



Retirement
Investments
Insurance
Health

Aviva UK claims report

July 2018



In our UK claims report

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Key claims figures



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Look out for our top tips
throughout the report



Our approach to claims

Andy Briggs, Chief Executive Officer, Aviva UK Insurance



Our approach is so much more than just providing financial support

For more than 320 years Aviva has been there for its customers when the unexpected happens, helping them to protect their lives, health and loved ones, as well as their homes, businesses and possessions. Whether it is a winter storm creating devastation in a community or a personal crisis, we want to help our customers facing difficult circumstances when they need to make a claim.

Many people believe that insurance does not pay out when it is needed or that it is unaffordable or even unnecessary. These misconceptions have created an atmosphere of distrust between insurer and customer, which means that in some cases UK families are leaving themselves financially vulnerable through a lack of suitable insurance.

As one of the UK's leading insurers, our priority is to be there for our customers when they most need us. We do this every day by speaking to our customers about their circumstances, supporting them through challenging situations and providing the financial support they need. Our claims teams do more than just make a payment, they build relationships with customers, care about how they recover and help them rebuild their lives after periods of uncertainty.

Aviva's first UK claims report sets out the reality of just how many claims we paid out last year, across motor, home, travel, protection, health and commercial business insurance. With transparency at its core, it explains the common reasons behind the small proportion of claims we have not been able to pay, to help customers understand how they can ensure they have the cover they need.

Our claims data speaks for itself, but the numbers are just part of the story.

Behind every claim we receive there is a personal story of a customer going through an unfortunate time; be it a minor incident such as a ruined carpet following a burst pipe, or a more significant life event such as a cancer diagnosis or bereavement.

Our claims teams recognise what customers go through at these times and are passionate about doing everything they can to help when needed. Some of our colleagues share their experiences over the coming pages.

These stories demonstrate how our approach is so much more than just providing financial support. For customers who experience a devastating flood or fire in their homes, our teams are on the ground helping them stay safe and arranging somewhere to stay. For our income protection customers who are unable to work due to illness or injury, our in-house rehabilitation team offer much-needed support so people can recover and get back into work.

This report also highlights the progress we are making on harnessing digital innovation at the point of claim. We know customers want quick, simple settlements and the development of our MyAviva App is making a real difference to customers as we settle claims faster.

Finally, some of our customers share their own experiences of making a claim in their time of need. These individuals are just a snapshot of the 960,000 customers whose claims we settled last year, each of whom will have their own unique and personal story. I'm proud that we were able to help so many people in their time of need.

Andy Briggs
Chief Executive Officer, Aviva UK Insurance

Key claims figures

Claims paid in 2017

+£3.6 bn

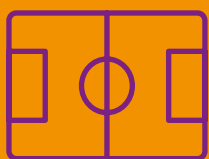
paid in cash settlements and services to UK customers

- Equivalent to more than **£10 million paid every day** – or **£6,984 every minute**
- More than **960,000 claims settled**, benefiting customers and commercial businesses when it mattered most
- **96%** of claims made were accepted across our motor, home, travel, protection, health and commercial policies

Aviva claims paid in 2017	Number of claims settled	Claims settled (%)	Claims value
Motor insurance (not inc third party)	347,035	99.3%	£1,226,450,979
Home insurance	87,609	95.2%	
Travel insurance	99,532	89.3%	
Commercial motor	152,734	98.0%	£811,047,107
Commercial property	38,058	93.6%	
Life insurance	16,314	98.9%	£525,513,560
Critical illness	4,413	93.2%	£337,002,576
Income protection	3,918	88.8%	£36,393,609
Fracture cover	789	94.7%	£1,686,778
Private medical insurance	206,037	94.1%	£404,838,491
Group protection	5,534	92.5%	£327,748,642
TOTAL	961,973	96.1%	£3,670,681,742

Did you know?

Every year we replace enough carpet to cover **11 football pitches**



We also replace enough garage doors to cover **4 Olympic size swimming pools**



We repair nearly 120,000 vehicles, which if placed bumper to bumper would almost fill every lane of the **M25**



In 2017

We repaired **2.5 million square metres** of cracks in walls and ceilings



We could build a 180m-tall tower of all the washing machines, dryers and dishwashers we replaced – **the height of London's Gherkin**



Our consistent approach to paying claims

	2016 claims settled	2017 claims settled
Motor insurance (not inc third party)	99.8%	99.3%
Life insurance	98.9%	98.9%
Home insurance	93.2%	95.2%
Private medical insurance	94%	94.1%
Critical illness	92.3%	93.2%
Group protection ¹	92.4%	92.5%
Travel insurance	87.8%	89.3%
Income protection ²	83.8%	88.8%

¹ Group protection claims paid rates are stated using the GRiD methodology.

² Our claims paid rates for income protection have been calculated using the new ABI methodology introduced in May 2017 for new claims accepted.

Using digital to deal with claims quickly

- > Customers who buy personal policies directly can make most claims online and we settle simple claims within seconds
- > 60% of total loss motor claims and 22% of all home insurance claims were paid immediately last year
- > We made great progress in enabling claims to be reported online – by the end of 2017 one in four (25%) of all claims were reported this way

- > Around one in six direct home and motor customers track their claim online – and half monitor their home or motor repair online
- > Around 60% of customers with a personal motor claim are choosing to manage and track their repair claim themselves with our new online Your Car Repair facility
- > We have a partnership with Amazon allowing us to settle instantly with a gift voucher to replace lost or damaged goods – customers can spend right away
- > We know through feedback that customers who've used the online claims facility have been surprised and delighted with the convenience
- > We're building on our digital capability to enhance the experience for more and more of our customers

Motor insurance claims

There are more than 30 million cars¹ on the UK's roads today, travelling a mind-boggling 253 billion miles a year². From commuting to the school run, for many people having a car is central to their way of life.

Although the UK is one of the safest countries for driving in Europe³, motor insurance is there to help everyone who suffers an accident or injury when the unexpected happens, regardless of fault. We're proud to have settled 99.3% of the 350,000 motor claims we received last year.

Common reasons for a motor insurance claim

Damage caused by road accidents was the most common reason for customer motor claims in 2017, with vehicle repairs – both our customers' and the other party involved – accounting for nearly half (a combined 49%) of all motor claim costs in 2017.

A significant number of third parties involved in an accident also experienced a personal injury where our customer was at fault. Paying for these personal injury claims accounts for 44% of Aviva's total motor claims bill. Most of these claims are for minor, short-term injuries, such as whiplash.

