

The 7 Claims Story Series

The Income Protection Task Force (IPTF) is proud to announce the launch of **'7 Claims Stories'** a pioneering project led by industry expert **Phil Deacon**. This initiative aims to shine a light on the income protection claims process and provide the industry with a clear roadmap for improving every aspect of the customer claims experience. Our first story examines the role of the Adviser when there's a claim, defining Advisers' responsibilities before and after claims initiation and highlighting how they can help gather evidence to expedite claims and deliver better outcomes.

Story 1

Guiding a client through a storm

What is the role of an Adviser in the claims process?

Some Advisers may take the view that they have neither the time, knowledge, nor skills to support clients through a process that can sometimes be lengthy, complex, differ from one provider to another and possibly require them to provide some level of emotional support, or at the very least a listening ear. This can take up time that some Advisers might feel they simply don't have, and therefore the best thing to do is simply sign-post the client to the respective providers' claims team. Other Advisers will argue that the relationship with the client continues long after cover is in place, and should the worst happen and a client needs to make a claim it's their job to be there to guide them through the process, helping where they can.

Consumer Duty requires firms to be proactive in delivering good customer outcomes and supporting vulnerable customers, and with the FCA focus increasingly on claims, there has never been a more appropriate time for Advisers to help clients make a claim and guide them through the storm of being unable to work because of illness or injury, losing income, and needing to make a claim. At the very least, advisers should have a process in place to follow should a client contact them to make a claim and request their help with it.

The role of a Protection Adviser extends far beyond policy recommendation and sale. When a client needs to make an Income Protection claim, Advisers play a critical role in supporting them at a time where illness and financial loss often leaves them vulnerable, and it's important Advisers educate themselves on how they can effectively assist clients during the claims process.

Why Adviser Involvement Matters

Income Protection claims are often a lifeline for clients facing unexpected challenges. Advisers who step in to guide clients through this journey provide not just technical assistance but also emotional support. This commitment to clients' well-being strengthens the adviser's role as a trusted partner and showcases the real-world impact of their service. By embracing a comprehensive approach to claims, advisers can:

- Deliver exceptional client outcomes.
- Strengthen their reputation in the market.
- Strengthen the reputation of the industry
- Experience the rewarding impact of helping clients in their time of greatest need.

Building Trust and Business Growth

Advisers who actively support claims demonstrate the real value of the policies they sell, building trust and loyalty with clients. Positive client experiences help bolster an Adviser's reputation, leading to word-of-mouth referrals and helping to demonstrate real value in future Protection discussions with prospective clients. Successfully guiding clients through a claim enhances confidence in the product, our industry and the adviser-client relationship.

5 Key Responsibilities of a Protection Adviser During a Claim

1. Provide Guidance

- Find out what the claims process is going to be and give a clear explanation to the client.
- Liaise with the insurer so the client can focus on recovery, accepting that for an Income Protection claim the Claims team will likely need to speak with the client directly when the claim is first made and at times afterwards as well.
- Give regular updates on the claims progress, dovetailing with the claims team to help provide a smooth, seamless process.

2. Assisting with Documentation

Advisers can help clients gather critical information needed for an Income Protection claim, including:

- Job details and duties.
- Medical documents, such as sick notes and hospital letters.
 - One of the most significant delays in claims processing comes from obtaining medical information. Advisers can prompt clients to inform their doctors about insurer requests and emphasise the importance of

dealing with these quickly. Healthcare providers are more likely to return these quickly if their patient highlights the importance of them doing so, rather than being chased just by the insurer.

- Proof of income:

For employed clients: Recent payslips and P60 forms.

For self-employed clients: Latest tax returns and trading accounts. The requirements can of course differ from one provider to another and the Adviser should check with the provider or refer to the relevant policy terms and conditions for exact requirements, but helping the client gather this type of information will normally be a good starting point for the claim and lessen the amount of information that the provider needs to request itself. In turn, this should speed things up.

Providers will also need to know about things like any income from the client's work that continues while they're off, and any similar insurances or pensions they receive. By proactively supplying this information Advisers can significantly speed up the claims process and minimise delays caused by missing information.

3. Early Claim Notification

Advisers should encourage clients to notify providers of potential claims as soon as possible, even if they're not yet certain they'll be off beyond the deferred period.

The earlier the provider is informed of a potential claim the more likely they'll be able to gather all of the required information and make the first payment when it's due, which is normally monthly in arrears after the end of the deferred period. All too often claims are notified to the provider towards the end of the deferred period, or after it's finished, meaning that there's little chance of payments starting on time.

Early notification of the claim before the end of the deferred period also allows the claims assessor to identify whether the client would benefit from any support such as vocational rehabilitation to help them recover and support a return to the workplace. The longer the client is off work, the less chance there is of this type of intervention being successful so the earlier the notification, the better. This is especially true on longer deferred periods.

4. Highlight Value-Added Benefits

Many providers offer additional benefits which can support the client in different ways. Services include;

- Nurse support
- Private GP appointments.
- Counselling and therapy Second medical opinions.
- Legal consultations

Advisers play a key role in ensuring clients are aware of these benefits and can access them promptly. Most providers should detail these benefits on their websites and inform the client of them at the point of claim, but it pays for Advisers to know what benefits are offered and make sure the client is aware in case they can be of help.

5. Highlight Additional Claims Support

Many providers will also pay for vocational rehabilitation when there is a claim. Vocational rehabilitation is a holistic approach that helps people with health conditions return to work. It looks at the 'whole person', and addresses not just the job skills needed but the client's physical, emotional, and psychological well-being.

Some providers will have a panel of independent experts who can work with the client to help them get back to work using a vocational rehabilitation approach. So if your client is looking for additional support to help get back to work, it's worth asking the provider if they can help in this way.

