

## Recording of 'Date of Claim' for Critical Illness claims

### Background

Analysis of claims experience for Critical Illness cover by the CMI<sup>1</sup> has highlighted certain issues relating to the recording of date of claim. The CMI duly sought the assistance of the Health Claims Forum<sup>2</sup> to seek to standardise recording practices amongst claims assessors.

The CMI specify four dates for each claim – the dates of diagnosis, notification, admission and settlement – and collect as many as insurers can provide, to allow as detailed analysis as possible. However the CMI regards date of diagnosis as the key date, on the basis that this is when a claim is incurred, even though the insurer is unaware of it until some time later. This also corresponds to the use of date of death in the CMI's mortality investigations.

This document has been written by the HCF in collaboration with the CMI to support this initiative. The views of HCF members were requested on an earlier version and it is hoped that this finalised versions will become established practice for claims assessors in this field. Companies are asked to adopt this guidance from 1<sup>st</sup> January 2007.

The responses to the consultation exercise have been shared with the CMI, which will now consider whether it needs to clarify its guidelines for data submission.

### The issues

The two main issues on which the CMI sought our help were:

- To increase the frequency with which the date of diagnosis of a claim is recorded on life insurers main administration systems. Without this it cannot be used by life insurers themselves, or passed to the CMI, to be used in actuarial investigations.
- To specify definitions of the "Date of Diagnosis" of claims for each of the main critical illness events.

This guidance is aimed at addressing the second issue directly, but it is hoped that increased awareness – amongst claims assessors via the HCF and amongst actuaries via the CMI – will have an indirect impact on the first issue too.

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<sup>1</sup> The Continuous Mortality Investigation (CMI) is a research arm of the UK Actuarial Profession that carries out research into the claims experience of long term life and health contracts issued by UK life insurers, including Critical Illness insurance.

Data is supplied by life insurers covering the majority of the UK market. The data of individual offices are confidential but the overall research findings are published. See [www.actuaries.org.uk](http://www.actuaries.org.uk) for more details.

<sup>2</sup> The Health Claims Forum (HCF) is an organisation whose purpose is to improve claims management through the sharing of knowledge and experience within the field of health insurance claims. See [www.healthclaimsforum.org](http://www.healthclaimsforum.org) for more details.

The second issue can most easily be illustrated by means of examples. Some critical illness events are traumatic in nature so that the date of diagnosis is already reasonably well-defined – examples include Heart Attack and Coronary Artery Bypass Surgery. For some other causes of claim it is less well-defined. For example, the ABI definition for Multiple Sclerosis requires both a definite diagnosis and 6 months' continuous symptoms; so do claims assessors consider the date of diagnosis to be the date of the definitive diagnosis or after the 6 months has elapsed?

Indeed this issue is likely to be most pronounced for claims under TPD (Total and Permanent Disability), which are notoriously difficult to settle, due to delays in establishing the permanence of the disability.

### **Defining the 'Date of Diagnosis'**

Our aim is to establish a consistent approach whereby **the date of diagnosis is the date at which the critical illness definition was fulfilled**. Note that where an office requires permanence (of neurological deficit, for example) then the date of diagnosis will be later, reflecting the delay whilst permanence is established.

The interpretation of the date of diagnosis for each of the ABI definitions of critical illness events is set out in the Appendix to this document.

Where a company covers events not included in the ABI Statement of Best Practice or where definitions differ from the ABI model definitions, claims assessors are asked to follow the principle that the date of diagnosis is the date at which the critical illness definition was fulfilled, in particular:

- If the illness has a clear event date, then that date should be used; and
- If the illness is a degenerative disease, then the date of diagnosis should allow for permanence to be established or for such other delay as is needed to ensure the definition is met.

### **Other issues**

Feedback was sought on a number of other issues in the original consultation document. A summary of responses on these points is included in a separate document which summarises the responses we received.

### **Future Revisions to this guidance**

Updated guidance may be issued in future, as necessary. Members are invited to submit comments at any time. However, as we are setting down principles (and the current ABI definitions to illustrate these principles) it should be noted that this guidance will not necessarily change if the definitions used by the market change.

