the sum assured as a rider. • The illnesses included are cancer, myocardial infarction, cerebrovascular accident, and renal failure. • The declaration of terminal illness must be diagnosed by a doctor appointed by the cedant company.

Current practice in TI benefit claims – volume and acceptance rates

The volume of claims and acceptance rates for TI vary greatly by market. In most markets, other than the UK and Australia/New Zealand (ANZ), the number of claims submitted is very low, as they do not have significant TI benefit offerings.

SCOR's 2021 UK market client survey found that there was significant variation in the volume of TI claims by insurer which reflects different business mixes. On average 8% of Term Assurance claims in the UK are for TI with 87% of TI claims being paid and 12% being declined. 1% of claims are postponed so that a decision can be made when new and supportive evidence becomes known.

In other markets, detailed records on acceptance rates were not available because of the very low volume of claims. However, in Hong Kong and Japan, where the criteria require a very advanced or late cancer diagnosis to qualify for a benefit, TI claims acceptance tends to be high.

At SCOR, we understand very well how important it is to make the right decision on a TI claim and to make it quickly to provide support for consumers and their families at their time of greatest need. Although the acceptance rates are high in markets where policyholders meet the policy definition, TI could be perceived negatively when decisions to decline claims are made.

This has highlighted the current problems with customer understanding of TI, leading to some insurers' decision to make changes. For example, many insurers in the UK are now taking a more pragmatic approach to claims assessment, i.e., admitting claims where the median survival is 12 months, where the maximum life expectancy is less than 18 months, or there has been severe progression and/or a very poor quality of life where the life expectancy is likely to be well beyond 12 months.



What are the main problems with TI benefit?

Our exploration of TI worldwide found that while regional differences in practice exist, they were remarkably similar in terms of the main problems with TI.

Below are the main causes of individual TI claims based on our survey:

- Cancer including advanced stage and haematological malignancy
- Motor neurone disease
- Other severe neurological conditions including Parkinson's plus syndromes such as multiple system atrophy (MSA) and progressive supranuclear palsy (PSP)
- Cardiovascular causes including heart failure
- Respiratory failure

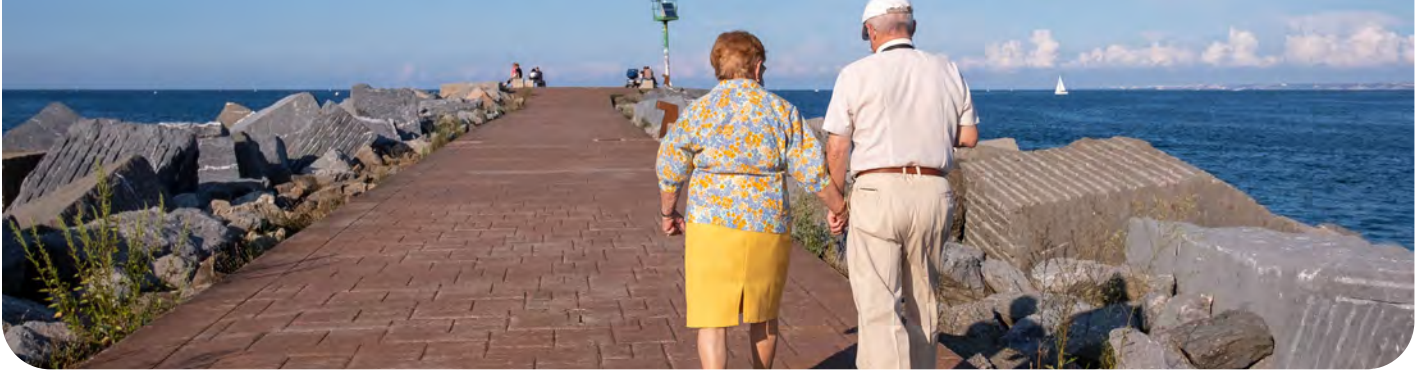
In major markets by volume such as Canada, Germany, Hong Kong, Japan, and the UK, respondents to our surveys felt that the following were the main issues with TI benefits:

- **Some severe and incurable illnesses have a life expectancy of greater than 12 months, exceeding the covered life expectancy period:** We see this frequently in claim presentations for illnesses including but not limited to Motor Neurone Disease, Parkinson's Plus Syndromes, and Creutzfeldt-Jakob Disease (CJD).
- **Many claims are due to cancer where life expectancy is improving for advanced disease due to improvements in treatment:** Targeted therapies are leading to a longer life expectancy for cancer patients (e.g., non-small cell lung cancer and skin cancer are now approved as part of the initial package of treatment given).
- **Negative publicity and reputational risk for insurers caused by their decisions to decline or postpone claims due mainly to the definition of TI not being met:** This is by

far the most common criticism of the industry where TI claims are concerned, with many consumers and their families feeling they have been let down by the industry.

What is causing these issues? Our market survey in the UK further identified the following three key reasons:

- **Medical consultants have difficulty in accurately determining life expectancy within the typical periods insurers set in their definitions:** There are various pain points for consultants, such as the unpredictable timing of transitions from stable to unstable due to the oscillating nature of illnesses, acute events including sepsis during periods of stability, and treatment failure or resistance making it difficult for consultants to be definitive.
- **The product literature does not provide enough clarity on how the TI benefit works:** This relates to the customer's lack of accurate understanding of the word 'terminal'. Many consumers will naturally feel that they should qualify for their claim payment once the medical consultant has explained they have a terminal illness. But there is a disconnect between what the consultant may tell the patient and what is covered by the insurance policy. Cancer, for instance, is an invariably serious illness that could lead to a terminal condition. Still, many people are living much longer than 12 months due to positive advances in treatment. While these advances are obviously hugely positive for all of us, in the case of TI claims it leads to greater complexity in assessing claims.
- **Telephone TI claims triage can be absent or ineffective at determining when a claim is likely to be paid:** Although the industry has established good telephone-based claims triage in recent years to deal sensitively with consumers who want to submit a claim, we found that in some instances insurers had a tendency to allow claims to proceed to formal assessment through the collection of



medical evidence even if the claim would be eventually denied, because the life expectancy was greater than 12 months. This kind of situation leads to consumer dissatisfaction and confusion.

Do we make the right decisions on TI claims?
Is it time for us to apply fresh thinking to solve these issues?

In 2015, the UK market highlighted how life expectancy was changing due to advances in treatment such as immunotherapy. As a next step, we asked for an insurer's permission to conduct a tracing exercise from their paid TI claims data to determine how long claimants survived after a TI claim payment. Because of the low volume of claims in other markets and countries, no similar tracing exercise results are available.

The results looked reasonable with respect to paid claims i.e., 70% had a life expectancy of less than 12 months, with many still being alive up to 24 and 36 months and one or two claimants still alive for more than 5 years. The results also showed that **80%** of accepted lung cancer claimants die within 18 months and **63%** of pancreatic cancer claimants die within 6 months.

The statistics regarding survival for the various cancers are likely to be quite different now because life expectancy is much better for melanoma and lung cancer for example, but things are unlikely to have changed for more aggressive cancers such as pancreatic cancer.

Although this study is now a few years old, we would expect if repeated today, there would be a similar pattern given the advances in medical treatment, particularly for cancer.

The results appeared reasonable with respect to paid claims, i.e., 70% had a life expectancy of less than 12 months, with many still being alive up to 24 and even 36 months, and one or two claimants still alive for more than five years. The results also showed that 80% of accepted lung cancer claimants died within 18 months, and 63% of pancreatic cancer claimants die within six months. The statistics regarding survival for various cancers, such as melanoma and lung cancer, are likely to be quite different now because life expectancy of patients with those diseases has improved. Meanwhile, things are unlikely to have changed for more aggressive cancers such as pancreatic cancer.

