

# Claim statistics

Momentum | 2018



**momentum**  
life insurance

# Our unwavering commitment to all our clients

When clients take out life insurance, irrespective of whether this is pure life cover or includes critical illness, disability or longevity cover, they expect their insurer to take the lead when unexpected things happen. They view their life insurance as the safety net that will support them and their families when the unthinkable happens. Therefore, peace of mind tops the list when clients choose their 'life insurance partner' that will come through when it matters most – at claim stage.

However, insurers have an obligation to protect the interests of all their clients. This means they must be provided the opportunity to evaluate a risk based on full disclosure from a client. This process is underpinned by a reciprocal relationship of trust that is in play between insurer and client and is based on an expectation that clients will be truthful when they complete an application form.

This is why full disclosure of all relevant information regarding their medical history, occupation, hobbies and income remains non-negotiable during the application process when their insurance risk is determined and evaluated. To ensure that the interests of all clients are protected, insurers will routinely verify information provided by a client if a claim occurs shortly after the commencement of cover. Hence, the strict requirement for full disclosure is a central principle of insurance.

## Our underwriting philosophy

Underwriting is a process where an insured life's occupation, hobbies, financial status and medical history is assessed to determine whether we can provide cover and to make sure that the client pays the correct premium, based on their individual, disclosed information.

When evaluating a client's application for insurance cover, different underwriting decisions can be reached depending on the benefits which a client applies for. Our underwriting philosophy is to try and find an opportunity in every risk we are presented with, but to underwrite accurately with the intention to pay all claims. This translates into applying sound underwriting practises to ensure that risks are underwritten upfront, and not at claims stage. We remain consistent in our underwriting approach, with a focus on evidence-based underwriting decisions.

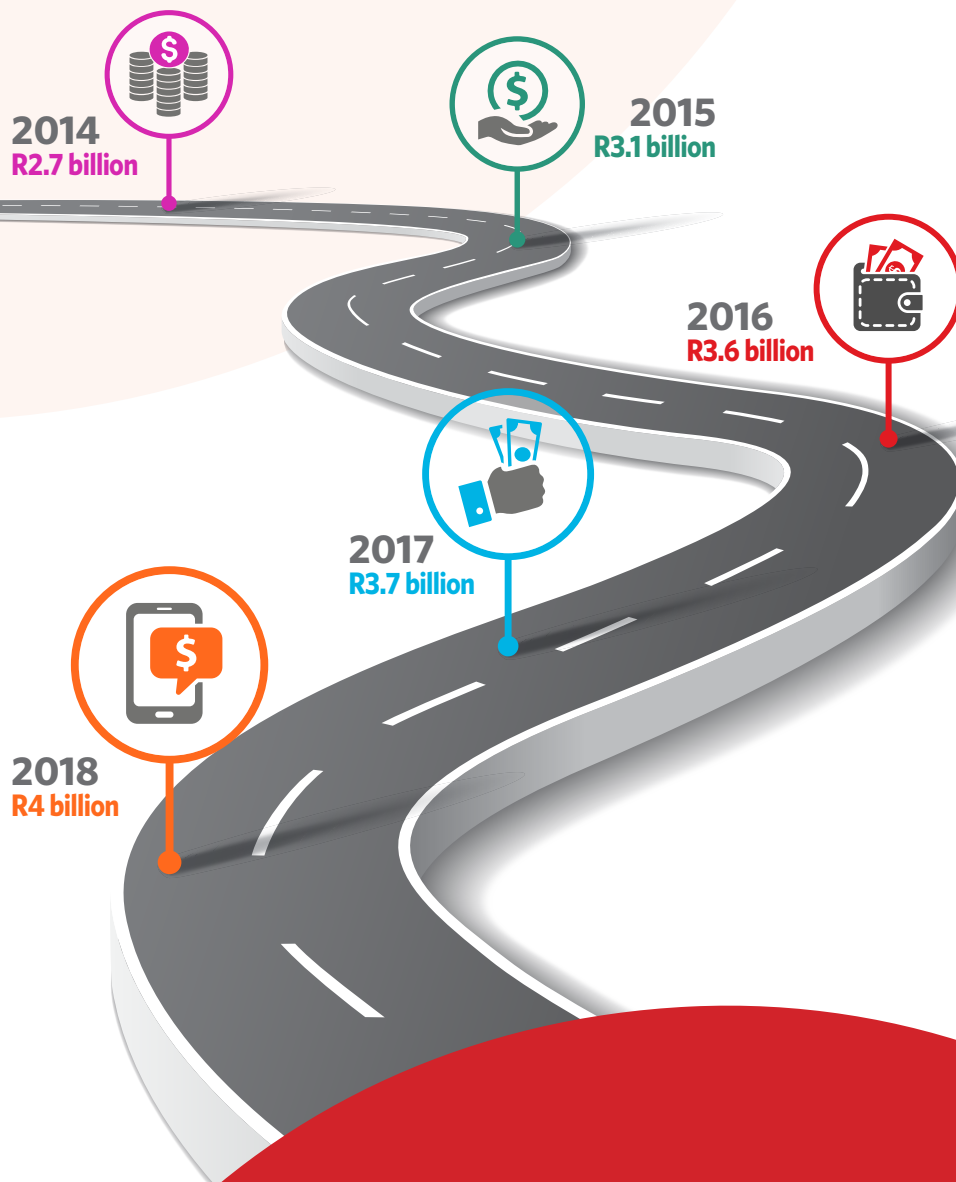


# Protecting clients financially on their journey to success

Claim statistics is one of the key measures used by industry regulatory institutions, financial advisers and life insurance product providers to track the consistency of our claim standards and commitments.

