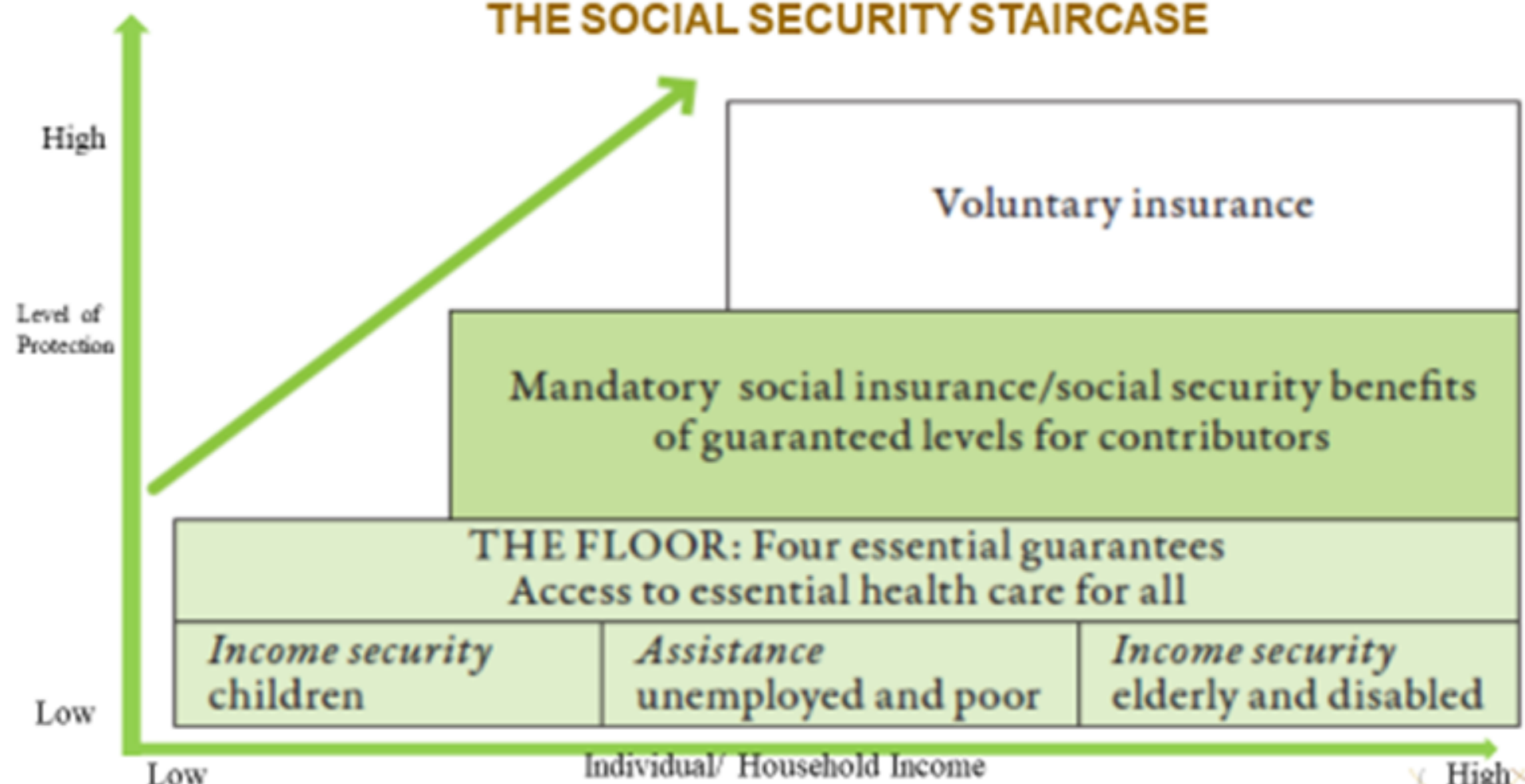


PRIVATE INSURANCE CLAIMS AND COVID 19

OCTOBER 2020

Jack van Zyl

THE SOCIAL SECURITY STAIRCASE



Low