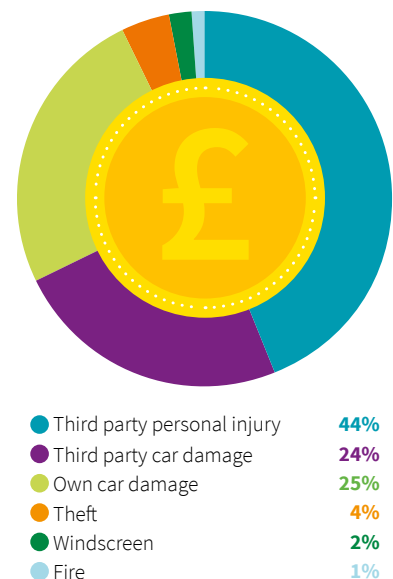
Incidents of theft, windscreen damage and fire damage accounted for the remaining 7% of motor claims costs in 2017.

How we helped in 2017

99.3%
of motor insurance claims settled, equivalent to 347,035 claims

60%
of personal motor customers now book their car in for repairs digitally

Claims costs in 2017: where it all goes



Fraudulent claims against our customers

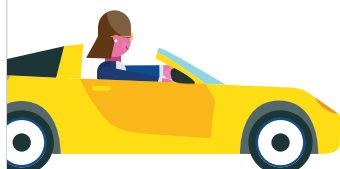
Sadly, not all of the claims made against our customers are completely genuine. Aviva detects fraud on one out of every eight whiplash claims it receives.

We have led the industry in defending our customers who have been wrongly accused of being at fault in an accident. By defending our customers, we are helping to protect their premium and excess from the impact an 'at-fault' claim can have.

1 Department for Transport: Vehicle Licensing Statistics: Annual 2016.

2 Department for Transport: Provisional Road Traffic Estimates Great Britain: October 2016 – September 2017.

3 European Transport Safety Council: Ranking EU Progress on road safety, June 2017.



Campaigning for personal injury reform

Aviva has long campaigned for meaningful personal injury reforms to reduce the cost of motor insurance. For too long, honest motorists have paid for a broken system which rewards fraudsters, claims management companies and injury lawyers. Against a backdrop of record premiums, rising claims and an endless barrage of nuisance calls, our call for a compensation system which worked for motor insurance customers and claimants alike struck a chord.

So we welcomed the Government's announcement of the Civil Liability Bill in March 2018, which is expected to balance care for genuine injuries with reduced claims costs – meaning cheaper premiums for insurance customers.

These measures signal the end of the UK's compensation culture which costs honest motorists £5m a day, and have incentivised crash for cash fraudsters. We will continue to campaign to maximise the savings from these measures.

Aviva has pledged to pass on 100% of the savings from the reforms to our customers.

Case Study: Liverpool Echo Arena car park fire

When the worst happens, we know our customers need a quick resolution so they can be fully mobile again. This was brought into sharp focus on New Year's Eve, 2017, when a raging fire destroyed around 1,400 vehicles in the Liverpool Echo Arena car park. More than 120 Aviva customers lost their cars in the blaze.

Insurance exists for just this sort of event, and Aviva's claims staff worked hard over the New Year's Day bank holiday to settle the claims quickly and fairly. The result was that 90% of claims from the fire were settled within 12 days.

Recognising that customers were the victim of a fire that started outside their car and for which they were not at fault, Aviva waived customers' excesses. Likewise, the fire did not affect customers' no claims discount or their premium at renewal.



In the past two years, Aviva has had more than 250 spurious whiplash claims 'struck out' in court due to findings of fundamental dishonesty, meaning the entire claim can be thrown out, with the claimant facing costs that often exceed £10,000.

Common reasons why a claim may be declined

Just 0.7% of personal motor claims are not settled. One of the main reasons a claim is declined is because the value of the claim is less than the excess. The excess is the portion of the claim the customer pays for. Increasing the excess generally lowers the premium; however, in the event of a claim, if the value of the claim is less than the excess, the claim won't be covered. Customers can choose the value of their excess, which begins from £150.

Making things easier for customers

Your Car Repair

We know our customers are busy and sometimes prefer to manage their car repair claim themselves. As part of our digital approach, we've built an online MyAviva Your Car Repair portal which allows customers to choose an approved repairer in a location that best suits their needs, and on a date that works best for them. This flexibility means customers can track the repair online, making the entire claims process transparent, and enabling the customer to easily stay informed about its progress.

Since we launched this self-service capability, we've seen 60% of customers choose to manage their repair claim themselves. Of those that choose to manage the claim online, more than 40% track the claim from beginning to end.

Top tips

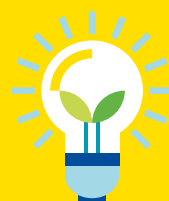
> The limit for 'personal belongings' is often less than the cost of a new smart phone.

Consider 'personal belongings cover' on your home contents policy to cover your possessions in case they are lost, damaged or stolen while in your car

> Driving abroad? Insuring your car for foreign use will bring your cover for driving abroad in line with your UK policy. It's also worth extending any breakdown cover to protect you should your vehicle have problems while abroad

> Install a dashcam – Dashcams can help determine who is at fault in an accident, which if proved will mean you'll be able to protect your no claims discount and excess

> Approaching 70? Remember to renew your driving licence if you want to stay on the road. You'll need to do this every 3 years



Home insurance claims

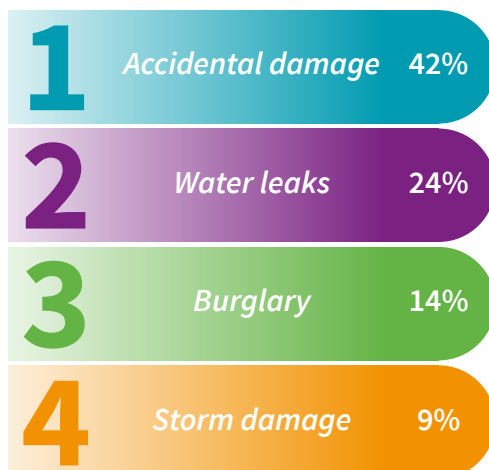
They say our homes are our castles, so ensuring they're properly protected from unforeseen circumstances is paramount to us and to our customers.

Home insurance not only safeguards the bricks and mortar of our homes and our treasured possessions, it protects against third party claims and can provide us with temporary accommodation should our homes become uninhabitable as a result of flood or fire.

Common reasons for a home insurance claim

More than two in five (42%) home insurance claims last year were for accidental damage, caused by common mishaps such as dropped paint tins or broken window panes. Water leaks accounted for nearly a quarter (24%) of claims, followed by burglary (14%) and storm damage (9%).

Top 4 reasons for a home insurance claim



How we helped in 2017

95.2%
of home
insurance claims
settled, equivalent
to 87,609 claims

+£1 million
paid on a house
fire claim

A quarter (24%) of claims made last year were for water leaks, the chances of which increase with the number of bathrooms or toilets. As more homeowners opt for design features such as en-suite bathrooms, underfloor heating and hidden pipework, leaks often become harder to spot, with even the smallest amount of water having the potential to cause damage, especially if left undiscovered for some time.