Our claim statistics tell a story of a life insurance partner that has a reputation in the industry of making every effort to pay claims. In doing this, we share in clients' journeys to ensure that they achieve their desired financial goals and aspirations, even when the unthinkable happens.

As a result, claims paid over the last **five** years have exceeded **R17 billion**.



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- Over the past five years the claim amount pay-outs have increased by an average of **9%** per year.
- Momentum paid a total of **11 847** claims in 2018. On average, this amounts to more than **R16 million** linked to **47 claims**, each working day; or more than **R2 million per working hour**.
- The total pay-out is **48% higher** than the pay-out in 2014, a mere five years ago.

# Risk claims 2018

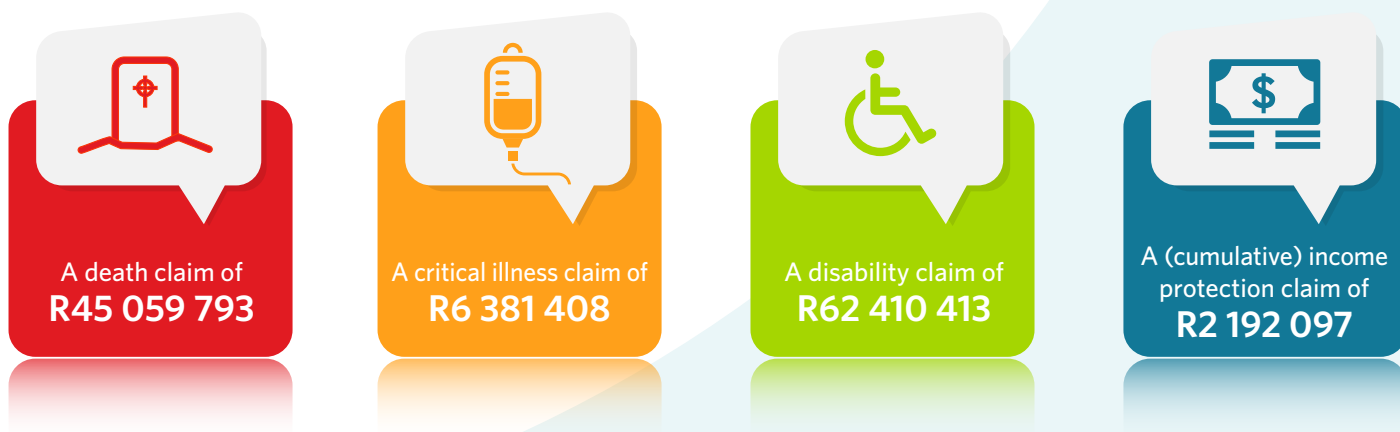
For the period spanning January to December 2018, Momentum paid more than R4 billion in individual risk claims.

## Momentum individual risk claims paid from January to December 2018



We also paid **R3.6 billion** in group life insurance which means that Momentum paid a total of **R7.6 billion** in risk claims.