Individual/ Household Income

High

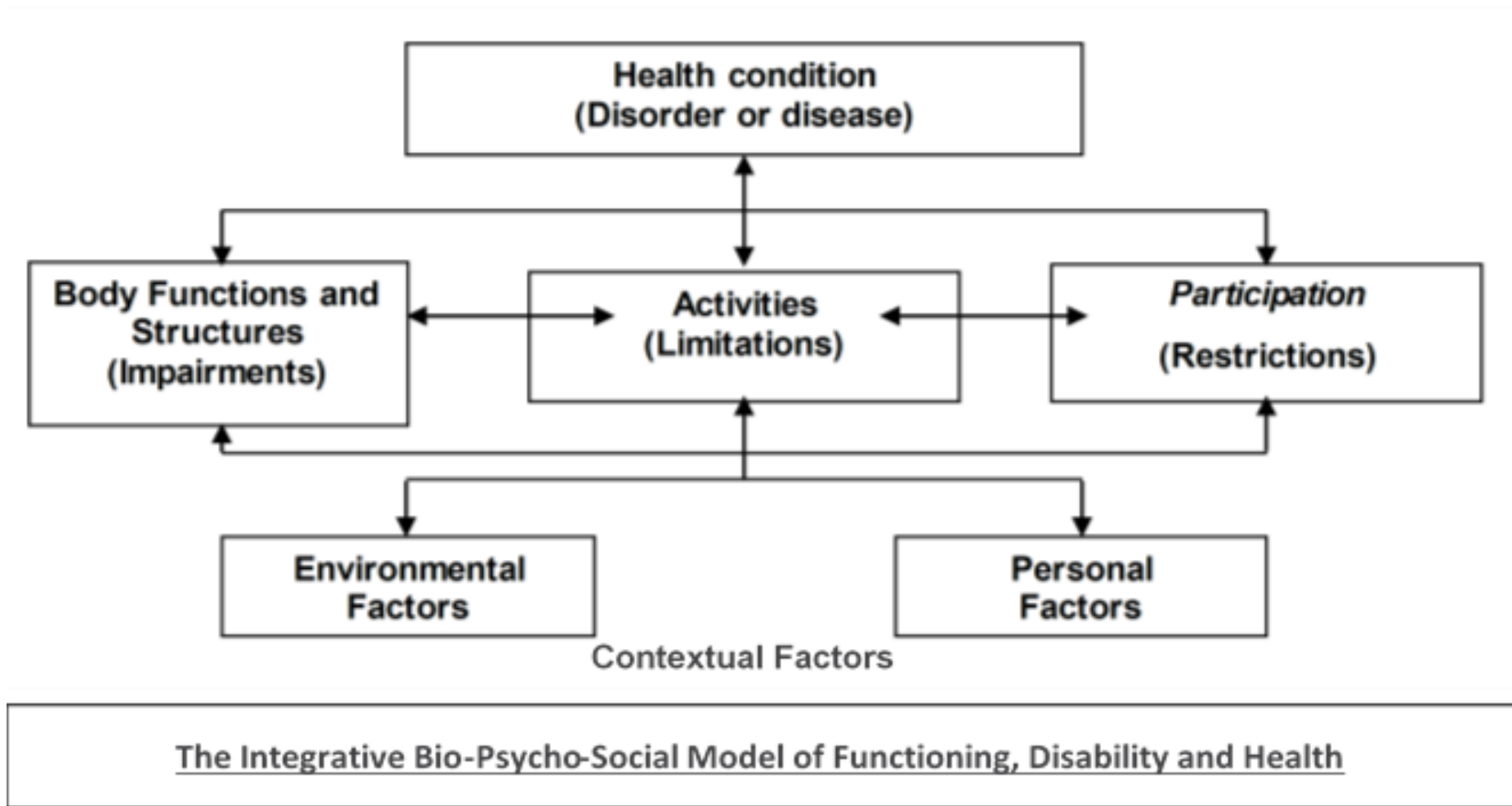
Source: ILO, 2010. Extending social security to all. A guide through challenges and options