Overall we felt that this demonstrated that in the majority of cases, we pay the right claims against the prevailing definition but the problems of assessing TI claims are compounded by a number of unknown factors such as:

1. The unpredictable timing of the severe illness transitions
2. Notably, acute events such as sepsis during periods of stability
3. Acute events during periods of stability, e.g., sepsis, falling, resistance to, or failure of treatment leading to an often-oscillating pattern of highs and lows throughout the course of the illness



Applying fresh thinking to TI benefit – new trends, positive signals, and suggestions for change

TI has re-emerged as an issue for insurers around 2020 when changes proposed by the Department of Work & Pensions (DWP) in the UK sought to align disability benefits to medically defined terminal illness.

This is why TI is now attracting new attention and focus from insurers as they attempt to resolve some of the issues by changing and improving their claims philosophy to pay more claims more quickly while considering if policy definitions and terminology might be changed to benefit consumers in the future.

Respondents in our UK market survey overwhelmingly supported a desire for change based on the same or very similar issues and problems across the industry. So, is it time to apply fresh thinking and start bringing changes to the market? We already see early signs of new approaches. More than half of our survey respondents said they have altered or are considering altering their claims philosophy to deal with issues around TI.

Many claims departments take a pragmatic approach to assessment, admitting claims where the median survival is 12 months or where the absolute maximum life expectancy is no greater than 18 months, provided that this timeframe does not exceed the policy expiry.

In some claims for severe neurological conditions, insurers have decided to admit the claim where the evidence shows severe progression and/or very poor quality of life where the life expectancy is likely to be well beyond 12 months. Others have made an advanced payment of a certain percentage (e.g., 20%) of the sum assured on diagnosis, with the balance following at the stage where life expectancy is less than 12 months.

Overall, there seems to be a clear appetite for change in TI claims assessment, evidenced by

strong support from more than 90% of our UK survey respondents. Below is the list of notable suggestions:

- Change the name of the benefit from terminal illness to something that more accurately reflects intention and purpose
- Change the definition wording to make it clearer for consumers
- Reduce the life expectancy criteria from 12 months to provide more certainty for medical consultants
- Pay an appropriate benefit cover amount to reflect the seriousness of the illness

These are all excellent ideas, addressing the core of the current issues surrounding the TI market. Below are our observations and insights to the proposed changes:

1. Change the name of the terminal illness benefit

SCOR has long-term experience in the markets with a significant TI product offering. Our experience has shown us that the TI benefit works for many consumers but not for all. Currently, this type of product is commonly marketed as a “terminal illness benefit” in many markets. Many TI market experts, however, share the sentiment that the word ‘terminal’ appears to be causing major problems because it is ambiguous and could be misleading. This is because there is no universally accepted definition of ‘terminal illness’ and the term means different things across the medical community, when assessing government benefits and the insurance industry.

Claimants who are told they have a “terminal illness” by their medical doctors and consultants who follow the common medical definition of terminal illness (it cannot be cured and likely to



lead to death) expect to be able to claim, despite the life expectancy in some cases expected to be in excess of the eligible period, such as 12 months.

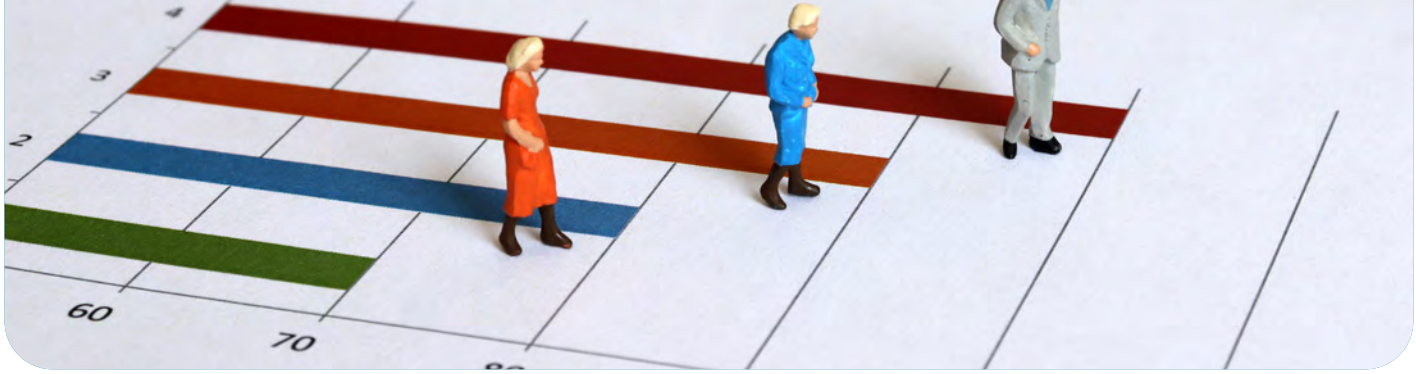
This name issue leads to the next problem – the discrepancy in the definition of TI between and even within medical societies and the insurance industry.