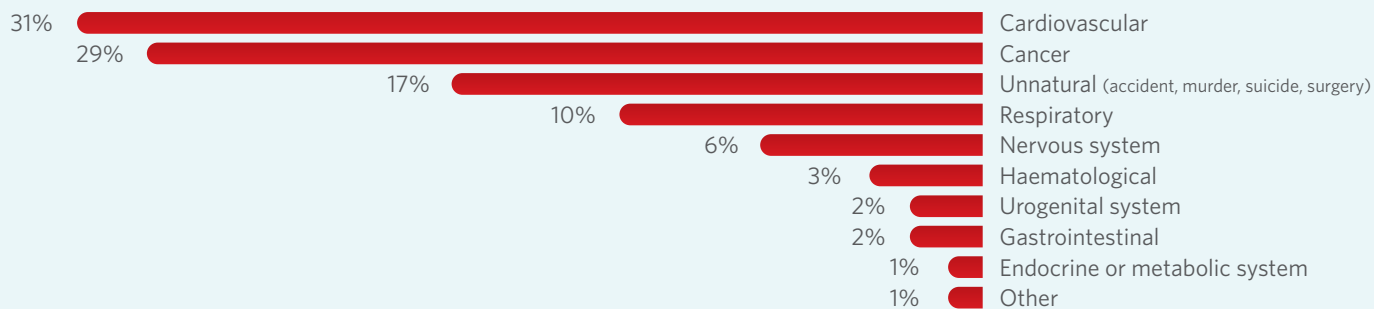
## Our **largest claims** during 2018



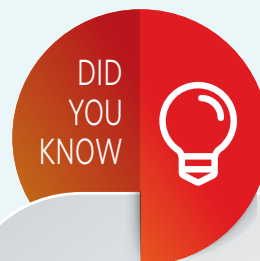
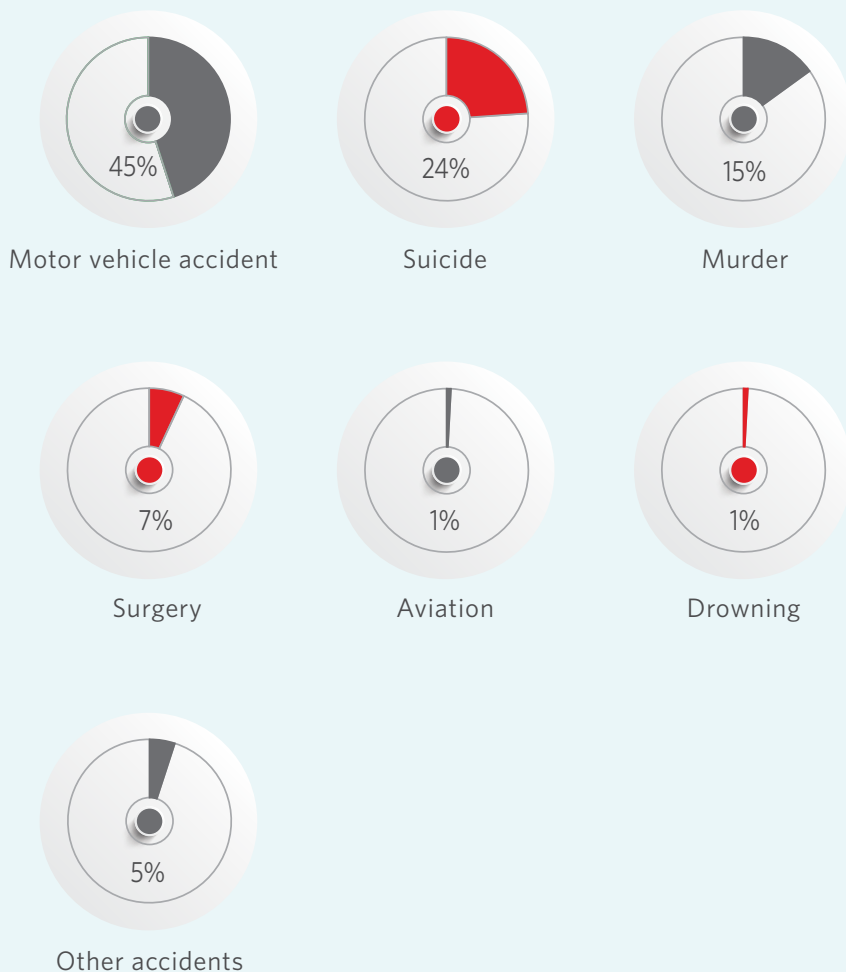
# Death claims

The death of a loved one, whether it be from an accident or natural causes, is always a very traumatic experience and those left behind should not have to worry about being left financially exposed or changing their lifestyle because of a tragic event. Comprehensive financial planning will help reduce the financial impact on dependents when a loved one passes away.

## Major causes of death claims



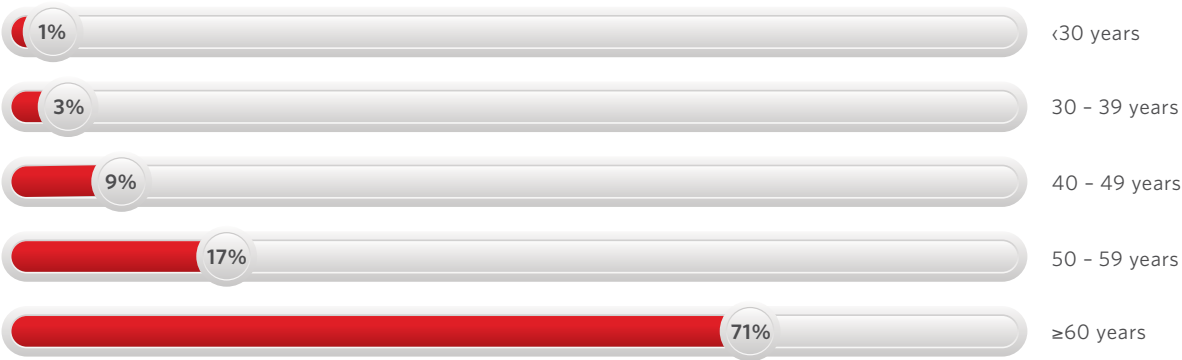
## Causes of unnatural death claims







- For every female client who died in a motor vehicle accident in 2018, five male clients died in a motor vehicle accident.
- In 2018, 93% of all suicide claims were for male clients compared to only 7% for female clients.