### **Important Note:**

This guidance is intended to promote standardisation of reporting of the date of claim and is not intended to alter companies' decisions as to whether a critical illness claim is paid or not.

**Appendix – Defining the “Date of diagnosis” for Critical Illness claims**  
**Version 1 – 1<sup>st</sup> January 2007**

This document contains guidance from the Health Claims Forum note on what should be regarded as the “date of diagnosis” for the major Critical Illness benefit conditions. This guidance is intended to promote standardisation of reporting of the date of claim and is not intended to alter companies’ decisions as to whether a critical illness claim is paid or not.

The underlying definition of the date of diagnosis is **the date at which the critical illness definition was fulfilled**. The interpretation of this definitions of the date of diagnosis is illustrated below for the model ABI definitions, as set out in the April 2006 Statement of Best Practice. Where a company has a different definition, the interpretation of the date of diagnosis should be varied to reflect the policy terms and conditions or other guidelines of that office.

CI claim event	ABI definition	Date of diagnosis
<b>Alzheimer’s disease [before age x] - resulting in permanent symptoms</b>	A definite diagnosis of Alzheimer’s disease [before age x] by a Consultant Neurologist, Psychiatrist or Geriatrician. There must be permanent clinical loss of the ability to do all of the following: <ul style="list-style-type: none"> <li>• remember;</li> <li>• reason; and</li> <li>• perceive, understand, express and give effect to ideas.</li> </ul> For the above definition, the following are not covered: <ul style="list-style-type: none"> <li>• Other types of dementia.</li> </ul>	Date of evidence confirming inability to perform listed activities following a confirmed diagnosis of Alzheimer’s Disease.
<b>Aorta graft surgery – for disease</b>	The undergoing of surgery for disease to the aorta with excision and surgical replacement of a portion of the diseased aorta with a graft. The term aorta includes the thoracic and abdominal aorta but not its branches. For the above definition, the following are not covered: <ul style="list-style-type: none"> <li>• Any other surgical procedure, for example the insertion of stents or endovascular repair.</li> <li>• Surgery following traumatic injury to the aorta.</li> </ul>	Date of operation

CI claim event	ABI definition	Date of diagnosis
<p><b>Benign brain tumour</b> – <i>resulting in permanent symptoms</i></p>	<p>A non-malignant tumour or cyst in the brain, cranial nerves or meninges within the skull, resulting in permanent neurological deficit with persisting clinical symptoms. For the above definition, the following are not covered:</p> <ul style="list-style-type: none"> <li>• Tumours in the pituitary gland.</li> <li>• Angiomas.</li> </ul>	<p>Date of evidence confirming presence of permanent neurological deficit after diagnosis of benign brain tumour.</p>
<p><b>Blindness</b> – <i>permanent and irreversible</i></p>	<p>Permanent and irreversible loss of sight to the extent that even when tested with the use of visual aids, vision is measured at 3/60 or worse in the better eye using a Snellen eye chart.</p>	<p>§ Date of event, if traumatic, OR § Date of the investigations/tests confirming the policy definition has been satisfied OR, if either of these is not clear § Date of evidence confirming definition satisfied.</p>
<p><b>Cancer</b> – <i>excluding less advanced cases</i></p>	<p>Any malignant tumour positively diagnosed with histological confirmation and characterised by the uncontrolled growth of malignant cells and invasion of tissue. The term malignant tumour includes leukaemia, lymphoma and sarcoma. For the above definition, the following are not covered:</p> <ul style="list-style-type: none"> <li>• All cancers which are histologically classified as any of the following: <ul style="list-style-type: none"> <li>- pre-malignant, for example essential thrombocythaemia and polycythaemia rubra vera;</li> <li>- non-invasive;</li> <li>- cancer in situ;</li> <li>- having either borderline malignancy; or</li> <li>- having low malignant potential.</li> </ul> </li> <li>• All tumours of the prostate unless histologically classified as having a Gleason score greater than 6 or having progressed to at least clinical TNM classification T2N0M0.</li> <li>• Chronic lymphocytic leukaemia unless histologically classified as having progressed to at least Binet Stage A.</li> <li>• Any skin cancer other than malignant melanoma that has been histologically classified as having caused invasion beyond the epidermis (outer layer of skin).</li> </ul>	<p>Date of biopsy or other test that generates a definite diagnosis of Cancer that satisfies the policy definition.</p>