2. Change the definition wording and the life expectancy criteria

There are initiatives attempting to solve this commonly observed definition wording problem. For example, the Australian insurance regulator extended the TI definition from 12 months to 24 months for superannuation schemes, which effectively accelerates access to those benefits on the diagnosis of a terminal illness. There was no obligation for insurers to amend the life expectancy period, but one insurer did adopt the 24 months definition which led others to follow. The cost of this change was relatively small as the wording changed at the same time so that 'will die within 12 months' moved to 'likely to die within 24 months.'

However, the general feeling from a claims point of view was that this new time frame has made it more difficult for doctors – extending the time frame potentially allows more conditions to fall into scope which would not ordinarily have been expected to be covered, e.g., neurodegenerative conditions where patients may be alive for well beyond 24 months.

One provider still has a TI definition of 'likely to die in 12 months and a benefit called Extended Medical Condition, which is 'likely to die in 24 months'. The reason that the policy has both TI at 12 months and 24 months is that the original policy terms required one appropriate medical specialist to verify the insured was likely to die in 12 months. When the market moved to 24 months of life expectancy, it also changed the certification process. Due to superannuation regulations, two medical specialists were required to certify that the insured was likely to die within 24 months. This was perceived that insurers were reducing the coverage or tightening the policy terms, contrary to what insurers meant to do.



Suggested potential solutions

Results of our market survey with client results clearly suggest that there is a need for change, and time is now. But what kind of changes are the best? Below are some practical alternatives that would help address some of the issues:

- 1. Renaming the benefit** – Giving TI benefit an entirely different name such as ‘benefit advance for estate planning’ or as in Japan ‘living needs benefit’ would remove the subjectivity of the word ‘terminal’, hence reducing the need to define all medical conditions. The new and better name would provide a clear message to consumers regarding the intention of the benefit, allowing them to make financial plans.
- 2. Changing the required life expectancy criteria from 12 months to 6 months** – Consultants would find it easier to make a judgment using a shorter life expectancy period when no further treatment is possible and/or there has been a relapse of the disease providing greater certainty for consumers.

One way of readjusting the life expectancy criteria might be to use the clinical criteria for assisted dying. In various countries, assisted dying legislation is currently being proposed or is already in force. In the UK, for example, a Bill is currently making its way through the parliamentary process in and may help to focus minds on the six-month expected survival.

In this Bill, a person is defined as terminally ill if that person:

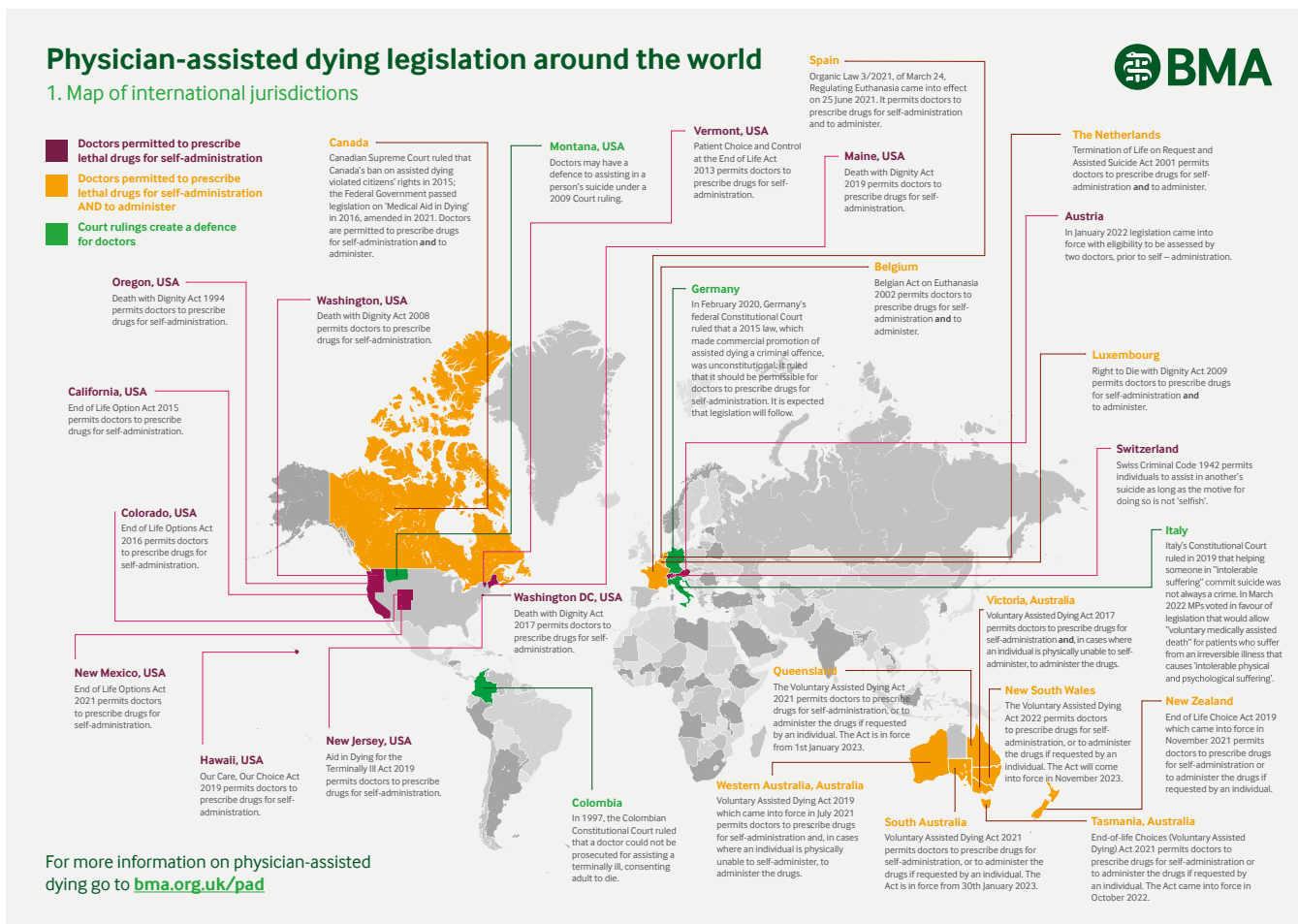
- Has been diagnosed by a registered medical practitioner as having an inevitably progressive condition which cannot be reversed by treatment (a terminal illness) and;
- As a consequence of that terminal illness, is reasonably expected to die within six months
- Treatment which only relieves the symptoms of an inevitably progressive condition temporarily is not to be regarded as treatment which can reverse that condition

This is an example from the UK, but similar legislation is being proposed or is already in force in other countries where physician-assisted dying is permitted. This may drive changes in product offerings in those countries and markets to align with legislation and/or other agencies offering disability benefits for those who satisfy the accepted definition of terminal illness. Figure 5 shows the countries and states offering assisted dying and the extent of the related legislation around the world.

- 3. Retaining some medical conditions in the definition wording** – While moving away from defining a long list of medical conditions seems a sensible step, it may be pragmatic to include some of the severe neurological conditions providing more certainty to consumers with those conditions.



Figure 5 - Physician assisted dying (source: bma.org.uk)



For more information on physician-assisted dying go to bma.org.uk/pad



What does the future of TI benefit look like?

The insurance industry supports the vast majority of those who make a claim for TI. But there is clearly a desire through product innovation to do more to remove the uncertainty for consumers and medical consultants and to make the job of claims assessors easier when dealing with these invariably difficult and emotive claims.