**Source:** Momentum Claim statistics, 2018.

Death claims by age



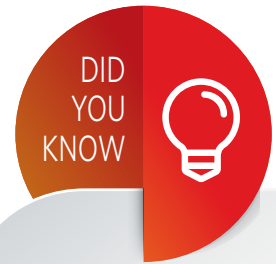
Youngest and oldest ages for who **death claims were paid** in 2018

Youngest		Oldest	
			
Male	Female	Male	Female
24	24	100	99

Death claims by gender







- Globally, about 1 in 6 deaths is due to cancer.

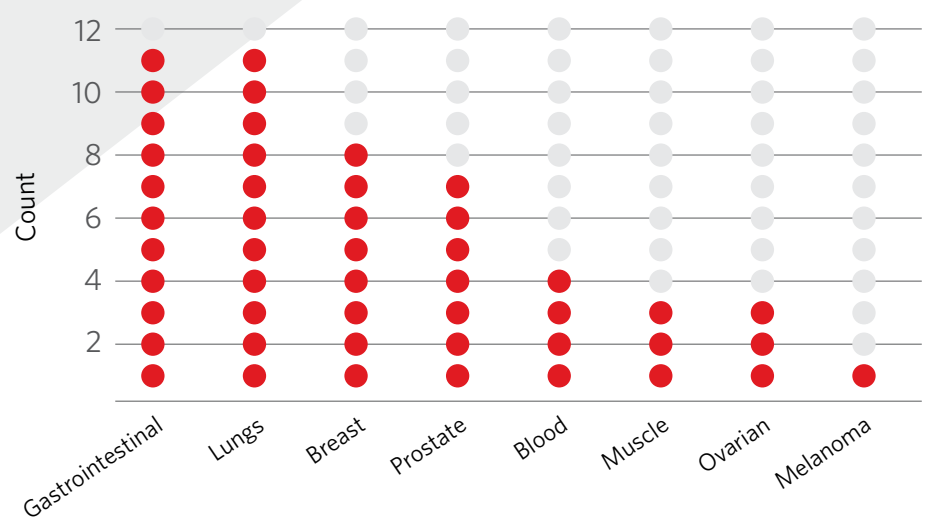
**Source:** World Health Organisation Sep 2018.



## Terminal illness claims

'Terminal illness' refers to an advanced stage of a disease with an unfavourable prognosis, no known cure and life expectancy of less than one year. For the period under review, we paid 59 terminal illness claims to the amount of R110 million and cancer was the primary cause for most of these claims.

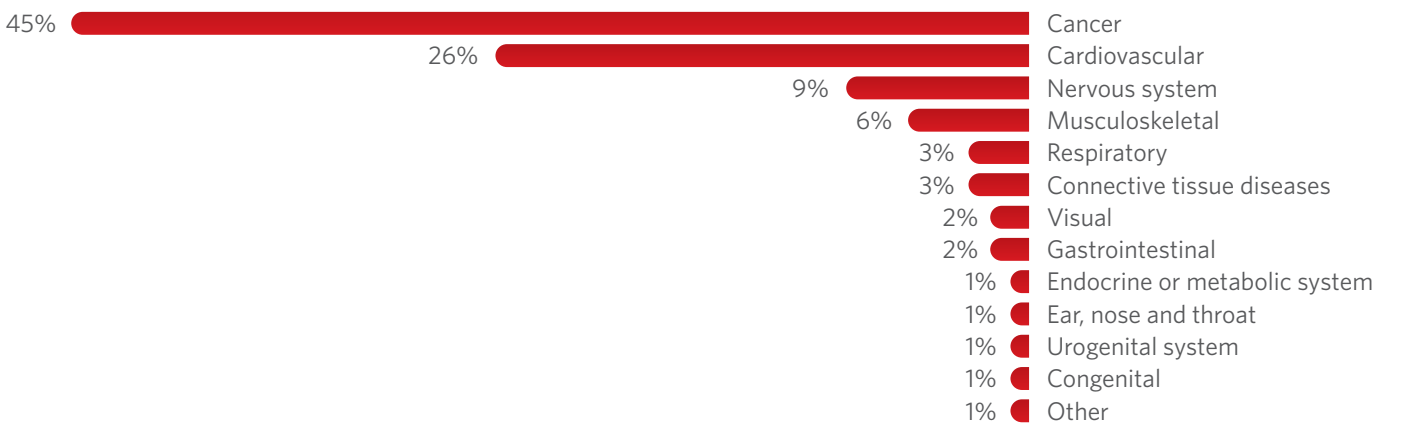
### Primary site for cancers leading to **terminal illness claims**



# Critical illness claims

Early detection of critical illnesses is extremely beneficial for clients because that is when it has the best chance of successful treatment. This is why having comprehensive critical illness cover in place may be the lifeline needed to access specialised treatments, as quickly as possible, without this becoming a financial burden for clients or their families.





