



DREWBERRY
PRESS RELEASE

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Public believe insurers pay out on 72% of claims

In August, Drewberry launched a campaign to help raise consumer awareness of just how high protection payout rates actually are. The results from the survey show that the public's expectations of payout rates are still well below the actual level being paid out by UK insurers but better than previous surveys have suggested.

Of the 2,039 consumers that submitted an answer the median respondent thought that insurers only paid out 72% of claims (across life insurance, income protection and critical illness cover). The actual payout rate [reported by the ABI](#) was 97.2% in 2015.

Although the median payout rate expectation of 72% was relatively 'good' compared to other studies, there were still a staggering 87% of survey respondents that underestimated the actual payout rate by providing an answer below that level.

Drewberry's one question survey on their website asked consumers to enter what percentage of protection claims they believed were paid out in 2015, with those submitting an answer being entered into a random prize draw to win £500. Through the promotion of the survey on a number of financial and family related websites and blogs, just over 2,000 consumers submitted an answer.

"I'm really shocked at how high the percentage is"

The winner of the prize draw, Sarah Tonner from Glasgow, who runs the lifestyle blog [ThingsSarahLoves.co.uk](#) thought that insurers paid out around 79% of claims, and stated, "I'm really shocked at how high the percentage is because I genuinely didn't expect it.

"Personally, I've always worried about insurers not paying out, and perhaps not taken out insurance at times when I should have. These results were a pleasant surprise and made me realise I don't need to worry about insurers paying out as much as I have been."

Only 8% of consumers believe insurers have got better at paying claims

In a separate study, one question in [Drewberry's 2016 Wealth & Protection Survey](#) of 2,000 workers, released earlier this month, asked participants whether they thought that insurers had generally gotten better or worse at paying claims over the last 10 years. The results showed that only 8% of the survey respondents believed that insurers had got better at paying claims.

Of the remainder of the survey sample, 48% believed that insurers had got worse at paying claims and 44% believed that there was no change.

Drewberry comment

Drewberry director, Tom Conner says, “The results of this campaign highlight that consumers still believe that insurers payout far less than they actually do, and the results of our 2016 survey show that very few consumers believe that payout rates are improving, which we know to be the opposite of the truth. For example, the ABI report that the average payout rate for critical illness cover has increased from 80% in 2005 to over 93% in 2015.

“This shows that as an industry we need to get far better at advertising the payout success story that has developed over the last 10 years. This story is currently only known by those within the industry and not those who actually buy, or consider buying, our products. If the market is to grow the public’s perception of our industry needs to change and raising awareness of consistently high payout rates should form the bedrock of that”.

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