Against all of these factors, the industry's priority should be to have an objective measurement of payment that doesn't add to the psychological burden of the disease. Insurers in the UK market, where TI forms a significant proportion of Term Assurance claims for some, are already beginning to consider opportunities for TI as they aim for greater customer clarity and certainty.

There appear to be a number of opportunities for insurers in all markets to enhance products that include TI benefits, which focus on additional ideas beyond those outlined previously in this paper. There are also opportunities to enhance and develop claims philosophies that deal with claimants empathetically. These opportunities include, but aren't limited to:

- Creating customer sales aids to support advisors and sales agents in their conversations with consumers looking for a TI policy and to explain the benefit and purpose of TI
- Developing products to offer different types of TI, e.g., a 'core' benefit with six months' life expectancy for severe neurological illnesses and an 'enhanced' benefit covering these neurological conditions and a range of other pre-defined conditions

These are just some of the ideas starting to get attention from insurers. Still, they are a good starting point as they begin to look for ways to make this valuable benefit better for advisors, consumers, and insurers, ensuring fairer outcomes for all.

But what can we do with our existing customers to improve their claims experience?

With positive advances in treatment for cancer and longer life expectancy in general, there is a need to be even more precise when making decisions about whether to pay or decline claims. Insurers need to show empathy to consumers who may be experiencing emotional highs and lows in the course of their illness where the quality of the individual's life is severely compromised and limited due to their illness. Ensuring claims assessors and those dealing with consumers on the phone are given full support and training to understand the impact of a terminal diagnosis and to help them decide which claims are likely to be valid, is absolutely key.

When dealing with claims, insurers should consider all the influencing factors such as:

- **The severity of the diagnosis and its emotional impact** – A policyholder could still be in shock after hearing the diagnosis from their doctor or physician. It is an emotional time, and responses to our consumers should always be empathetic to their individual needs
- **The customer's expectations** – A policyholder is facing death much earlier than expected and is uncertain how to plan for it. Therefore, policyholders may need guidance on how to claim and who else to speak to (e.g., a financial advisor to help them plan for their family's or loved one's future)
- **The customer's emotions** – As they have just received a terminal diagnosis, a policyholder is very likely to be anxious, stressed and uncertain and may need additional support from or direction to other health service professionals
- Reviewing internal claims philosophy to see if there are ways to pay certain claims more quickly is another area worthy of focus



With huge advances in recent years in treatment for cancer which makes up the majority of claims for TI, claims assessors will need to handle claims sensitively if claimants' life expectancy has improved as the result of treatment. In November 2022, The Institute of Cancer Research and The Royal Marsden NHS Foundation Trust announced plans to unravel and disrupt cancer ecosystems by directing research against cancer cells, signals, and immune response in the tissue environment that nurtures tumours³. The National Health Service has said that it wants to diagnose 75% of cancers at an early stage so that by 2028, an extra 55,000 people per year will survive for at least five years after diagnosis⁴.

Similarly, in the U.S., the National Cancer Institute's Cancer Moonshot initiative aims to accelerate scientific discovery in cancer to improve patient outcomes and survival prospects⁵.

All of these initiatives must be considered alongside the difficulties some patients have had in accessing appointments and follow-up for the early signs of cancer due to the COVID-19 pandemic, making the job of the claims assessor even more important in dealing sensitively with claimants.

Conclusion

There is little doubt that TI has served consumers well in its current form, but the industry recognises the need to ensure that it remains a valuable benefit for consumers and their families at the most difficult times of their lives.

TI is one of the most valuable and meaningful benefits insurers can offer to protect peoples' lives and enable them to use their life Insurance proceeds before end of life. Collaborative efforts with our clients and committed industry experts will enable SCOR to overcome and influence the current issues and advance the frontier of the TI market, bringing greater peace of mind and financial security to people and societies.

Endnotes

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For more information, contact the authors:



David Ferguson
Underwriting and Claims
Development Manager
DFERGUSON@scor.com

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