

Sharing the benefits
of healthy living



Serious Illness Cover

The ABI guide to minimum
standards for critical illness cover



The purpose of the ABI guide to minimum standards

In April 1999, the Association of British Insurers (ABI) published its first Statement of Best Practice (SOBP) for critical illness cover. The statement is periodically reviewed to ensure that changes in market practice, legislation and medical science are incorporated. The ABI no longer produces statements for best practice and now releases guides for minimum standards, the most recent of which was published in September 2022.

The statement applies to insurers who are members of the ABI and provides a framework for product providers to use to help consumers and advisers better understand and compare critical illness cover. The guide does this through the following:

- ✓ Having a common format for the way that critical illness cover is described to potential customers at point of sale
- ✓ The use of common terms (e.g. 'permanent', 'survival period', etc.)
- ✓ The use of model definition and exclusion wordings which meet appropriate minimum standards

How does the ABI define critical illness cover?

Critical illness cover is insurance which pays out on meeting the policy definition of a specified critical illness and where all of the following are included before the application of any individual underwriting decision:



Cancer
excluding less advanced cases



Heart attack
of specified severity



Stroke
resulting in permanent symptoms



How does the ABI statement of best practice deal with Serious Illness Cover?

The ABI guide doesn't specify the amount that is payable in the event of a claim.

VitalityLife's Serious Illness Cover includes all of the model wordings and therefore our Serious Illness Cover complies with the ABI guide.

How much does VitalityLife pay out under the ABI definitions?

The table overleaf shows the amounts that we pay out under Serious Illness Cover in respect of each of the ABI definitions. It is important to remember that if we make a payment, further payouts may be made if the condition progresses or if you suffer another illness or die. If Serious Illness Cover 2X or 3X is selected, the payout for an ABI condition will be 100% in all cases.

What does ABI+ mean?

ABI+ is a term that describes the scenario where an insurer has amended the model wording by removing an exclusion or limitation from the definition. In many cases making a definition ABI+ does little to increase the likelihood of making a claim.

A good example is where an insurer removes an age limit from a definition, but the likelihood of a claim is not increased because of the maximum age limit which applies to the plan.

Whilst the term ABI+ is marketed to provide additional cover, in many cases the extent of the extra cover provided is quite limited and with marginal benefit for clients.

What about VitalityLife and ABI+?

At VitalityLife, we provide cover that not only meets the ABI standard definitions, but also provides wider cover for earlier stages and less severe conditions and treatments.

By using separate, clearly defined definitions, we believe this provides a far better outcome than by just tweaking the definition wording.