Fire damage claims are among the least common, but can be extremely costly – with the impact often causing devastating long-term damage. Just 2% of claims last year were due to fire, yet the largest claim we received was for damage valued at over £1m, highlighting just how important insurance can be to protect our homes.

Common reasons why a claim may be declined

In an ideal world, we'd like to cover everything that happens to a home, but the reality is that insurance is there to provide cover for the unexpected, and covering every eventuality would mean premiums would rise, pushing up costs for all our customers.

This means that a small number of claims (4.8%) are declined when customers claim for something that is not included on their policy. The majority of these (3.2% of all claims) are because the customer did not choose additional cover for events such as accidental damage to contents, cover for damage to personal belongings outside the home, or cover for boiler breakdown, and subsequently make a claim with no cover in place.

The remainder (1.6% of all claims) are declined when customers claim for events that are commonly excluded from home insurance policies, such as damage caused to fences, gates and hedges; gradual wear and tear; or damage caused by a pet.



Helping home insurance customers when they need us most

Damian, Property claims lead at Aviva



I've worked in Aviva's property claims team for 11 years and during that time I've attended a range of emergencies that have affected our customers, from fires or floods destroying homes to water leaks and burglaries. No matter how complex the claim, we have an experienced network of our own in-house field surveyors and loss adjusters across the UK, who manage the majority of buildings claims from start to finish.

Field managers are often first on the scene when such disasters strike and I deal with customers who may be anxious, upset or traumatised by what's happened.

My first priority is to make sure the customer is OK before I establish what's happened, what matters to the customer and what needs to happen next. If it's an elderly or vulnerable customer, I'll check whether they have any family or friends who could help them.

My job goes far beyond just fixing the property. I may arrange temporary accommodation if the home is uninhabitable, arrange emergency

cash payments so customers can buy essentials, or make sure Father Christmas visits if families have had to temporarily move home.

I also try to help prevent damage before it's happened. In the event of an expected flood, we often have claims teams on the ground beforehand, knocking on doors to advise customers to move valuables if they have time. This is vital in helping to protect lives and to limit any damage. My job doesn't end there; our in-house surveyors and adjusters can stay with communities for many months after a flood to help customers with claims, oversee repair work and use our contacts to support the wider community.

Recognising the impact on customers is crucial. All our frontline claims teams have been trained by the British Red Cross to help identify the emotional impact of floods or events on customers, as well as on their own mental health. Through this training and from our claims experience, we understand how important it is to help customers move back into their homes as quickly as possible, to reduce stress and allow families to get on with their lives.

Top tips

> **Do you need additional cover?** Accidental damage and cover for personal belongings away from home may not feature on a standard policy

> **What's important to you and does your policy reflect your lifestyle and work?**

If you have children or spend a lot of time at home, you might want to consider accidental damage to protect against mishaps

> **Read your policy** and understand what's covered, as well as policy limits

> **Make sure the information you provide is correct and tell your insurer if you make any changes to your home**, such as a change in occupancy or building works being carried out, as this may impact your policy

Reasons for declined home insurance claims

No cover in place
3.2%
of all claims declined

Within this, no additional cover chosen for:
Personal belongings – **28%**
Accidental damage to contents – **23%**
Buildings cover – **15%**
Accidental damage to building – **13%**
Home emergency/boiler breakdown – **12%**

Within this, no additional cover chosen for:
Gradual wear & tear – **20%**
Fences, gates, hedges – **18%**
Mechanical, electrical breakdown – **15%**
Damp, dry rot, insects, vermin – **11%**
Pet damage – **5%**

Policy exclusion
1.6%
of all claims declined

Making things easier for customers

We recognise that it's not always easy to understand home insurance policies or answer questions when getting a quote, so we're committed to making it simpler and easier for our customers.

- We appoint dedicated claims managers for property claims
- We've removed unnecessary questions from our quote and buy journeys, reducing the time it takes to get a quote
- Nearly a quarter of all home insurance claims (22%) are settled on day one and a third (31%) are settled within five days
- We're helping to prevent repeat claims through a pilot with some customers which provides smart devices, such as Leakbot to help detect water leaks



Travel insurance claims

For those of us unfortunate enough to be taken ill while enjoying a trip abroad, foreign hospital stays or medication can prove extremely expensive.

Without the right travel insurance, medical emergencies can lead to costly bills that need to be met from holidaymakers' own pockets. Furthermore, without expert guidance, difficulties in navigating treatment abroad can often worsen what are already stressful situations.

In many cases, tourists won't have this kind of money to spare, and there have been several instances where worried relatives have set up crowdfunding pages in order to raise the necessary funds. The map on the next page shows the average claim amount in selected countries, and examples of some of the most expensive claims we received last year. One third of all travel claims (33%) are for medical emergencies, with cancellation the second most common reason (28%).

How we helped in 2017

89.3%

of travel insurance
claims settled,
equivalent to
99,532 claims

33%

of all claims were for
medical emergencies

Common reasons for a travel insurance claim

Medical emergency 33%

Cancellation cover for specific circumstances 28%

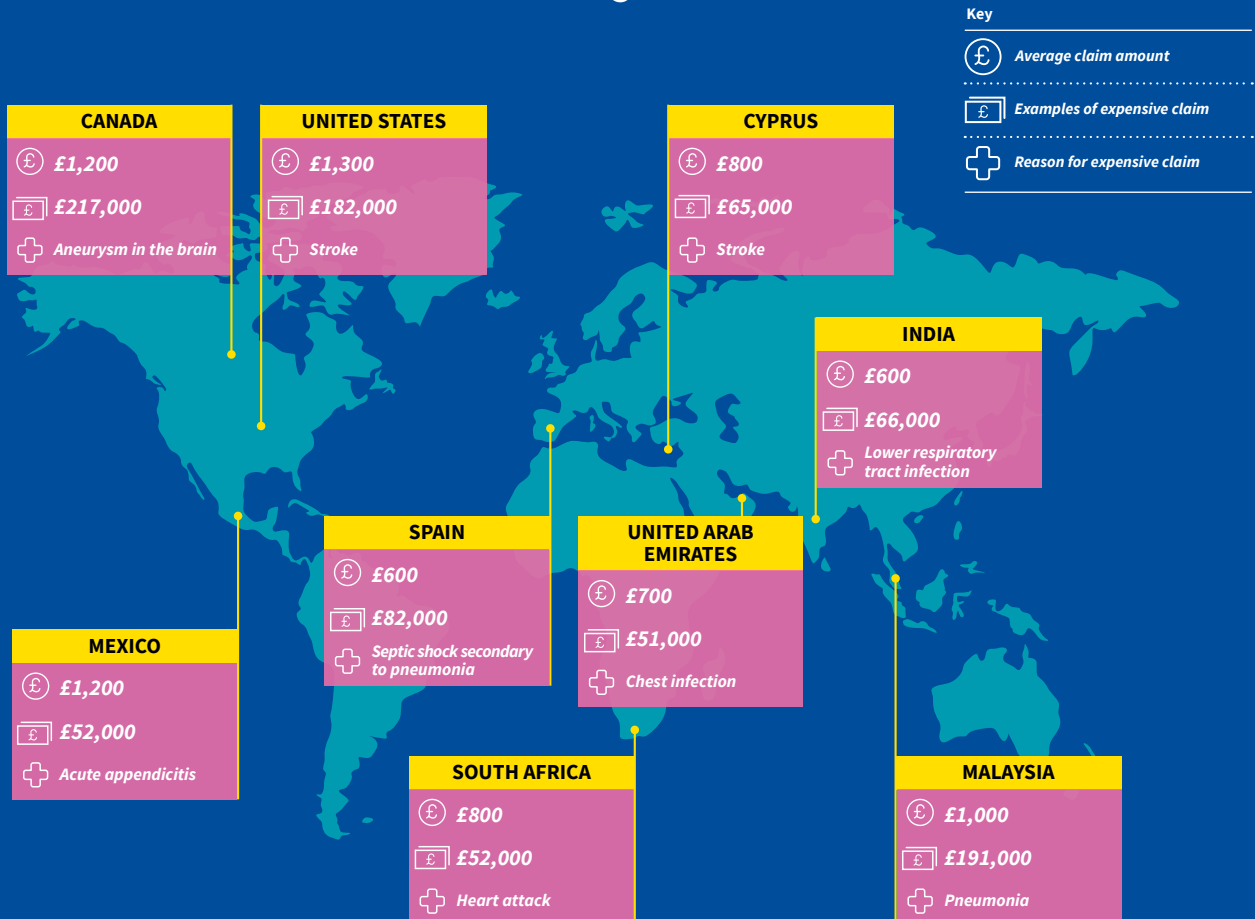
Claims for lost or stolen personal items or baggage 13%

