Vitality GENISTAR Financial Freedom For All
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THE POWER OF SEVERITY

A better client conversation about what happens after the first claim

There are two questions every client should be able to answer:
"Will my plan pay?"* and *"Will I still be protected afterwards?"

Severity, simply explained

A serious condition does not have to reach the most extreme threshold to disrupt someone's life. Vitality's Serious Illness Cover links the payout to the severity of the condition, so support can be available at an earlier stage and the payment increases as the impact becomes more severe.

Take third-degree burns. Many traditional CIC plans use a definition that generally requires burns to cover more than 20% of the body. Vitality uses the Wallace Rule of Nines and can recognise third-degree burns at lower thresholds, including 15%, 10% and 5% of body surface area, subject to the plan terms. A client could therefore receive support for a serious injury that involves hospital treatment, surgery, scarring and time away from work, even where a traditional threshold may not be met.

Where that difference can matter

Example	Traditional CIC	Vitality SIC
Third-degree burns below the usual 20% threshold	May not meet the policy definition.	A severity-based payment may be available from lower thresholds, subject to the plan terms.
Pulmonary embolism, bowel disease or cardioversion for cardiac arrhythmia	These were identified in previous Genistar materials as common SIC claims not covered by other insurers.	A payment may be available where the relevant SIC definition is met.
A lower-severity condition followed by a major illness	A traditional plan may offer only limited additional-cover benefits, and a full claim usually ends the plan.	The client may claim again while cover remains, including after a previous payout.

Multiple claims: what does that mean in practice?

Traditional CIC is commonly designed around one full payout, after which the cover ends. With SIC 2X or 3X, the client has a larger total claims allowance. They can make more than one claim for a new condition or for an existing condition that worsens, until the available cover has been used. The most payable on any one claim is 100% of the original sum assured.

1 in 10
2024 SIC claims were paid on plans that had claimed before

1 in 12
repeat claims were a third or later claim

1.8 years
average time between the first claim and a further claim



Illustrative example based on past claims

Jennifer, age 36, had £100,000 of SIC 2X. She first received £25,000 following acute kidney failure. Three years later she was diagnosed with breast cancer and received £100,000. She had received £125,000 in total and still had £75,000 available for future claims. A traditional CIC plan would have paid the breast cancer claim in full, then ended. The example shows why the second claim is not an abstract product feature: it is continuing financial protection after health has already changed.

Where SIC may pay and traditional CIC may not

The 2024 claims data reported that 1 in 7 SIC claims were for conditions not covered by a typical enhanced critical illness plan. That includes real-world scenarios such as pulmonary embolism, bowel disease and cardioversion for cardiac arrhythmia, where the client may have significant treatment, recovery and financial needs but may not meet a traditional CIC definition.

Make it a client conversation, not a product lecture

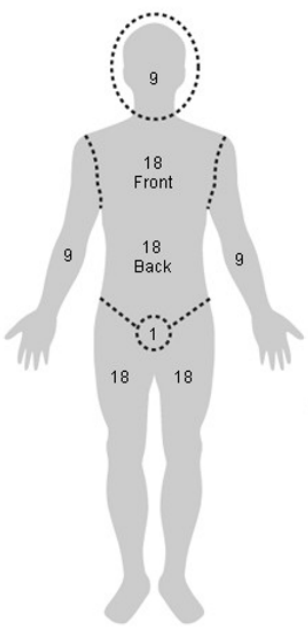
• **Start with the gap:** "If you had a serious illness, recovered and then became ill again two years later, would you expect your cover still to be there?"

• **Bring it to life:** "Would you rather have one policy built around one major event, or cover designed to respond as your health changes over time?"

• **Stress-test the amount:** "If the first payment were 25% rather than 100%, would it still make a meaningful difference to your mortgage, income and recovery costs?"

The strongest protection conversation is not only "Will it pay?"

It is "Could it pay again, and will the amount be enough when it does?"



ABI model wording

"**Third degree burns** – *covering 20% of the body's surface*
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."

A core Critical Illness will only pay out on burns in excess of 20%

DID YOU KNOW?

What is the difference between a policy START DATE and a policy ACTIVATION DATE?

Activation date: this is the date the client accepts the terms that have been issued by us for their policy. This is also the date we send the direct debit instructions to their bank in preparation for their initial payment (this usually takes around 8 working days to process).

Start date: this is the date when the client's policy officially starts and is placed 'on risk' and becomes live.

From this date:

- ✅ Premiums are payable
- ✅ Cover is in force
- ✅ The client has the benefit of protection

The client is NOT covered until their policy has passed the start date. They will NOT be able to claim for anything that happens prior to their start date.

What is a 'quarterly birthday'?

When we price a policy, we don't simply use the client's age today or the age they'll be at their next birthday. Instead, we price as close as possible to their actual age.

To do this, we split the year between their last birthday and their next birthday into four 3-month periods, known as **quarters**. The quarter a client is in helps determine their premium. As they move closer to their next birthday, they move into a higher quarter and, because they are effectively older from an underwriting perspective, their premium may increase.

The important thing for educators to understand is that if a quote has been produced or an application has been submitted, but the policy has **not started** before the client moves into their next quarter (their "quarterly birthday"), the premium will be recalculated and could increase.

This means delays between receiving terms and starting the policy can result in the client paying more than originally quoted.

UPCOMING TRAINING

Field workshops:
Wednesday 4:30pm-6pm

- October 14th : *Workshop 1 – Why Vitality?*
- November 11th : *Workshop 2 – Building a Personal Protection Plan*
- December 9th : *Workshop 3 – Quality and Compliance*

Licensing Plus workshops:
Wednesday 4:30pm – 6pm

- October 7th
- October 21st
- November 4th
- November 18th
- December 2nd
- December 16th

links and recordings will be shared on the Genistar Information Hub