



MEDIA RELEASE

Wednesday 29 July 2020

LIFE INSURANCE AWARENESS WEEK: DATA DAY – DETAILED DATA REVEALS TOP CAUSES OF CLAIM FOR THE INDUSTRY

The Financial Services Council (FSC) is using Life Insurance Awareness week as an opportunity to release data which reveals interesting insights into the health of the nation – today's theme is 'data'.

KPMG on behalf of the FSC provides in-depth analysis of the causes of life insurance claims, particularly for Australians of working age – this data is updated every six months.

FSC senior policy manager for life insurance, Nick Kirwan said the life insurance industry paid out more than \$12 billion to 101,821 Australians and their families during 2019.

“Life insurance companies pay out almost **\$33 million** to **279 Australians and their families every single day**, 365 days a year. Payments are made to people who have lost a partner, a parent or a loved one, or to help people support themselves and their family when they are too ill to work, after a critical illness or who are not expected to be able to work ever again.”

“What's important to remember is that behind every data point there is a human, a family, a loved one getting financial support when they need it most. When we see the collective data, and especially the many and varied causes of claim and just how often they occur, it reveals the scale of the human tragedies that Australians and their families can, and all too often do, go through.”

Data insights for the 2019 year tell us:

- Over **\$12 billion** was paid out to **101,821** Australians;
- For death cover there were **13.4 million** covers in force, **97 per cent** of lodged claims were paid and the highest cause of claim was cancer at **43 per cent**;
- For Total and Permanent Disability (TPD) there were **11.1 million** covers in force, **90 per cent** of lodged claims were paid and the highest cause of claim was mental health at **25 per cent**;
- For Income Protection/Disability Income there were **5.8 million** covers in force, **95 per cent** of lodged claims were paid and the highest cause of claim was accidents at **33 per cent**;
- For Trauma insurance there were **1.1 million** covers in force, **86 per cent** of lodged claims were paid, and the highest cause of claim was for cancer at **58 per cent**;

Mr Kirwan said: “During life insurance awareness week we encourage all Australians to check what life insurance cover they have - be aware of what you have and what you're paying for. Give your superannuation trustee or life insurance company a call today so you and your family are secure no matter what happens.”

- Ends -

LIFE INSURANCE CLAIMS DATA FOR 2019

Whole Market	Life, TPD, IP, Trauma, Funeral, Accident, and CC Insurance	34.9 million covers in force
Period of Report	Number of claims paid	Amount paid (\$m)
12 months to 31 December 2019	101,821	\$12,060

Life Insurance Pays a lump sum on your death or the diagnosis of a terminal illness.		13.4 million covers in force
Number of claims paid	Acceptance rate	Amount paid (\$m)
19,974	97% paid	\$3,644
Top 5 causes of claim	% of total claims paid	Amount paid (\$m)
Cancer	43%	1,580.7
Accident	17%	630.9
Circulatory System	14%	507.2
Abnormal Clinical Findings	10%	379.6
Nervous System	3%	121.6

Total and Permanent Disability (TPD) Insurance Pays you a lump sum if you are not expected to work ever again due to illness or injury.		11.1 million covers in force
Number of claims paid	Acceptance rate	Amount paid (\$m)
17,266	90% paid	2,579
Top 5 causes of claim	% of total claims paid	Amount paid (\$m)
Mental Disorders	25%	649.2
Musculoskeletal System	22%	575.4
Accident	15%	374.2
Nervous System	12%	311.5
Cancer	9%	240.3

Income Protection (IP) / Disability Income (DI) Insurance		5.8 million covers in force
Pays you an income after an initial waiting period if you are not well enough to work due to illness or injury.		
Number of claims paid	Acceptance rate	Amount paid (\$m)
37,465	95% paid	\$4,342
Top 5 causes of claim	% of total claims paid	Amount paid (\$m)
Accident	33%	1,450.4
Cancer	14%	595.1
Mental Disorders	14%	594.4
Musculoskeletal System	13%	554.1
Circulatory System	9%	370.7

Trauma insurance / Critical Illness Insurance		1.1 million covers in force
Pays you a lump sum on diagnosis of a specified critical illness.		
Number of claims paid	Acceptance rate	Amount paid (\$m)
5,159	86% paid	\$1,056
Top 5 causes of claim	% of total claims paid	Amount paid (\$m)
Cancer	58%	609.2
Circulatory System	24%	249.2
Nervous System	5%	58.1
Accident	3%	30.3
Abnormal Clinical Findings	2%	17.2

Data is sourced from the FSC-KPMG life insurance data project and [APRA Life insurance claims and disputes statistics](#).

Contact: Esther Jago on 0421 102 944 or ejago@fsc.org.au

About the Financial Services Council

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing almost \$3 trillion on behalf of more than 15.6 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world.