Covid and Private Insurance

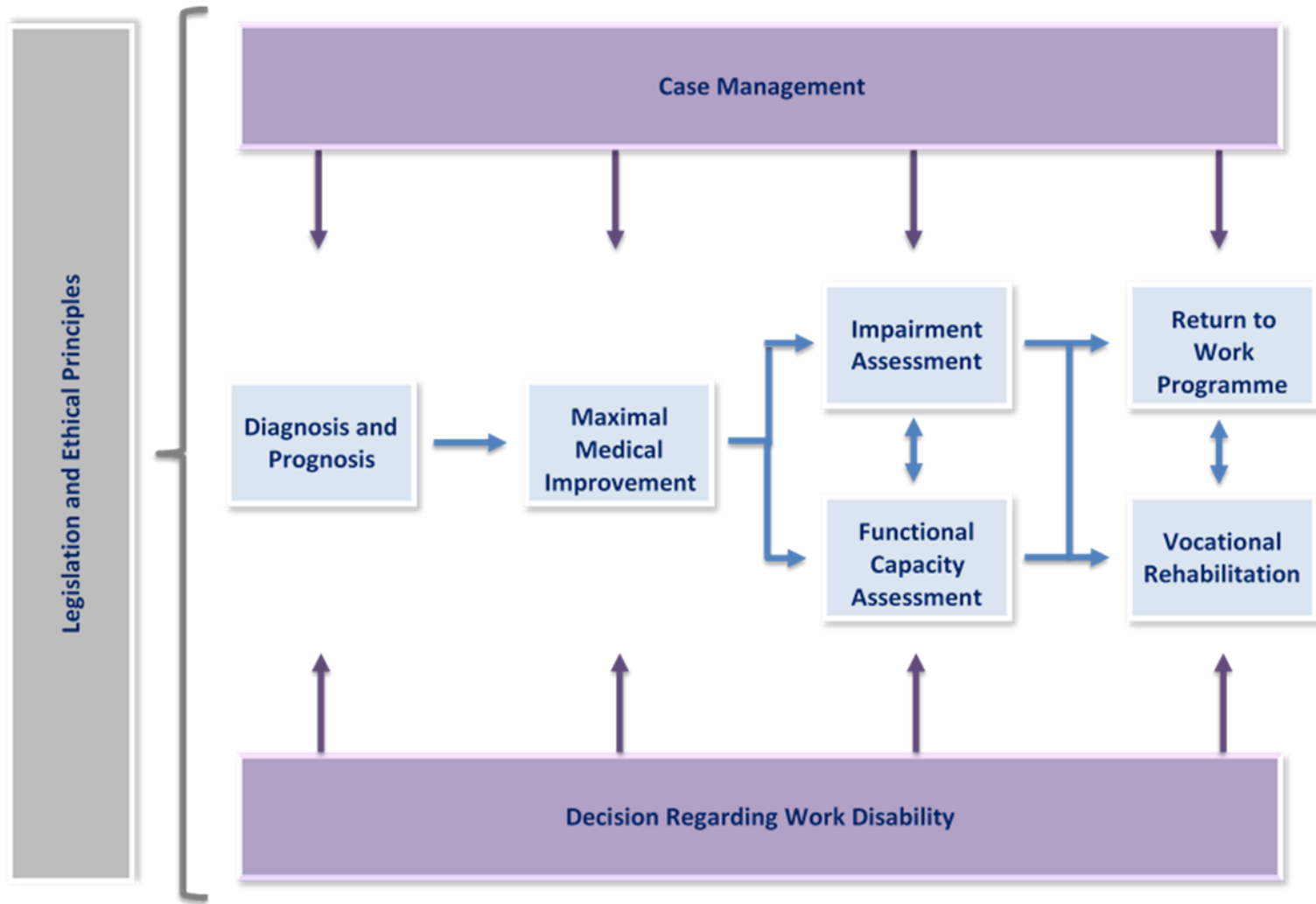
- Underwriting or risk assessment
 - Basic principles: age, comorbid risks
 - Cannot insure what you cannot measure
- Claims:
 - Death
 - Living benefits (severe illness, disability, impairment, accident)

PRODUCTS

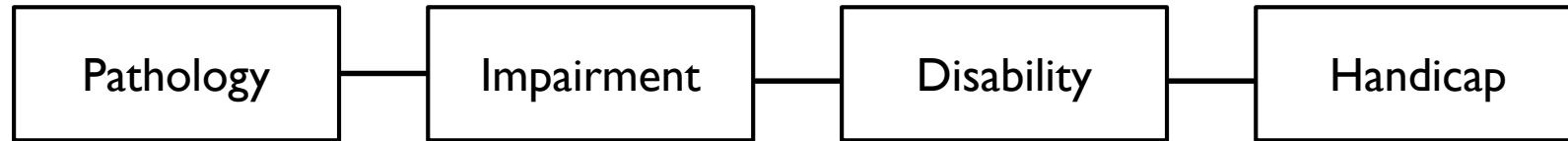
- long term vs. short term (retail vs group)
- salary continuation vs. lumpsum
- rehabilitation
- functional impairment
- terminal care
- dread disease, accident benefits
- other



disease —> impairment —> disability —> handicap



World Health Organization's International Classification of illness



The underlying
disease or diagnosis

The immediate
Physiological
Consequences,
Symptoms, and
signs

The functional
Consequences,
abilities lost

The social and
societal
consequences,
freedoms lost



Disability assessment

- ▶ Diagnosis, Prognosis
- ▶ MMI after optimal treatment
- ▶ Impairment evaluation
- ▶ Functional capacity (ability)
- ▶ Compare with tasks
- ▶ Adapt workplace, job
- ▶ Compare with disability clause
- ▶ conclusion