Long-Term Strategies for Successful Claims

1. Ensuring Suitable Coverage from the Start

Many of the problems that can occur on an Income Protection claim relate back to when the policy was taken out. **Misrepresentation (non-disclosure)**, where inaccurate or incomplete information is given in answer to the application questions, is a significant contributor to poor client outcomes at claim stage. This often relates to medical history, but can also be related to height and weight, lifestyle questions such as smoking status, alcohol and drug use, as well as any hazardous pastimes the client might have. *We'll cover misrepresentation in more detail later on in our 7 claims stories Series*, but for now our advice is:

- Read all the questions fully as they're written to the client and work on the basis that at some point, they'll need to claim so it's essential all of the information provided is accurate and nothing is missed off.

- Question the client further if they seem unsure or hesitant about something. If they're embarrassed about disclosing something, such as their weight or a personal health matter, make sure they know they can tell the provider direct and provide them with contact details.
- Make sure the information such as the client's weight isn't old or just a guesstimate. Get the client to weigh themselves if they've not done so recently as underestimating weight can lead to a reduced payout or no payout at all in some circumstances.
- If clients have any new symptoms for which they haven't yet sought medical advice, or are awaiting an appointment, it's essential these are mentioned too. Under-disclosure where the client mentions a condition, but not that they're still under treatment or waiting to see someone is another common reason for poor client outcomes.

Failure to choose an accurate occupation from the insurer's list and disclose any special duties such as working at height or with machinery can also mean a claim is rejected or assessed against a less favourable definition. Make sure you have a good understanding of the client's duties and select an occupation that reflects what they do. Be sure to mention any special duties. At claim stage one of the first things the claims team will do is find out what the client's job is, and if it's apparent that it wasn't disclosed accurately at outset it could mean that they're unable to consider a claim if it's an occupation that isn't covered or is only covered by a less favourable definition.

It's essential that a client checks the answers that have been given for each of the questions asked to ensure they're accurate - this is their responsibility and it's good practice to ask clients to email the Adviser to confirm all the answers have been checked and are correct. It might be the difference between having a claim paid or not. Many claims that aren't paid, or where a reduced cover is paid out, could have been avoided if the client had thoroughly checked their answers and flagged an inaccurate or incomplete answer.

It's important that the level of cover selected is supported by the client's income and that the client understands this is the maximum they'll receive, subject to any future increases, should they ever need to claim. They should also understand that if their income drops, or they continue to receive income from elsewhere, they might not receive the full amount if they need to make a claim. It's advisable to review the client's policy once a year to ensure the cover is still appropriate.

2. Education – understanding the product

Income Protection is often regarded as one of the most complex products in the protection space, both by advisers and consumers. With numerous enhancements and features introduced in recent years, navigating the product landscape has become even more challenging. While the complexity may seem daunting, it also presents an opportunity for advisers to refine their knowledge and provide tailored advice to clients.

For those looking to deepen their understanding and stay ahead, there are many resources available:

- **The IPTF Website:** A comprehensive source of information and tools tailored for advisers.
- **Provider Websites:** Regularly updated with product guides, feature explanations, and support materials.
- **Provider BDMs:** Often a first point of contact for questions, they offer tailored support and product training.
- **Your Own Network:** Who often have tools and support material.

Exploring these resources not only enhances your knowledge but also contributes valuable CPD points towards your annual minimum requirement—a win-win for professional development and client outcomes.

The IPTF is always eager to support advisers further. If there's information, tools, or guidance you need but can't currently access, let us know.

3. The importance of Annual Reviews

Providers will typically send annual statements to both Advisers and their clients; however, the exact process can vary depending on the provider and the exact relationship between the Adviser and their client. The issuing of the annual statement is the perfect prompt for the Adviser to get in touch with their client to review cover and make sure it remains appropriate.

Some clients are left disappointed at the point of claim because their income doesn't support a full payout of the cover they have. They don't realise that the amount of cover they'll get if they need to claim is dependent on their income at the time they become unable to work and if their income falls once cover is arranged then the payout may be less in the event of a claim. Therefore, carrying out annual reviews is important to ensure the cover remains appropriate and the client's expectations are managed appropriately.

Industry Comment

What do Advisers think?

Lisa Kelly helps clients with their claims at independent protection adviser Lifesearch. She explains ‘my role is to support our claimants through their claims journey by ensuring they have regular updates, a friendly ear, and someone to liaise with insurers on their behalf so they can focus on their recovery. I explain the claims process, and that the first course of action is to call the insurer and complete their tele-claims process with all the relevant information to hand such as details of their GP, treating specialists, and earnings.’

Kelly points out that after the claim has been submitted and the provider has requested the information it needs; the adviser still has an important part to play in the claims process. ‘I also ask for the client’s assistance – we all know that the longest delay is getting the requested medical information from the doctor or specialist, so I ask our client to make their doctor is aware that the insurer will be contacting them for medical information and that a fast response would make all the difference to them, the patient. Doctors tend to respond more efficiently to their patients’ requests as opposed to an insurers request. At this stage I will also signpost any ancillary benefits that are offered by the insurers, I bring empathy into the process, but the real benefit I offer is experience, practicality and efficiency.’

Nicola Huxley, Senior Protection Specialist at Sphere Financial Services and one of the IPTF’s ‘7 advisers points out that the key to a successful claim begins even earlier - when the cover is taken out. ‘Making sure the product is fit for purpose when you set it up, and that any payout is supported by the client’s income goes a long way with the smooth processing of a claim, as does keeping in touch with the client and carrying out annual reviews to ensure the cover still remains appropriate.’