Travel delay 6%

Travel assistance 4%



Typical claims costs for medical emergencies in 2017



Notes on the data

Average claim amount in 2017: The average value for a customer making a claim and travelling to the country, rounded to the nearest £100. The average claim amount does not just include medical expenses, but could also include cancellation, travel delay etc. Examples of expensive claims: Some of the most expensive claims for customers travelling in the country. Rounded to nearest £1000.

Common reasons why a claim may be declined

Travel insurance policies often differ in terms of what is covered as standard and the optional extras that customers can purchase to meet their individual needs, depending on where they're going, who they're going with and what they'll be doing.

Ensuring the right level of cover is in place before leaving home can prevent any nasty surprises down the line and allow customers to enjoy their holiday with peace of mind.

Reason for claims being declined

Percentage of claims in 2017

The reason for cancellation is not covered – **2.0%**

Travel delay is under 12 hours – **1.7%**

Claim not covered – other – **1.6%**

The reason for a missed departure not covered – **1.2%**

No pre-booked UK accommodation for 2 nights or more – **0.9%**



One third of all travel claims (33%) are for medical emergencies, with cancellation the second most common reason (28%)



Behind the scenes at our medical claims centre managed by our partner CEGA

Liz, Customer service case manager, CEGA

CEGA is one of the world's leading providers of emergency medical and security assistance, travel risk and claims management services. They manage all our travel insurance customers' claims.

For customers enjoying a well-deserved holiday abroad, facing an unexpected emergency can be extremely worrying and stressful. Through CEGA, our customers can get rapid advice and assistance, at any time of the day or night. They manage emergency claims on our behalf and offer a wide range of services to make things easier for the customer. Part of their service includes:

- A telephone support line for advice and assistance 24/7, 365 days a year
- In-house multi-lingual operators, with 32 languages spoken
- Access to a global network of preferred hospitals, agents and partner organisations
- Use of their own employed doctors and nurses who can speak to the hospital and patient, to obtain the right medical information and give reassurance regarding the medical treatment
- Organising repatriation via air ambulance or commercial airline using its own bank of experienced flight doctors and nurses where medically necessary

"Every day is different and I never know what types of medical situation I will have to deal with. Yesterday I helped one of our customers after they had a heart attack and needed to be transferred quickly to a different island, as they did not have the medical facilities to treat him where he was."

Liz

Customer service case manager



The Watson's trip of a lifetime to Laos

Making things easier for customers

The Watson family had set off to Laos, south-east Asia, for the trip of a lifetime. Sadly, soon after arriving, they had to cancel their tour plans as their nine-year-old daughter started complaining of back, neck and head pain. The mother quickly called Aviva and was looked after by CEGA, Aviva's emergency medical partner.

Suspecting meningitis, we knew that no time could be wasted in getting the young girl to hospital for diagnosis and treatment. It wasn't long before she had been admitted to a reputable local medical centre, with the facilities to support her.

After carrying out a lumbar puncture, the hospital diagnosed bacterial meningitis. And our in-house medical specialists were soon liaising with the girl's treating doctors; reviewing her medical reports; ensuring her diagnosis was accurate; and making sure she was receiving exactly the right treatment throughout.

Meanwhile, our doctors also kept in constant contact with Mrs Watson, talking her through every detail of the treatment plan and offering plenty of reassurance. We offered to organise accommodation for the whole family, proactively got in touch to explain the claims process and ensured that every penny of the family's claims for out-of-pocket expenses was back in their bank account while they were still abroad.

Within days, the girl had made a full recovery and the family was on its way home to the UK, on their original return flight; more than satisfied with the service they had received.

"Thanks again for your help and support. I have to admit I have been very pleasantly surprised, I assumed an insurance company would always be obstructive, but your support was a great source of comfort during a very stressful time."

Mrs Watson



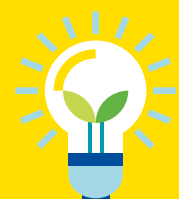
Top tips

> **Always check what you need to tell your insurer about your health**, for example any existing medical conditions or tests and investigations – you don't want to invalidate your cover should you need to make a claim

> **Understand the specific cancellation reasons** that are covered if you need to cancel your holiday – missing a flight because you overslept is sadly not covered

> **Taking expensive items away with you?** It's worth checking your baggage cover to consider whether the sums insured are sufficient to cover them or if there are conditions such as ensuring your valuables are kept in your hand luggage

> **Already booked your holiday?** We recommend that customers arrange travel insurance to start from the day their trip is booked, not from the day the holiday starts, to ensure there's cover for any listed cancellation reason



Individual protection claims

Life insurance, critical illness
and income protection policies

Protection insurance plays a vital role in providing much-needed help to customers and their families during some of the most difficult times in their lives, such as bereavement or serious illness. It can mean one less thing to worry about in a time of need.

Our starting point is that we want to pay customers' claims quickly, and we're proud not only of the scale of the financial and additional wider support that we provide, but the care with which claims are managed.

How we helped in 2017

97.2%

of all protection claims settled

+£900 million

paid out on life insurance, critical illness and income protection policies

+25,000

customers and their families benefited from payments

Common reasons for critical illness claims

Cancer is the leading cause of a claim on a critical illness policy (62%), with breast cancer the most common cancer type for women, and gastrointestinal cancer the most common cancer type for men.