## Major causes of critical illness claims



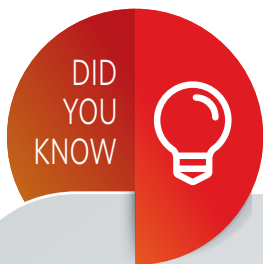
## Critical illness claims by age



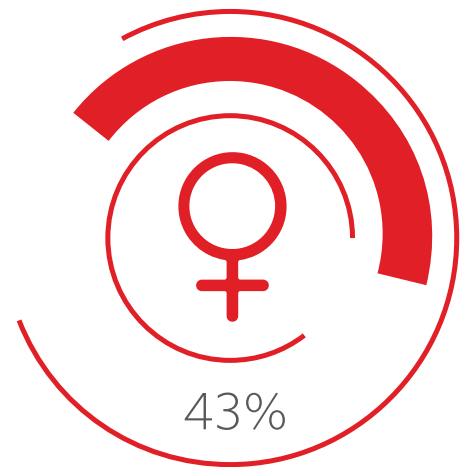
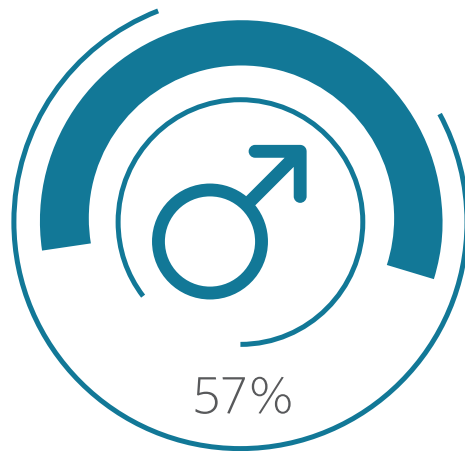
## Youngest and oldest ages for who critical illness claims were paid in 2018

Youngest		Oldest	
			
Male	Female	Male	Female
15	17	75	75





## Critical illness claims **by gender**



- In 2018, the following percentages and types of cancer claims were paid by Momentum:

**54%** of female claims were for **breast cancer**.

**38%** of male claims were for **prostate cancer**.

**44%** of critical illness claims for children were for **cancer**

**Source:** Momentum claim statistics, 2018.

- One in six people worldwide will have a stroke in their lifetime.

**Source:** Health 24, 2018.

- Globally, experts estimate that 75 million people will live with dementia by 2030 and 131.5 million by 2050.

**Source:** BBC News, 2018.

- In 2016, diabetes killed more women in South Africa than any other disease.

**Source:** Statistics South Africa.

- In South Africa, the proportion of cardiovascular related deaths in women aged 35 to 59 years is 150% higher than that of women in the United States (U.S.).

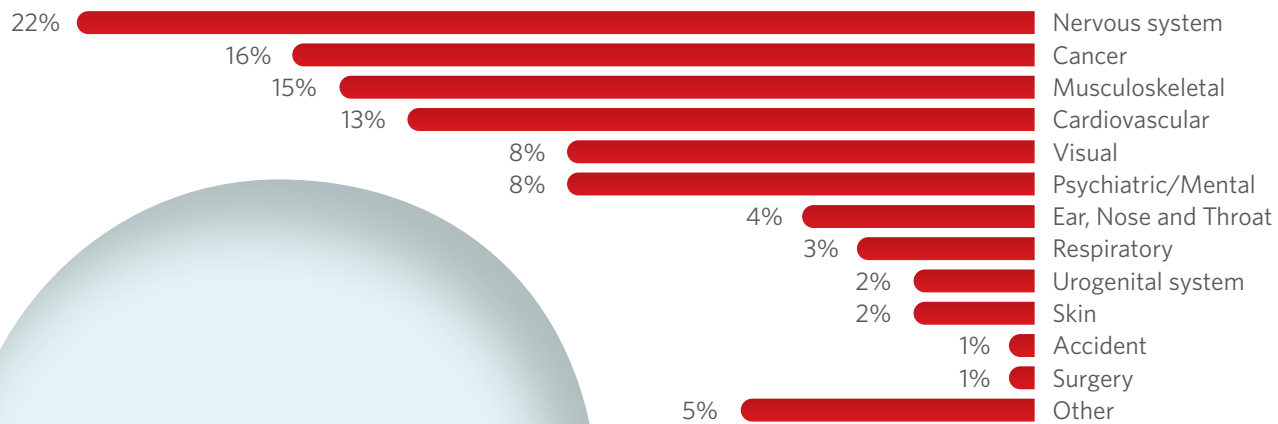
**Source:** Health 24, 2016.



# Lump sum disability claims

To provide the best possible cover against the financial consequences of a disability or impairment event, it is vital to focus on comprehensive disability benefits which include both functional impairment and occupation based cover.

## Major causes of disability claims



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- Globally, more than 50 million stroke survivors live with some form of permanent disability.