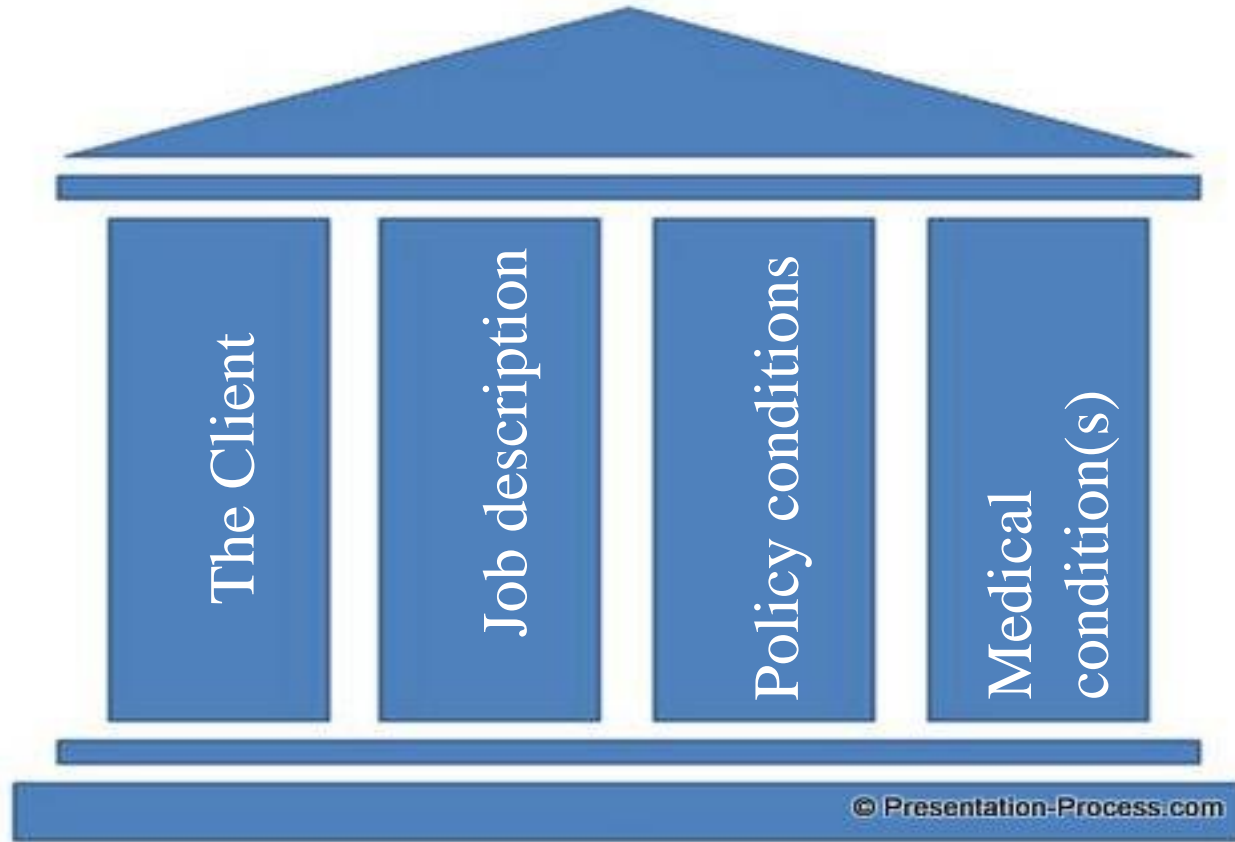
Basic Principles in Disability Rating.

- **Diagnosis: Based on International acceptable criteria**
- **Treatment : Optimal, according to established guidelines**
- **Impairment Rating : Objective, based on International benchmarks**

Disability Assessment



LEGAL DECISION based on four pillars :



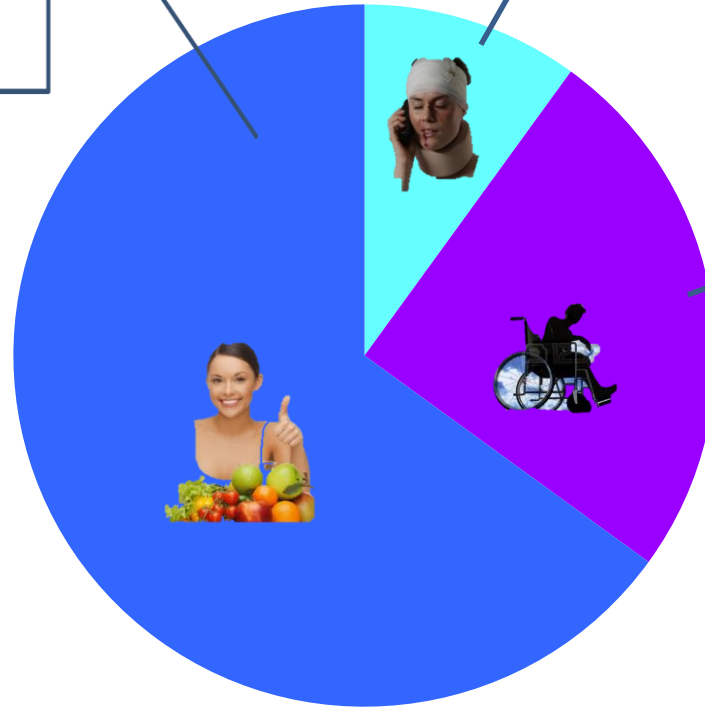
Workforce

Primary prevention:
Prevent illness and injury

- Screening for disease
- Wellness
- Occupational health & safety

Secondary prevention:
Affective treatment, prevent complications (use management)

- Absenteeism
- Incapacity management
- Claims management



Tertiary prevention:

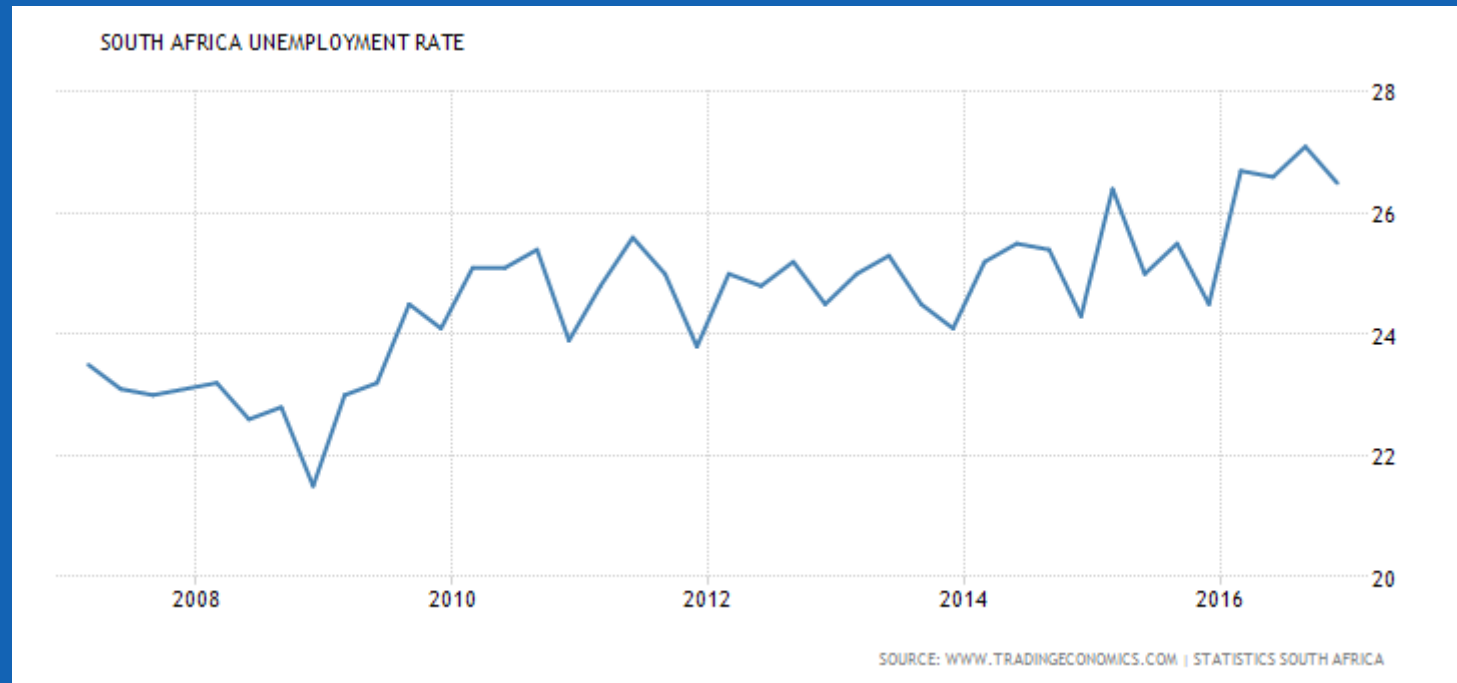
- Manage complications
- Adapt work

■ Injured/Sick ■ Impaired ■ Healthy

What is driving disability experience?

- Economy
 - Karl Schriek's study
 - Multivariate time-series model
 - 1% point increase in unemployment => 6% increase in disability rates
 - 1 point increase in CCI => 1% decrease in disability rates
 - Few months lag

What is driving disability experience?



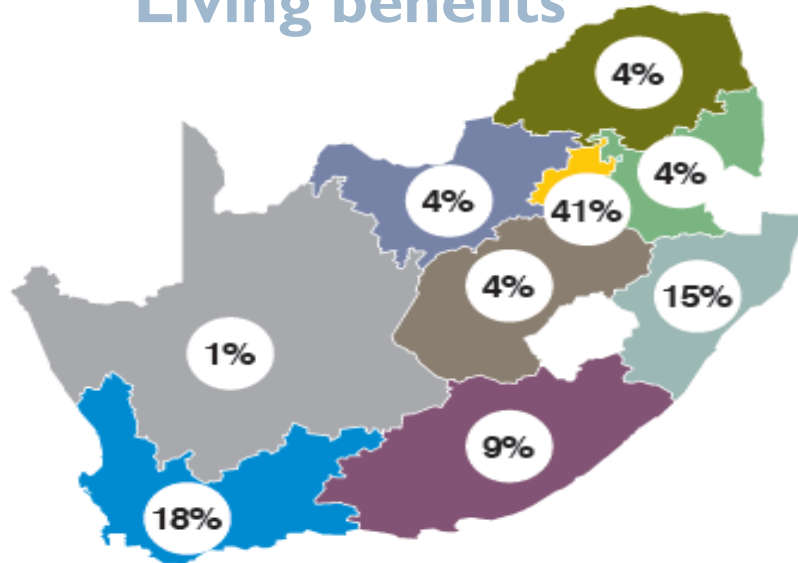
Fundamentals of Impairment and Disability Evaluation