CI claim event	ABI definition	Date of diagnosis
<b>Coma</b> – <i>resulting in permanent symptoms</i>	<p>A state of unconsciousness with no reaction to external stimuli or internal needs which:</p> <ul style="list-style-type: none"> <li>• requires the use of life support systems for a continuous period of at least 96 hours; and</li> <li>• results in permanent neurological deficit with persisting clinical symptoms.</li> </ul> <p>For the above definition, the following is not covered:</p> <ul style="list-style-type: none"> <li>• Coma secondary to alcohol or drug abuse.</li> </ul>	<p>§ Date the claimant entered the coma + 96 hours, if obvious from the nature of the event that there will be irrecoverable brain damage, OR, if not clear</p> <p>§ Date of evidence confirming definition satisfied.</p>
<b>Coronary artery by-pass grafts</b> – <i>with surgery to divide the breastbone</i>	<p>The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a Consultant Cardiologist to correct narrowing or blockage of one or more coronary arteries with by-pass grafts.</p>	<p>Date of operation</p>
<b>Deafness</b> – <i>permanent and irreversible</i>	<p>Permanent and irreversible loss of hearing to the extent that the loss is greater than 95 decibels across all frequencies in the better ear using a pure tone audiogram.</p>	<p>§ Date of event, if traumatic, OR</p> <p>§ Date of the investigations/tests confirming the policy definition has been satisfied OR, if either of these is not clear</p> <p>§ Date of evidence confirming definition satisfied.</p>
<b>Heart attack</b> – <i>of specified severity</i>	<p>Death of heart muscle, due to inadequate blood supply, that has resulted in all of the following evidence of acute myocardial infarction:</p> <ul style="list-style-type: none"> <li>• Typical clinical symptoms (for example, characteristic chest pain).</li> <li>• New characteristic electrocardiographic changes.</li> <li>• The characteristic rise of cardiac enzymes or Troponins recorded at the following levels or higher; <ul style="list-style-type: none"> <li>- Troponin T &gt; 1.0 ng/ml</li> <li>- AccuTnl &gt; 0.5 ng/ml or equivalent threshold with other Troponin I methods.</li> </ul> </li> </ul> <p>The evidence must show a definite acute myocardial infarction.</p> <p>For the above definition, the following are not covered:</p> <ul style="list-style-type: none"> <li>• Other acute coronary syndromes including but not limited to angina.</li> </ul>	<p>Date of event</p>

CI claim event	ABI definition	Date of diagnosis
<b>Heart valve replacement or repair – with surgery to divide the breastbone</b>	The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a Consultant Cardiologist to replace or repair one or more heart valves.	Date of operation
<b>HIV infection – caught [in the UK] from a blood transfusion, a physical assault or at work in an eligible occupation</b>	<p>Infection by Human Immunodeficiency Virus resulting from:</p> <ul style="list-style-type: none"> <li>• a blood transfusion given as part of medical treatment;</li> <li>• a physical assault; or</li> <li>• an incident occurring during the course of performing normal duties of employment [from the eligible occupations listed below];</li> </ul> <p>after the start of the policy and satisfying all of the following:</p> <ul style="list-style-type: none"> <li>• The incident must have been reported to appropriate authorities and have been investigated in accordance with the established procedures.</li> <li>• Where HIV infection is caught through a physical assault or as a result of an incident occurring during the course of performing normal duties of employment, the incident must be supported by a negative HIV antibody test taken within 5 days of the incident.</li> <li>• There must be a further HIV test within 12 months confirming the presence of HIV or antibodies to the virus.</li> <li>• [The incident causing infection must have occurred in the UK] <sup>2</sup>.</li> </ul> <p>For the above definition, the following is not covered:</p> <ul style="list-style-type: none"> <li>• HIV infection resulting from any other means, including sexual activity or drug abuse.</li> </ul>	Date of evidence confirming that all criteria have been satisfied.
<b>Kidney failure – requiring dialysis</b>	Chronic and end stage failure of both kidneys to function, as a result of which regular dialysis is necessary.	The date that dialysis is initiated
<b>Loss of hands or feet – permanent physical severance</b>	Permanent physical severance of any combination of 2 or more hands or feet at or above the wrist or ankle joints.	§ Date of event, if accidental, OR § Date of surgery if required due to a medical condition
<b>Loss of speech – permanent and irreversible</b>	Total permanent and irreversible loss of the ability to speak as a result of physical injury or disease.	§ Date of evidence confirming definition satisfied, OR § If traumatic event, date of event.