Individual protection claims paid in 2017

	Life Insurance (inc: terminal illness)	Critical Illness (inc: child critical illness and total permanent disability)	Income Protection	Fracture cover	Total
Customer claims paid	16,314	4,413	3,918	789	25,434
Benefit paid out	£525.5m £525,513,560	£337m £337,002,576	£36.4m £36,393,609	£1.7m £1,686,778	£900.6m £900,596,523
% of new claims paid	98.9%	93.2%	88.8%	94.7%	97.2%

+£2.5 million
paid every day

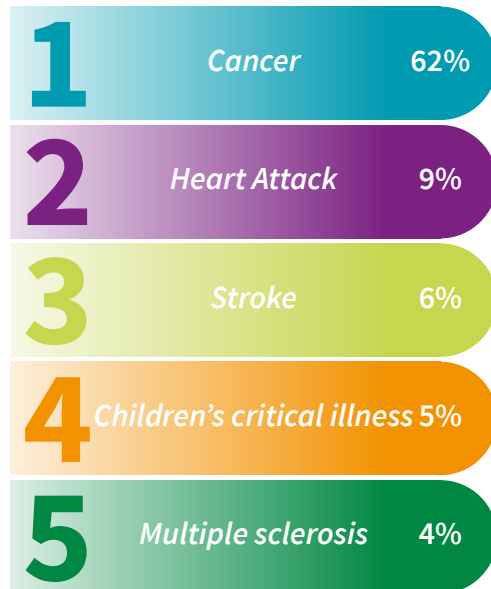
£79,162
the average sum we
paid to critical illness
customers



93.2% of critical illness
claims were paid to
customers in 2017



Top 5 conditions claimed for on critical illness cover



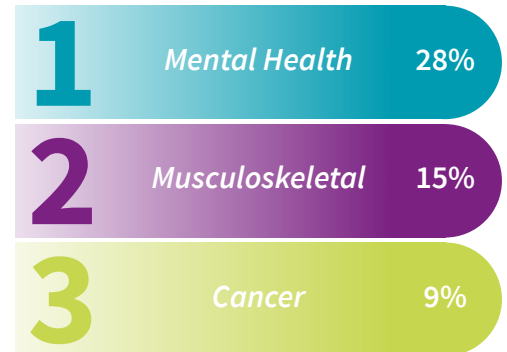
Other: 14%

Common reasons for income protection claims

More than £36 million was paid out to income protection customers last year, helping them to meet regular household outgoings whilst absent from work because of illness or injury. With mental health problems the most common reason for a claim, affecting more than a quarter (28%) of customers who claim, our focus is as much on supporting customers to get back to good health as it is helping them financially. Our in-house rehabilitation expertise is detailed from page 16.

Top 3 reasons for claiming on income protection

% by volume of claims



Most common cancer types claimed for by critical illness customers



Male	
Gastrointestinal	20%
Prostate	15%
Haematological	13%
Skin	9%
Testicular	8%
Head and Neck	7%



Female	
Breast	57%
Gynaecological	9%
Gastrointestinal	8%
Skin	7%
Haematological	4%
Thyroid	2%

Common reasons why a protection claim may be declined

We understand that individual protection claims often come at a stressful and emotional time for our customers, and as such, we do our best to pay as many claims as possible.

However, in a small number of cases when the customer did not make accurate statements about their health and lifestyle when they applied for their policy, we can't pay the claim as it would have affected our ability to offer them cover. Around 1% of all critical illness, 1.9% of all income protection and 0.4% of all life insurance claims were declined for this reason.

We also had to decline around 5.2% of all critical illness claims because the policy definition for a claim was not met. This occurs when the condition the customer is claiming for is not covered by their policy, or their diagnosis did not meet the defined level of severity in the policy. A similar 5% of all income protection claims were also declined as the severity of the customer's condition did not meet the policy definition.

We ensure that all customers have the opportunity to check the accuracy of their application and we do our best to ensure all customers understand the terms and conditions of their policies.



A new approach to critical illness claims for cancer is cutting some claims times from 60 days to 24 hours



Making things easier for customers

Speeding up critical illness claims for cancer – from 60 days to 24 hours

We have been testing a new approach to cut claims times with the help of our partnership with Macmillan.

It typically takes 60 days for consultants to send us medical reports, but for some customers newly diagnosed with cancer we are seeking their permission to speak directly to their Cancer Nurse Specialist, who can verify their medical details and confirm the diagnosis.

We get all the information we need over the telephone and in some cases we are seeing that claims can be approved within 24 hours. We're continuing to test this approach and hope it will become standard practice across our cancer claims.

Helping people through bereavement

For those who have sadly lost a loved one, we provide more than just a life insurance payment. We offer guidance to help them with the financial, practical, legal and emotional side of bereavement.

We look for opportunities to pay the claim without the need for paperwork, we can manage the payment of funeral costs and advance funds to support legal costs to secure a Grant of Probate – a legal document that gives authority to manage the assets of a deceased person.

Our Bereavement Guide also provides practical help following the loss of a loved one, including where to find counselling support, especially if children are involved.



Financial advisers don't just provide advice on the most suitable policy for a customer's needs.

Gareth, Financial Adviser



Gareth has more than 20 years' experience as a Financial Adviser and his focus has always been on giving customers peace of mind. When he was arranging critical illness cover for our customer Tina, it took longer than expected for her policy to start due to issues in getting the required medical information. Unfortunately, during this time, a routine scan revealed Tina had breast cancer.

"I've been doing this job a long time and you know when something isn't right. Through no fault of her own, Tina was in a position where she didn't have the cover she'd applied for and the worst had happened. So, I got in touch with Aviva to make a case for getting Tina's payment.

It wasn't an easy and straightforward process – and I wouldn't expect it to be – but the team at Aviva were professional, understanding and sympathetic. At this stage Tina didn't know what was going on. I thought she was going through enough already without having to wonder whether she was going to receive a payout or not.

We then got the fantastic answer we were looking for. Although not contract-bound, Aviva recognised that had the delays not occurred, Tina would have been covered so they agreed to pay the claim in full. I don't believe this would have been the outcome for every insurance company.

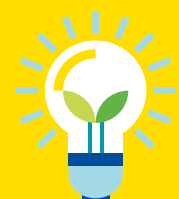
I then made the best phone call of my twenty-year career – I phoned Tina. It was such a weight off her mind and it meant financial security for her and her family. I strongly believe it had a really positive impact on her recovery."