- ▶ Needs assessment: why?
 - ▶ Collaborative between Medical advisors and UCT
 - ▶ Sponsored by SETA of insurance industry (INSETA)
 - ▶ Will be without cost to medical and related professionals
 - ▶ As a introduction for formalized disability and impairment courses.
-



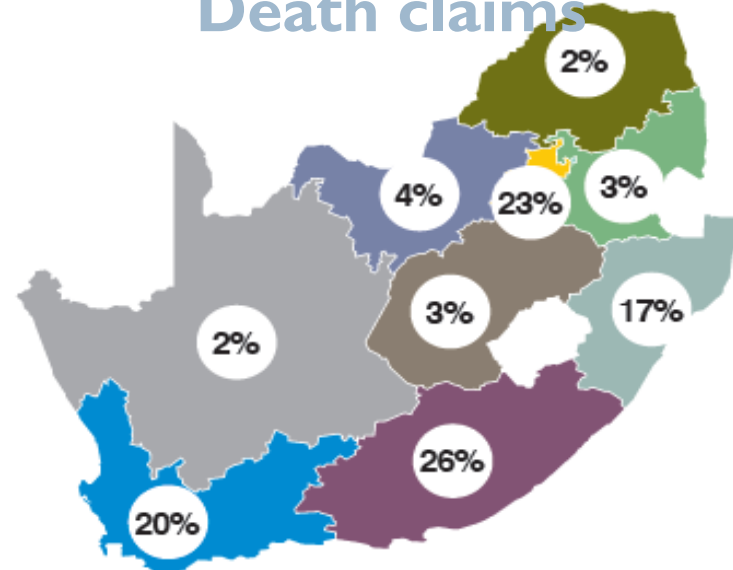
Geographical spread

Claims paid per Province
Living benefits



- Gauteng
- Western Cape
- KwaZulu-Natal
- Eastern Cape
- Mpumalanga
- Free State
- Limpopo
- North West
- Northern Cape

Claims paid per Province
Death claims



- Eastern Cape
- Gauteng
- Western Cape
- KwaZulu-Natal
- North West
- Free State
- Mpumalanga
- Northern Cape
- Limpopo

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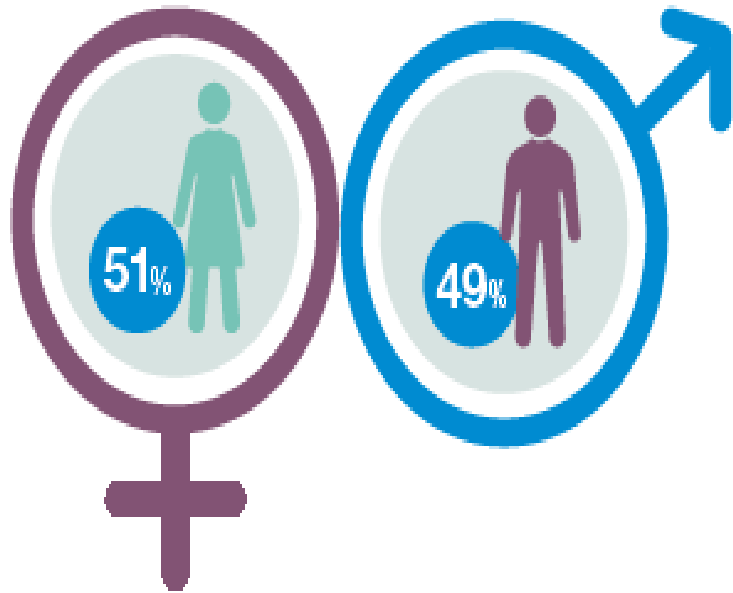