CI claim event	ABI definition	Date of diagnosis
<b>Major organ transplant</b>	The undergoing as a recipient of a transplant of bone marrow or of a complete heart, kidney, liver, lung, or pancreas, or inclusion on an official UK waiting list for such a procedure. For the above definition, the following is not covered: <ul style="list-style-type: none"> <li>• Transplant of any other organs, parts of organs, tissues or cells.</li> </ul>	The earlier of; <ul style="list-style-type: none"> <li>• Date added to official transplant list, and</li> <li>• Transplant carried out</li> </ul>
<b>Motor neurone disease [before age x] – resulting in permanent symptoms</b>	A definite diagnosis of motor neurone disease [before age x] by a Consultant Neurologist. There must be permanent clinical impairment of motor function.	§ Date of diagnosis, OR if not clear, § Date of evidence confirming definition met.
<b>Multiple sclerosis – with persisting symptoms</b>	A definite diagnosis of Multiple Sclerosis by a Consultant Neurologist. There must be current clinical impairment of motor or sensory function, which must have persisted for a continuous period of at least 6 months.	The later of: <ul style="list-style-type: none"> <li>• Date of diagnosis of MS, and</li> <li>• The date 6 months after the start of a period of continuous symptoms</li> </ul>
<b>Paralysis of limbs – total and irreversible</b>	Total and irreversible loss of muscle function to the whole of any 2 limbs.	§ Date of evidence confirming definition satisfied, OR § Date of event, if a traumatic event,
<b>Parkinson’s disease [before age x] – resulting in permanent symptoms</b>	A definite diagnosis of Parkinson’s disease [before age x] by a Consultant Neurologist. There must be permanent clinical impairment of motor function with associated tremor, rigidity of movement and postural instability.  For the above definition, the following is not covered: <ul style="list-style-type: none"> <li>• Parkinson’s disease secondary to drug abuse.</li> </ul>	§ Date of diagnosis, OR if not clear, § Date of evidence confirming definition met.
<b>Stroke – resulting in permanent symptoms</b>	Death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in permanent neurological deficit with persisting clinical symptoms. For the above definition, the following are not covered: <ul style="list-style-type: none"> <li>• Transient ischaemic attack.</li> <li>• Traumatic injury to brain tissue or blood vessels.</li> </ul>	§ Date of event OR, if any uncertainty § Date of evidence confirming the presence of permanent neurological deficit.
Terminal illness	Advanced or rapidly progressing incurable illness where, in the opinions of an attending Consultant and our Chief Medical Officer, the life expectancy is no greater than 12 months.	Date of evidence confirming definition satisfied.
<b>Third degree burns – covering 20% of the body’s surface area</b>	Burns that involve damage or destruction of the skin to its full depth through to the underlying tissue and covering at least 20% of the body’s surface area.	Date of event

CI claim event	ABI definition	Date of diagnosis
<b>Traumatic head injury</b> – <i>resulting in permanent symptoms</i>	Death of brain tissue due to traumatic injury resulting in permanent neurological deficit with persisting clinical symptoms.	§ Date of event OR § Date of evidence confirming the presence of permanent neurological deficit.
TPD	No ABI definition	Date of evidence confirming definition satisfied.

Notes:

1 Date of evidence = date that specialist evidence exists, not when it has been advised to the claimant, or to the claims assessor

2 Where a claim under stand-alone critical illness cover is only valid after survival of a specified period (e.g. 14 or 28 days) then although this period must have elapsed for the claim to be valid, the date of diagnosis of the claim is unaffected and is the same as if the claim occurred under accelerated cover.