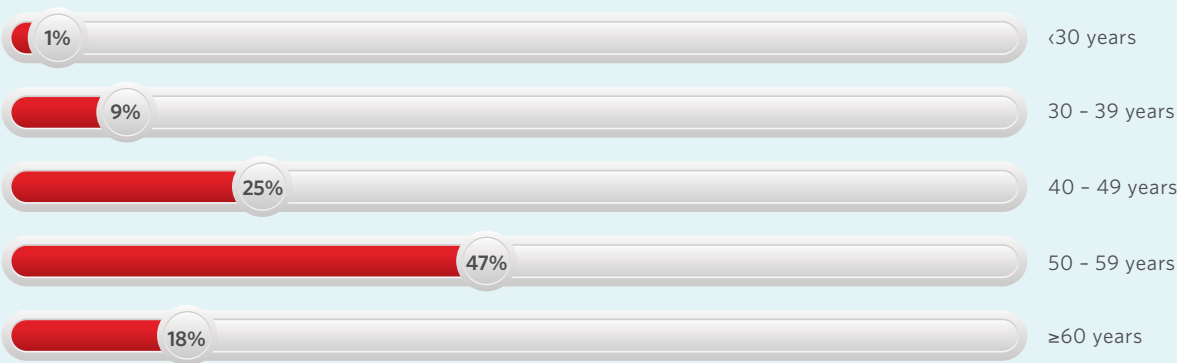
*Source: Health 24, 2018.*

- A recent study in the U.S. found that people having heart attacks were increasingly young, from 27% at the start of the study, to 32% at the end. Also, among women having heart attacks, the increase in younger patients rose from 21% to 31%, a bigger jump compared to young men.

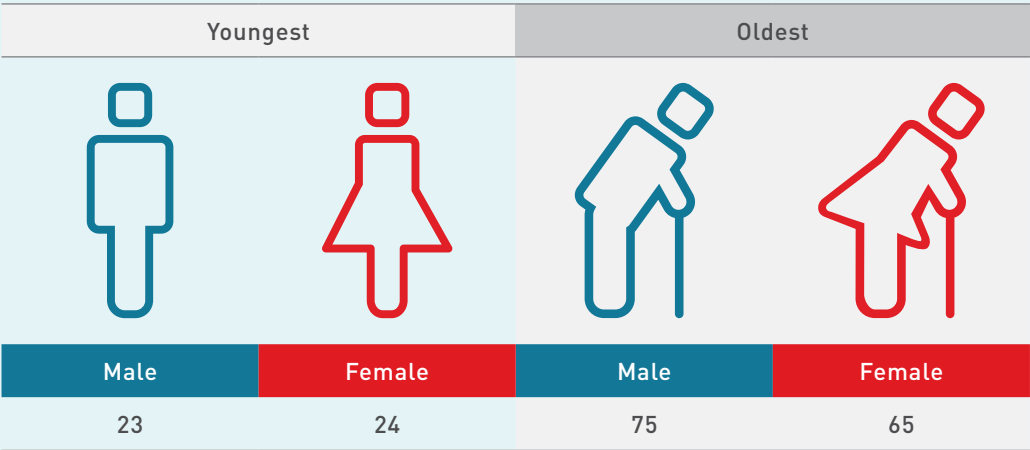
*Source: American Heart Association, 2018.*