Gareth
Financial Adviser



Top tips

- > **It's important to provide accurate statements** about your health and lifestyle when you take out a policy. You don't want to risk any claim being declined
- > **Regularly review your protection cover to see if it still meets your needs**, particularly if your circumstances change for example having a bigger mortgage or starting a family
- > **Familiarise yourself with any exclusions on a protection policy** and consider discussing with a financial adviser whether the policy is still suitable for your needs
- > **Be aware that although newer protection insurance products may include more medical conditions**, the definition for other conditions may be stricter due to medical advances, meaning it may be better to retain your current policy



Group protection claims

Life insurance, critical illness and income protection cover through an employer scheme

We help large and small UK businesses protect their greatest asset; their people, with our group life, critical illness and income protection products and services. Our team of case managers and clinical experts offer vital rehabilitation support to both group and individual income protection customers who are off work due to illness or an injury.

They help people back to work, identifying where an early intervention approach and our expertise – especially in mental health and musculoskeletal conditions – could make a big difference.

Our rehabilitation approach

We helped more than 1,000 customers with our rehabilitation services last year. For each individual claim, our case managers provided practical advice and emotional support when it was needed most and assessed whether specialist medical support from one of our partners would be beneficial.

Nearly two thirds (63%) of all new rehabilitation cases managed by the team last year were for mental health related conditions – a substantial increase from 30% in 2015.

For those experiencing anxiety or stress, our claims assessment might result in us funding counselling or outcome-based treatments such as Cognitive Behavioural Therapy. If the condition is related to work pressures, we'll also work closely with the employer to help make changes that will support an eventual return to work.

How we helped in 2017

92.5%

of all claims were settled

+£327 million

paid out to employees and their loved ones on company protection policies

+5,500

employees and their families benefited from payments

+1,000

sick or injured employees received our rehabilitation support

85%

of all our rehabilitation cases resulted in a positive outcome

Top 3 reasons for claim on a company-based income protection scheme (% of all claims)

Mental health conditions 28%

Cancer 25%

Musculoskeletal 16%

For absence due to musculoskeletal conditions such as back or neck pain, our case managers and in-house clinical team will assess whether physiotherapy is required and can also arrange for a specialist worksite assessment to recommend workplace adjustments.





Return to work rates following rehabilitation

Percentage by volume of claims

84%

of mental health condition cases made a safe and timely return to work¹

61%

of employees diagnosed and treated for cancer returned to work with our support

81%

of employees with musculoskeletal disorders returned to or remained at work

Return to work rates for those we supported

We are proud to help so many employees get back to work. For employers it reduces the time the employee is absent and the inevitable impact this has on the business. For employees, the specialist support they receive enables them to return to work and normal life more quickly and can also help them manage any reoccurrence in the future.

Common reasons why a claim may be declined

Unfortunately we were unable to pay 7.5% of all group protection claims last year across group life, critical illness and income protection.

The most common reason for this was that the definition for a claim was not met, accounting for 6% of all of the claims we received. For group income protection policies this is when the customer's condition does not meet the policy's definition of disability, while for critical illness policies this is when the condition the individual is claiming for is not covered by the policy.

We declined 1% of all claims across the products because of an exclusion on the policy due to the customer having a pre-existing condition.



Common reasons why a claim may be declined

Percentage of all group protection claims declined

Definition not met – **6.1%**

Exclusion for a pre-existing condition – **1.2%**

Other terms and conditions not met, including misrepresentation – **0.2%**



Making things easier for customers

All employees who work for a company with an Aviva group income protection policy were able to access a free Employee Assistance Programme (EAP). This 24-hour telephone support and personal assistance service can help them in any area of their life, 365 days a year. Last year:

- +25,000 interactions were made to the EAP by employees looking for help
- +5,500 face-to-face counselling sessions took place
- 59% of those contacting the service had personal or work-related problems
- 41% were looking for advice to cope with emotional issues in their personal lives

Employees also have access to *Stress Free Island*, an app where they can self-manage their day-to-day emotional health. It's a discreet and clinically effective way to get help at the touch of a button and has early detection features that screen for stress, depression and anxiety.

¹ Returned to work before benefit was due.

Supporting customers with a mental health condition

Emma, Case manager, Rehabilitation

We know that when an income protection customer is unable to work due to illness or injury, it's not just the monthly benefit that's important. Rehabilitation support, particularly for people suffering from a mental health condition, can make a significant difference in helping customers get back to work.

I started managing a particularly complex case last year with a man in his mid-20s who was struggling in a high-pressured role. His employer referred him to us because he was having suicidal feelings and had been signed off work.

As I'm counsellor trained, I found out as much as I could about him to get an understanding of why he was in the place that he was. Although I'm not counselling him myself, these skills helped me build a therapeutic relationship where he could trust and talk to me.

From our first discussion I assessed that it was vital he got help really quickly. Due to a waiting list for NHS treatment, we funded a short-term course of Cognitive Behavioural Therapy (CBT) with one of our rehabilitation partners. He eventually moved on to NHS treatment, but I have been in regular contact with him for more than a year now, sign-posting him to appropriate agencies and supporting him and his employers to achieve a return to work.

My two-year diploma in counselling really helps me to deal with cases like this. One day he contacted me to say he'd taken an overdose, another time he shared his dark thoughts about jumping in front of a car. At these times my priority is to find out how safe he is, where he is, who else knows, and where I have concerns I get straight on the phone to his GP.

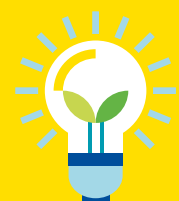
Numerous times I've come off calls like this and it has affected me, but we are a close-knit rehab team and we're always there for each other. We down tools, talk it through, and use our counselling knowledge to support each other.

This customer needs long-term support, as do his employers who regularly call me when something happens to seek guidance on doing the right thing, keeping him safe and supporting him in the workplace. But that's what I'm here to do and I have a lot of passion for this role as it really does make a difference to people's lives.



Top tips

- > **For most people, there is no medical underwriting on Group Income Protection** or Group Life policies therefore pre-existing conditions are covered where you meet the actively at work terms
- > **If you joined a group protection scheme** through your employer, be aware that you will lose these benefits when you leave their employment or retire
- > **Be aware** that any pre-existing conditions that you had before taking out the cover will not be covered by Group Critical Illness policies. This is because no medical underwriting takes place on employer-based schemes
- > **This also means that customers with pre-existing conditions** can still get valuable cover for other medical conditions on a group scheme, while an application for an individual policy may lead to no cover or restricted cover being offered



Private medical insurance claims

Individual private medical insurance
and group private medical insurance

Our private medical insurance offers individual and group customers prompt access to treatment through a nationwide network of private hospitals. Through our flexible plans, we let our customers choose where and when they receive medical care; whether that be specialist care not available on the NHS, or 24-hour access to a GP and stress counsellor.

We understand that medical conditions can be unpredictable, so we do not 'close down' private medical insurance claims. This means they can be added to at a later date, something that is especially relevant for oncology claims where we cover consultations for up to five years after the completion of treatment. This added peace of mind can make a real difference to our customers and their recovery.