Male/female

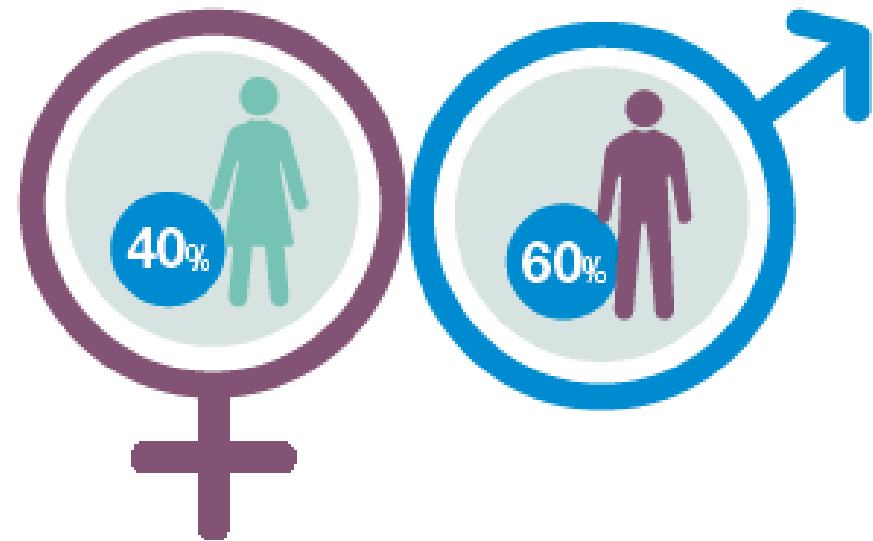
Living benefits

Death claims

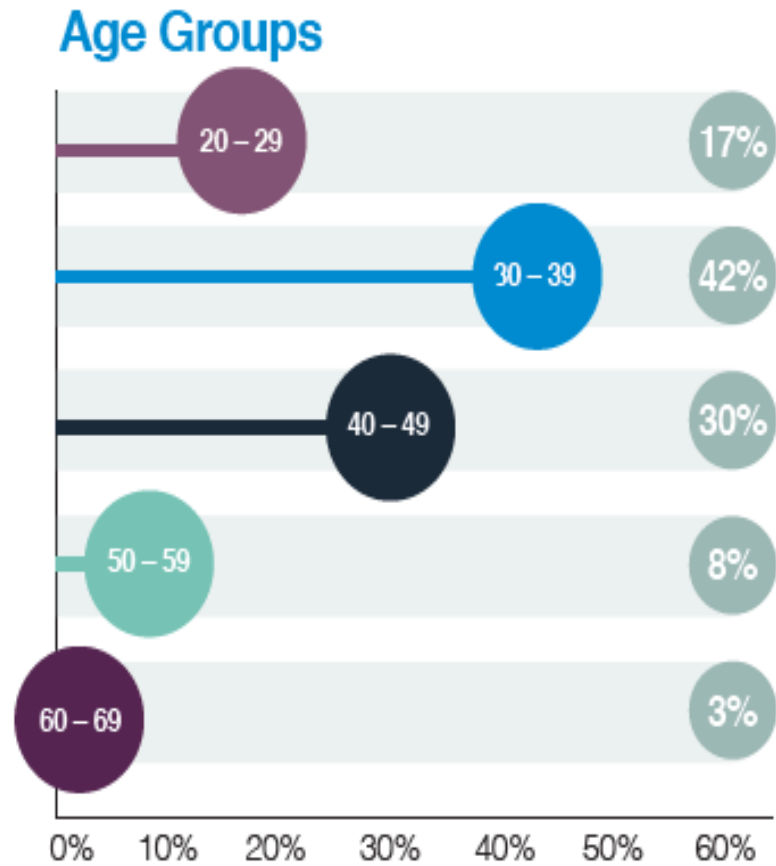
Gender



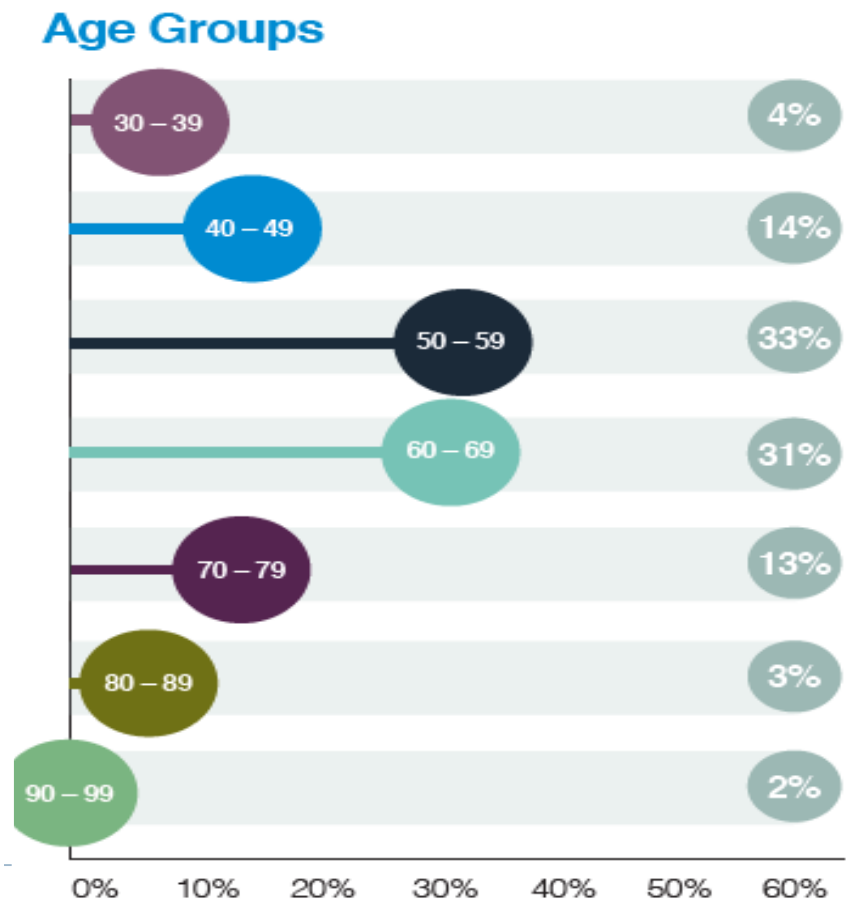
Gender



Ling benefits

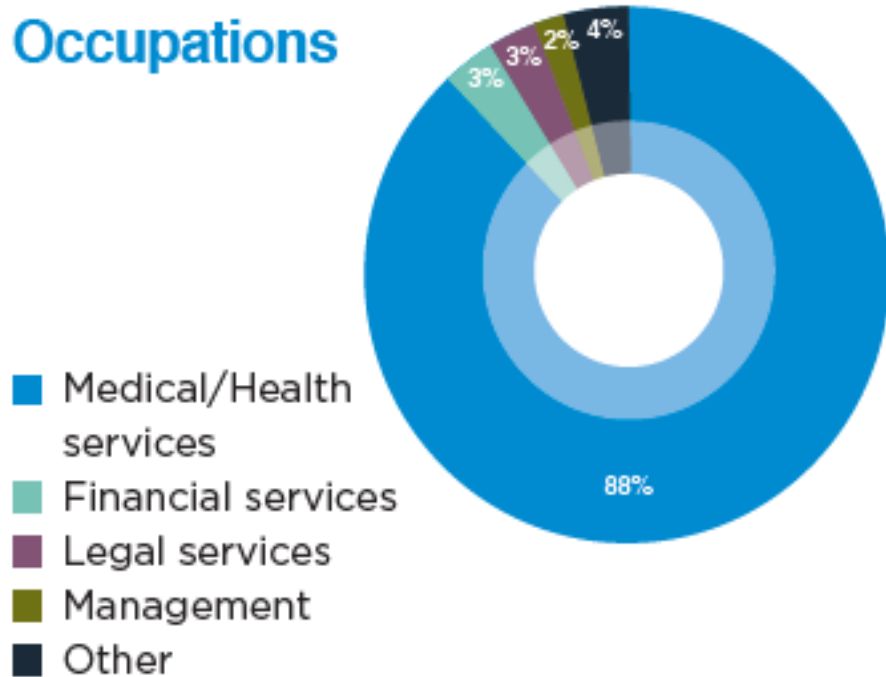


Living benefits