Disability claims by age



Youngest and oldest ages for who **disability claims were paid** in 2018



Disability claims **by gender**

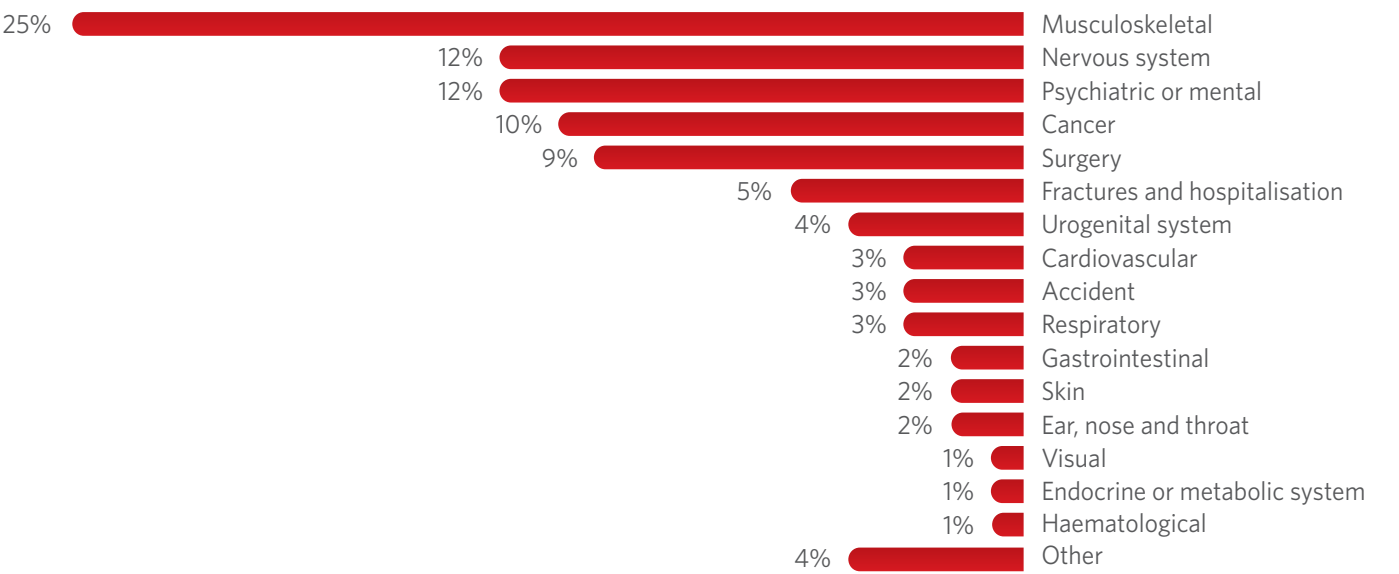




# Income disability claims

Becoming disabled, either temporarily or permanently, is something that can happen to anyone, anytime. There is nothing more devastating for a client who becomes disabled to find out that they can no longer maintain their current lifestyle, or even worse, that they are responsible for covering additional expenses that came about as a result of the disability event. Most people's lifestyles are funded through a regular income stream. This is why it is vital that clients are aware of the unforeseen costs associated with a disability and make provision for these expenses through comprehensive insurance cover.





## Major causes of income disability claims



## Income disability claims by age



Youngest and oldest ages for who **income disability claims were paid** in 2018

Youngest		Oldest	
			
Male	Female	Male	Female
24	23	79	68

Income protection claims **by gender**

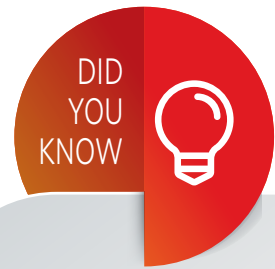




# Longevity

The search for genes that are associated with people living longer has been ongoing for a very long time with no success but yet, people continue to live longer. This leads to the question: Is there a limit on human life?

Linked to this, diseases like cancer could have a devastating effect on the quality of people's lives because the longer people live the higher the probability that they will contract chronic illnesses like cancer. This could add severe strain on people's ability to save for retirement because the burden is not only to provide for more years in retirement, but to also cater for increased medical expenses, many of which are not fully covered by a medical aid.



- A recent study stated that people who are lucky enough to live beyond their 70's, 80's and 90's could potentially live well beyond 110.

**Source:** Central Intelligence Agency World Factbook, 2018.

- The number of people aged 65 and older is projected to almost triple to 1.5 billion by 2050 on a global scale.

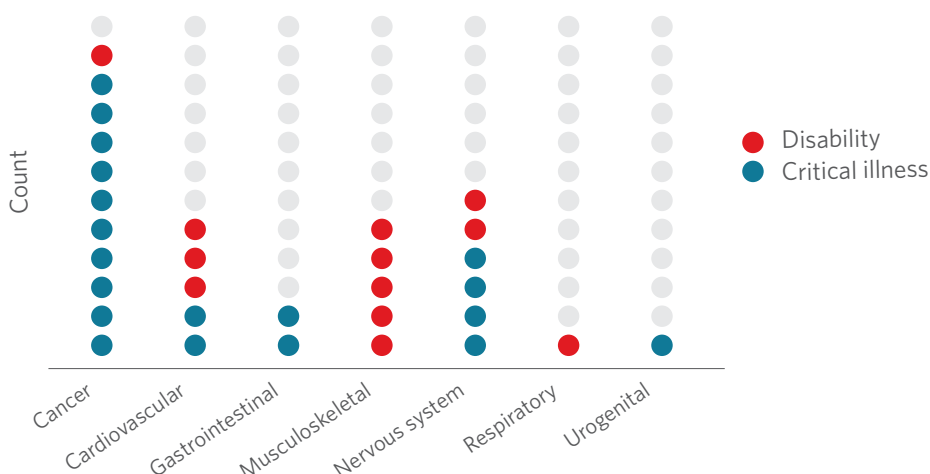
**Source:** [www.bbc.com](http://www.bbc.com), 2017.

- Current estimations put the figure of total centenarians worldwide at about 450,000 people.

**Source:** [www.thecentenarian.co.uk](http://www.thecentenarian.co.uk)

During 2018, 31 new longevity protector claims were triggered for disability and critical illness claims causes, starting the countdown to their future longevity protector pay-outs.

