



RGA Press release

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Reinsurer RGA expresses concern about unclaimed bereavement benefits

The life assurance industry has made great strides in recent years in speeding up the death claims process, and introducing procedures that allow policy proceeds to be released to the correct beneficiary as swiftly as possible.

Many individuals claiming under a life assurance policy may also be entitled to Bereavement benefits available from the State that could potentially ease some of the financial strain in the early days following bereavement, and beyond. RGA reflect that many customers experience a period of financial hardship whilst life assurance claims are being processed, and the financial consequences of the death of a spouse or partner can persist even once the policy proceeds have been paid.

However, the existence of these benefits is not necessarily common knowledge across financial advisers, insurance companies and the general public. As a result we are seeking to draw attention to the benefits as well as the current DWP consultation document regarding 'Bereavement Benefit for the 21st century' which closes on 5 March 2012.

Simon Grant, UK Claims Manager for RGA, said: "We are concerned that these benefits are often overlooked by both consumers and advisers. If your husband, wife or civil partner has died you may be able to get Bereavement Payment, a one-off, lump-sum payment of £2,000 that's tax-free. There are certain age limits and eligibility criteria, but these benefits are not means tested and the State claim to be able to make payments promptly to those who are entitled."

IFA Peter Chadborn of Plan Money in Colchester, said: "It is quite possible that only those who have personal experience or have assisted clients specifically in this area are aware of the benefits available. However, with a £2,000 lump sum plus an income potentially available, everyone who loses a spouse should check if they qualify."

Matt Rann, Head of Underwriting and Claims for AEGON UK, an RGA client, added: "We are keen to ensure our customers receive all the help they need at such difficult times. We will shortly be issuing a guide with all new death claims, helping our policyholders understand the financial support that is out there for them from the State and how to go about claiming it."

Simon Grant added: “We intend to carry out further research in the near future and will report the results accordingly. In the meantime we encourage financial advisers to check the information available online from the DWP and respond accordingly to the consultation document.”

Notes to editors

Bereavement benefits provide financial assistance for people after the loss of a spouse or civil partner, and comprise:

- Bereavement Payment: a tax free lump sum payment of £2,000
Recipients must be under State Pension Age, and the deceased spouse/partner must have made National Insurance contributions, and was not entitled to a Category A state retirement benefit when they died
- Bereavement Allowance: a taxable weekly benefit of up to £100.70 per week paid for up to 52 weeks from the date of death.
Recipients must be over age 45 but under State Pension Age, with no dependent children, and the deceased spouse/partner must have made National Insurance contributions or died as a result of their job
- Widowed Parents Allowance: a weekly benefit of up to £100.70 a week
Recipients must be bringing up a child or children under age 19, under State Pension Age, and the deceased spouse/partner must have made National Insurance contributions or died as a result of their job
- Funeral payment: a payment of up to £700
Recipients eligibility will be subject to means testing, and will depend on the relationship with the person who died

For full details and eligibility criteria see:

<http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/Bereaved/index.htm>

DWP Consultation: Bereavement Benefit for the 21st Century

<http://www.dwp.gov.uk/consultations/2011/bereavement-benefit.shtml>

Freud: bereavement benefits must support claimants after loss and offer a supported return to work

<http://www.dwp.gov.uk/newsroom/press-releases/2011/dec-2011/dwp141-11.shtml>

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About RGA

Reinsurance Group of America, Incorporated is the second largest writer of individual protection reinsurance in the UK and a leader in the global life reinsurance industry, with more than \$2.3 trillion of life reinsurance in force and assets of more than \$25 billion. RGA serves clients from 26 offices around the world, delivering expert solutions in life reinsurance, facultative underwriting, risk management, product development, and capital-motivated reinsurance services.