Common reasons for private medical claims

The nature of medical claims means there's no such thing as a 'typical' claim. The average cost per claim in 2017 was £2,136, but the largest total spend for an active member was more than £750,000.

Of the top dozen reasons for claim in 2017, eight relate to musculoskeletal conditions, with knee, lower back and shoulder pain leading the list.

How we helped in 2017

94.1%
of private medical insurance claims settled

+£404 million
worth of treatment was funded for individual and group customers

+206,000
claims settled, helping

+165,000
customers

+£750,000
paid out on the largest customer claim

Top 12 reasons for claim in 2017

Percentage of total claims (across all ages)

1	Knee pain	6.9%
2	Lower back pain	6.6%
3	Shoulder pain	4.7%
4	Neck pain	2.6%
5	Routine optical care	2.1%
6	Routine dental care	2.1%
7	Back pain	2.0%
8	Pain in foot	1.8%
9	Hip pain	1.8%
10	Lower abdominal pain	1.6%
11	Ankle pain	1.5%
12	'Baby bonus' payment	1.5%



Everyone in the oncology claims team aims to go above and beyond



My role as a claims consultant

Penny, Claims consultant, Oncology



I've worked for Aviva for 15 years and I'm a claims consultant in the oncology team. It's my role to manage the claims process for customers and – most importantly – offer support following a cancer diagnosis.

I see it as my role to remove as much of the stress of the situation from them as I possibly can. I communicate with any hospitals that they are admitted to, so that during the admission they can focus on getting better rather than keeping me updated. I find that when they are speaking to someone knowledgeable, it puts them at ease.

And because our claims consultants are the main Aviva point of contact for 'their' customers, we really build up a rapport with them.

One customer I called today simply said she was glad to have me on the phone. I have been managing her case for two years and we have built a great relationship in that time.

Everyone in the oncology claims team aims to go above and beyond. We offer consistency at a time of upheaval through knowledgeable advisors who genuinely care and will not rest until the right outcome has been delivered. Most of all we reduce stress and offer support.

My customers know that I am on the other end of the phone to help and I find myself fulfilling a counselling role to many of my regular cases. I will do everything in my power to ensure my customers get the very best out of their policy with minimum effort.

While musculoskeletal conditions remain a common cause of claim across all ages, some conditions are more common amongst specific age groups.

For claimants in their 20s and 30s, the 'baby bonus' – where customers can receive £100 for the birth of a child – was amongst the top five reasons for claiming in 2017. For our older customers, skin lesions and cataracts become more prevalent over the age of 70.

Common reasons why a claim may be declined

We strive to help as many customers as possible and in 2017 paid just over 94% of private medical insurance claims. However, in a small number of cases (5.9%) unfortunately we had to decline, for three common reasons:

- **Due to a pre-existing condition:** Some customers claim for a condition that existed prior to the start of their policy date, which are generally not covered in a new policy
- **Claims for routine check ups on non-acute conditions:** Medical insurance covers diagnosis of ongoing chronic conditions but does not cover all future routine maintenance or check ups for the condition

- **There is an exclusion on the policy:** This arises when a customer makes a claim for a medical condition that was excluded from their policy when they applied due to their medical history

Making things easier for customers

In line with our efforts to give customers more choice as to how they can claim, all claims can be started online through our 'My Aviva' app. For those who would prefer to speak to an assessor, claims can still be made as normal over the phone. People can also request a call back at a time to suit them from a male or female claims assessor.

And for those who prefer to mix and match, customers can seamlessly transfer from an online to offline journey. Whether they're a talker or a tapper, we are there for them.



Of the top dozen reasons for claim in 2017, eight relate to musculoskeletal conditions, with knee, lower back and shoulder pain leading the list.



My wake up call

Steve's story



Deep down I think everyone believes they're superhuman – that cancer is something that happens to other people. But being diagnosed with prostate cancer in 2017 was a wake-up call for me.

It's not been the easiest time in my life. I've been in and out of hospital for tests, surgery, post-operative complications, follow-up treatments – you name it. It's been a tough journey for me and my family.

When I first found out that I had cancer I didn't know what to do. But the oncology team at Aviva was phenomenal. When your world has been turned upside-down, you want to feel that you're being supported by people who know what they're doing and are on your side. Aviva gave me this confidence.

From the first phone call, my case handler walked me through what would happen and what I would need to do. I got all the advice I needed and I didn't feel rushed or pressured. I was told that if I wanted a second opinion, that was fine. This turned out to be crucial.

My first consultant told me that he'd keep an eye on my condition for 12 months, but my second consultant felt that something wasn't quite adding up and sent me for surgery, revealing my condition was worse than it had seemed. Had I not had the second diagnosis, things could have turned out very differently.

The Aviva team all have a certain way with them that puts you at ease – a personal approach and you get the sense that they really do care what happens to you. My case handler Tamasyn has been amazing. But everyone I've spoken to has reassured me every step of the way.

There are times when you speak to people on the phone and you can tell that they're following a script and simply getting the job done. There was none of this with the oncology claims team. Nothing was too much trouble for them. I expected a robotic approach – and got completely the opposite.

"I'm a very exacting person. I appreciate honesty and I must admit I'm usually the first to complain if something does go wrong. But it's important to give praise when something is done well."

Steve



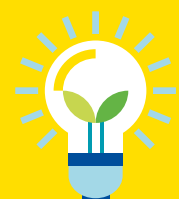
Top tips

> **Be aware that you won't normally be covered for any medical condition that exists before you take a policy out**

> **Understand the excess on your policy.** For each policy year, an excess is applied, being the initial amount that you will have to pay if you claim, before we pay for the remaining cost of the treatment

> **Consider if there are any monetary limits on the policy** and how much of the treatment costs would be covered

> **Do you know what your policy covers?** Different policies offer different levels of protection and are priced accordingly. You may want to add extras on like out-patient cover, or to be able to choose where to be treated



Commercial insurance claims

Commercial motor and commercial property insurance

Our oldest constituent company began offering fire insurance in 1696 and Aviva has been insuring businesses since the 1700s. The breadth of business insurance we offer means we can insure every size of business, from a sole trader to a multimillion pound global business.

We know businesses just want to focus on trading, and do not want any disruption caused by having to make a claim. That's why we take these claims seriously and strive to offer the most effective and straightforward service we can.

Our commercial claims team is committed to getting our business customers back to normal trading as quickly as possible and even though commercial claims can be complex, we pay more than one in ten (12%) of our commercial property claims within the first five days.

How we helped in 2017

93.6%
of all commercial
property claims settled,
equivalent to
38,058 claims

98%
of all commercial motor
claims settled,
equivalent to
152,734 claims

+£811 million
paid out on commercial
motor and property
claims

+190,000
claims paid

Common reasons for commercial claims

The most common commercial property claims last year were for water damage, a result of leaks, flooding or burst pipes (33%). This was followed by theft (11%), as well as accidental damage and storm damage (both 8%).