Condition	Minimum payout with Serious Illness Cover 1X	Minimum payout with Serious Illness Cover 2X and 3X	How our Serious Illness Cover goes even further for this condition
Alzheimer's disease (before age x) resulting in permanent symptoms	25% Higher payouts of up to 100% based on failure of functional activity tests	100%	Our definition for Alzheimer's disease at severity level F does not require permanent symptoms. This means that we will pay out on diagnosis. We also include cover for neurological diseases other than those specifically defined.
Aorta graft surgery	75%	100%	Our definition exceeds the ABI model wording as we include grafts which are performed as a result of traumatic injury. We also cover Endovascular repair of an aortic aneurysm at severity level D.
Benign brain tumour resulting in permanent symptoms	25% Higher payouts of up to 100% based on failure of functional activity tests	100%	Our definition exceeds the ABI model wording as we will pay if the tumour is treated with surgery. We provide cover for spinal tumours at severity level D. We provide cover on diagnosis with no requirement for permanent symptoms or surgery at severity level F. Under separate definitions we cover the treatment of a type of benign brain tumour that is excluded under the ABI definition - Surgical Removal of the Pituitary Gland (severity level F) and Radiotherapy to the Pituitary Gland (severity level F).
Blindness permanent and irreversible	100%	100%	We also cover Severe visual impairment at severity level A and Significant visual impairment at severity level C. In addition we cover Central blindness at severity level D, Blindness in one eye at severity level E, Surgical removal of one eye at severity level E, Tunnel vision at severity level E and Surgical repair of a detached retina at severity level F. We also cover corneal transplant at severity level F.
Cancer excluding less advanced cases	25% Higher payouts of up to 100% or more for advanced cases	100%	Our definition includes cover for Merkel cell carcinoma. We also cover Low grade prostate cancer at severity level D with no requirement for treatment. We cover Carcinoma in situ of the oesophagus requiring surgery at severity level D, Mastectomy for carcinoma in situ of the breast at severity level D, Moderately Severe Aplastic Anaemia at severity level D, Lumpectomy for Carcinoma in-situ of the Breast at severity level D, Borderline Ovarian Cancer at severity level E, Carcinoma in situ - treated with surgery to remove the tumour at severity level E, Carcinoma in situ at severity level G payable on diagnosis and Non melanoma skin cancer - at severity level G.
Coma	25% Higher payouts of up to 100% based on failure of functional activity tests	100%	Our definition does not require the use of life support for a continuous period of 96 hours and there is no requirement for permanent neurological deficit. We also don't exclude medically induced comas.
Coronary artery bypass grafts with surgery to divide the breastbone	50% Higher payouts of up to 75% if multiple vessels are treated	100%	We also include cover for Keyhole coronary artery bypass surgery at severity level E, Coronary Angioplasty - with specified treatment at severity level E, and Angioplasty (Coronary) with or without stent at severity level F.
Deafness permanent and irreversible	100%	100%	We also include cover for significant hearing loss in both ears at severity level C and Radical mastoid surgery at severity level F.
Heart attack of specified severity	50% Higher payouts of up to 100% depending on ejection fraction	100%	Our definition of Heart attack of specified severity does not include the requirement for new characteristic electrocardiographic changes or new diagnostic imaging changes. We also offer a definition which ensures that we cover all diagnosed Heart attacks at severity level D. In addition we cover a wide range of cardiovascular procedures and condition such as - Angioplasty (coronary), Angioplasty to correct carotid artery stenosis, Permanent defibrillator insertion, Permanent pacemaker insertion, Pulmonary artery surgery, Severe peripheral vascular disease, Surgery to correct carotid artery stenosis, Surgery for cardiac arrhythmia.
Heart valve replacement or repair with surgery to divide the breastbone	25%	100%	Our definition covers all types of surgery. We also cover Balloon valvuloplasty at severity level E.
Kidney failure requiring dialysis	100%	100%	The ABI definition is limited to end stage kidney failure. We offer cover for a wide range of conditions affecting the kidney and urogenital system including Severe chronic renal impairment at severity level B, Chronic renal impairment at severity level C, Acute renal dialysis at severity level D, Nephrectomy (removal of a kidney) at severity level D, Surgical repair of a kidney at severity level E and Partial Nephrectomy at severity level E.
Loss of speech permanent and irreversible	100%	100%	We use the ABI model definition.
Loss of hand or foot permanent physical severance	50%	100%	We also cover Amputation of two or more fingers or thumbs at the metacarpal bone at severity level F and loss of use of a whole hand, without physical severance at severity level C.
Major organ transplant	100%	100%	We use the ABI model definition.
Motor neurone disease (before age x) resulting in permanent symptoms	25% Higher payouts to 100% based on failure of functional activity tests	100%	Our definition for Motor neurone disease at severity level D does not require permanent symptoms. This means that we will pay out on diagnosis. We also include cover for neurological diseases other than those specifically defined.
Multiple sclerosis with persisting symptoms	25% Higher payouts to 100% based on failure of functional activity tests	100%	Our definition for Multiple sclerosis at severity level D does not require persisting symptoms. This means that will pay out on diagnosis. We also include cover for neurological diseases other than those specifically defined.
Paralysis of limb total and irreversible	75%	100%	We include a number of definitions which cover degrees of paralysis or impairment. For example paralysis of two or more limbs at severity level A, loss of manual dexterity to age 70 at severity level A, Loss of muscle power resulting in the inability to grip to age 70 at severity level A, Loss of the use of a whole hand at severity level B.
Parkinson's disease (before age x) resulting in permanent symptoms	25% Higher payouts to 100% based on failure of functional activity tests	100%	We also include a definition at severity level F which covers diagnosis of Parkinson's without a requirement for permanent symptom and a definition at severity level D for diagnosis of one of the Parkinson's plus syndromes with permanent clinical impairment. We also include cover for neurological diseases other than those specifically defined.
Stroke resulting in permanent symptoms	25% Higher payouts to 100% based on failure of functional activity tests	100%	VitalityLife definition covers all diagnosed strokes. This definition is boosted to 100% if Serious Illness Cover 2X or 3X is included.
Third degree burns covering 20% of the body's surface area	100%	100%	We pay out 100% where burns cover 25% of the surface area of the face. We also cover less extensive skin burns under a range of definitions: Less extensive third degree burns - covering 15% of the body's surface area at severity level B. Less extensive third degree burns - covering 10% of the body's surface area at severity level C. Less extensive third degree burns - covering 5% of the body's surface area or 10% of the surface area of the face.
Traumatic brain injury resulting in permanent symptoms	25% Higher payouts to 100% based on failure of functional activity tests	100%	We also include a definition at severity level D for Brain injury due to anoxia or hypoxia, Craniotomy at severity level D, Surgical repair of a depressed skull fracture at severity level E and at severity level F payable on diagnosis with no requirements for permanent neurological deficit.

Example of severity levels in practice

The eye

Typical critical illness cover plans will only pay out if the claimant meets the ABI definition of blindness which is:

“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”.

If the claimant met this definition a 100% payout would be applicable. We'll pay out the following under our Serious Illness Cover 3X:

Severity level	Conditions	Vitality payout %	Condition listed under the ABI statement of best practice
A	Blindness - permanent and irreversible	100%	Covered
	Severe visual impairment - permanent and irreversible	100%	Not covered
C	Significant visual impairment - permanent and irreversible	50%	Not covered
D	Central blindness - permanent and irreversible	25%	Not covered
E	Blindness in one eye - permanent and irreversible	15%	Not covered
	Surgical removal of one eye - for trauma or disease		
	Tunnel vision - permanent and irreversible Central retinal occlusion		
F	Surgical repair of a detached retina - excluding laser surgery Corneal transplant	10%	Not covered

Musculoskeletal trauma

We'll pay out the following under our Serious Illness Cover 3X:

Severity level	Conditions	Vitality payout %	Condition listed under the ABI statement of best practice
A	Loss of hands or feet - permanent physical severance	100%	Covered
B	Loss of a single limb - permanent physical severance	100%	Covered
C	Loss of a single hand or foot - permanent physical severance	50%	Covered
	Loss of use of whole hand - total and irreversible		
D	Surgical reattachment of an amputated limb - for trauma	25%	Not covered
E	Le Fort III reconstruction - for trauma	15%	Not covered
F	Amputation of two or more fingers or thumbs - permanent physical severance	10%	Not covered



Find out more.

For more information please speak to your adviser or visit our website vitality.co.uk/life

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