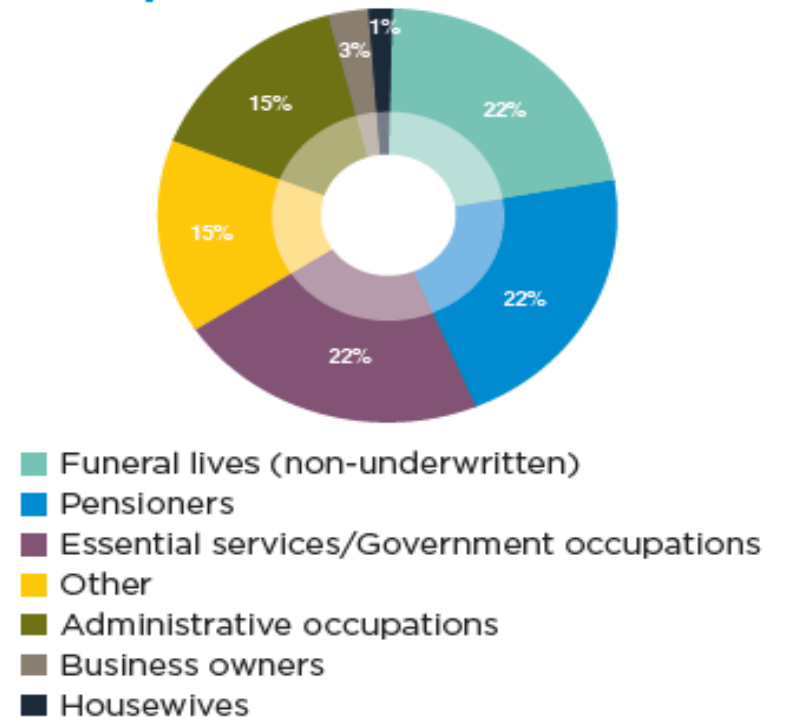
Living benefits

Occupations



Living benefits

Occupations



DEATH- AND FUNERAL CLAIMS PAID:

March – June 2020: R11.6 million (100%)

July 2020: R36.65 million (316%)

August 2020: R96.35 million (830%)