As with our home insurance customers, our commercial customers reported instances of fire far less frequently (around 3% of claims), however damage tends to be far more costly.

Common reasons why a claim may be declined

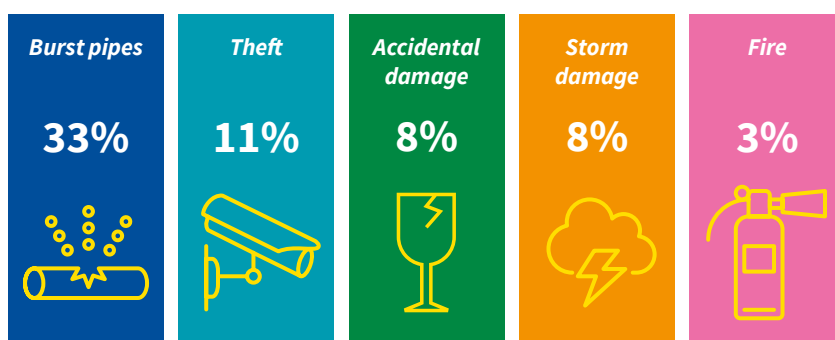
We want to be able to get all our businesses back up and running normally, as quickly as possible, but unfortunately there are times when we have to decline a claim.

This may be because the customer has not bought the right level of cover, they've misunderstood the cover they have bought, or they have not complied with the terms that have been agreed with us, such as switching the intruder or fire alarm on when they leave the business premises. We know that commercial insurance can be complex, so we work constantly to make it as easy as possible, including creating clear and simple policy wording and working with our 2,300 brokers to make customers aware of the risks of not having the right level of cover.¹

Our advice to any business with more complex insurance needs is that they speak to their broker to make sure they have the right cover and fully understand what their policy provides.

¹ Buildings insurance reinstatement cost valuations should be carried out by qualified building surveyors, whose activities are regulated by the Royal Institution of Chartered Surveyors, following the guidance contained within current Practice Standards issued by RICS. Aviva customers have access to a range of specialist suppliers who provide services, such as property valuations, at discounted rates.

Common reasons for commercial property claims



Case Study: Robert Miralles

My name is Robert Miralles and I've been looking after commercial claims for over 12 years. It's my job to get our customers back up and running as quickly as possible. No case is the same – some simple claims can be dealt with on the first call, some may want our contractors to carry out any repairs and for others they may want to use their own tradesmen.

I recently dealt with a claim from a landlord customer whose tenants had reported some damage – there had been a leak through the living room ceiling. The customer let us know he had got his own plumber in and wanted to check we'd be able to process the claim. We agreed, simply asking for photos of the damage so we could complete things swiftly. The customer then said his plumber was struggling to find the source of the water leak, so I visited the property to help investigate and discovered a long hairline crack in the acrylic bath. We discussed the repair options and once we'd agreed the details, we issued a payment to the customer so that he could carry on with the repairs with his own plumber and settle the bill directly. He was delighted and even sent me a message saying:

"You could not in any way have made the process any more straightforward, and if all insurance claims were handled in this way both sides would benefit in every possible way."

It was great to feel we made a difference for him.

Helping businesses manage risk

Chris Andrews, Head of Risk Management Solutions



I've been a property risk engineer for over 15 years and have been with Aviva for more than four years.

I help businesses manage their risk, which will help them reduce the likelihood of accidents and claims and the impact these sorts of incidents can have on trading. I know from the feedback we get from our customers how much they value the service we offer.

I have a team of more than 100 people who support thousands of businesses every year. We visit our commercial clients to carry out surveys and provide advice and information on a wide range of topics, from fire protection and health and safety to motor risk management.

We are constantly looking at ways to employ technology to help our clients. Our experienced property teams are now all equipped with thermal imaging cameras which they use as part of a survey to assess any electrical hot spots and decide whether further action is necessary. Finding a hot spot can mean taking action to avoid a potential fire and any downtime if, for example, the circuit blew and prevented vital machinery from operating or cold spots to identify hidden water leaks.

I believe that risk management is essential to keep a business running smoothly and it's my mission to help them do just that.

Making things easier for customers

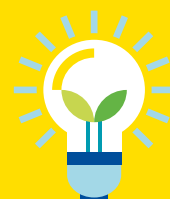
We work with a number of experts – from suppliers who can offer cosmetic repairs to quickly restore fire and water damaged surfaces, to those who can put in false flooring so that a business can keep on trading whilst water damaged flooring dries out.

Increasingly, risk management plays an important role in helping businesses manage the way they work and reduces the risk of an incident impacting their ability to trade.



Top tips

- > **Get advice from a broker** – they can provide expertise and advice on the right insurance for your business. Some, like employers' liability insurance, are mandatory for the majority of businesses with staff
- > **Create a business continuity plan** – this should outline what you would need to do to keep trading if a major event impacted your business and the details of who you'd need to contact. It can help you manage a crisis better
- > **Make sure you have business interruption cover** – this will help cover loss of income should your business be impacted by an incident
- > **Make risk management a priority** – it will help you prevent accidents to staff and visitors and reducing your claims experience can help you reduce your insurance costs



A final word

Andy Briggs, Chief Executive Officer, Aviva UK Insurance



Insurance is a unique offering: what other service would you purchase, hoping you never need to use? But life is filled with uncertainty and having insurance not only provides peace of mind, it also plays a critical role in helping people when that uncertainty becomes a reality.

That's our job – to be at our best when our customers have suffered the worst. And when they do need us, we are there for them, settling 96% of all the claims. Last year, that translated to nearly 1 million claims, worth £3.6 billion – the equivalent of £10 million a day going to our customers to help them when the unexpected has happened.

However, we know that the people behind the 4% of claims we cannot pay are often left frustrated when they do not get the outcome they wanted, through misunderstanding of terms and conditions, purchasing the wrong type of cover, or misrepresentation. A similar story can be seen across the rest of the industry.

We want our customers to be able to take out cover with confidence, knowing that in the unlikely event they need to make a claim, the process will be as easy and quick as possible.



We're also using digital tools to ensure that the process of obtaining insurance is a simple as possible and claiming is effortless and fast



That's why we are committed to claims transparency; by highlighting the common stumbling blocks some of our customers encounter across our insurance products, we hope to improve understanding about why things can go wrong and increase the number of claims we are able to pay.

We're also using digital tools to ensure that the process of obtaining insurance is as simple as possible and claiming is effortless and fast. In October, we launched a home claims trial in the UK, settling home insurance claims more quickly by asking fewer questions – one of a number of initiatives planned to ensure our claims service continues to help customers defy uncertainty.

I hope we've shown in this report that Aviva's claims service is continuing to strive to help our customers. And, far from making a purchase they hope they never use, our customers are glad that when they do need to call on the protection of an insurance policy, it's Aviva's.

Andy Briggs

Chief Executive Officer, Aviva UK Insurance





For further information on
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