## Claims causes of new **longevity protector triggers** in 2018





# Our regulatory **framework**

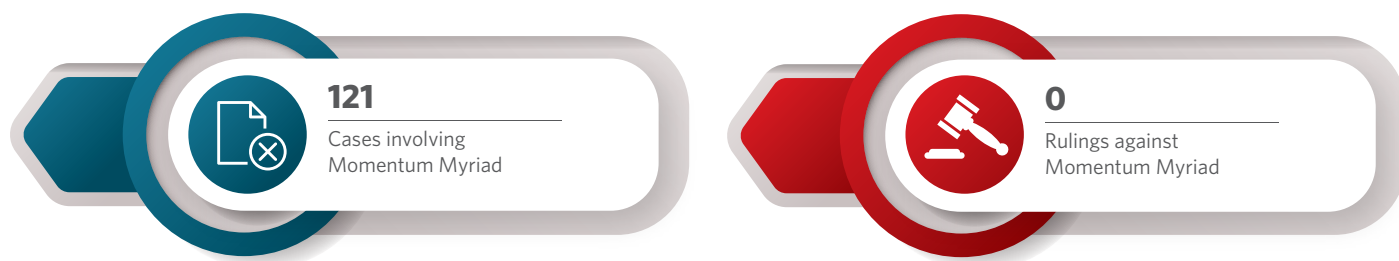
We have a high regard for the office of the Ombudsman for Long-term Insurance in their capacity as independent mediator to resolve complaints. According to the Ombudsman, the following can be cited as typical reasons for insurance companies to reject claims:

- Non-disclosure,
- Non-compliance with policy provisions,
- Fraudulent claims, and
- Pre-existing conditions.

Treating clients fairly forms an integral part of our client-centric approach. Therefore, we will never discourage clients from taking their cases to the office of the Ombudsman for Long-term Insurance and should this happen we will make every effort to work with the process flow as set out by the Ombudsman. During 2018, the office of the Ombudsman received 5 978 cases relating to long-term insurance complaints.

During 2018, 249 cases involved Momentum Retail Life Insurance and only 121 of these cases related to Myriad claim complaints. A number of these cases were settled in favour of clients, typically where new information was provided or where the condition has progressed since the original complaint, to the point where it does meet the claims criteria. Once again none of these cases transpired in a ruling against a Myriad claims decision, a testament to the thorough claims processes in place for Myriad claims.

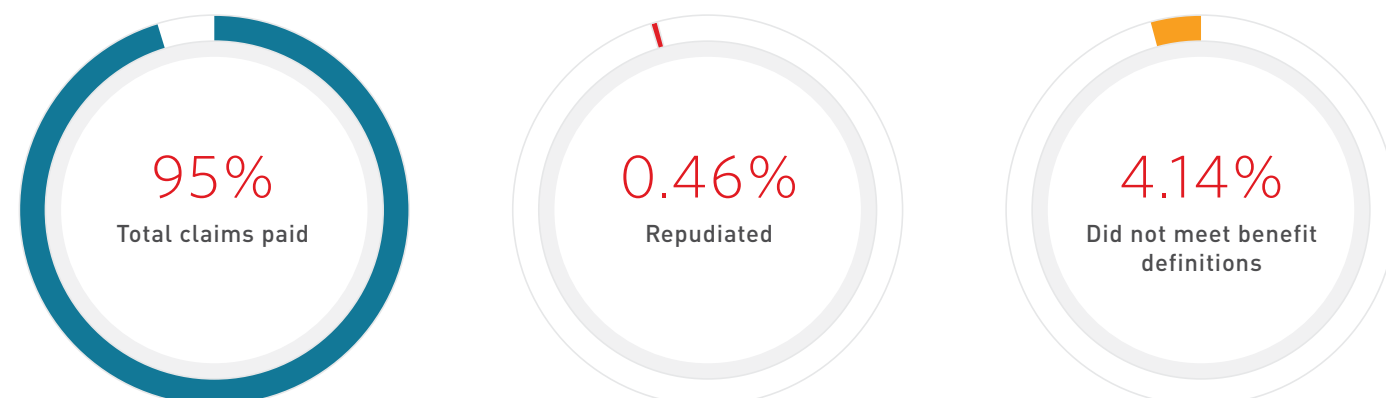
## Ombudsman statistics 2018



## Proud claims payment history

Having a solid reputation of always looking for reasons to pay valid claims, during 2018 we paid 95% of all claims submitted across all benefits.

### Paid versus **repudiated claims**



## Not meeting the **benefit definition**

This refers to cases where the medical definitions have not yet been met, or where clients claim for events, conditions or treatments not covered by life insurance benefits. In addition, in some instances clients claim for conditions which are covered by our product range but not covered by the actual benefit they selected.

## Repudiated **claims**

'Repudiation of a claim' refers to a breach of contract by one party that justifies cancellation by the innocent party. Repudiation is conduct which exhibits the clear and unequivocal intention of the party concerned to no longer be bound to the contract as a result of very specific reasons.

### Reasons for repudiated claims

- Suicide within the first two years (0.02%)
- Exclusions (0.25%)
- Non-disclosure (0.19%)

## Our **three-step** claims journey

With clients at the centre of our world, the Risk Claims Department continuously strives to meet and exceed clients' expectations regarding their claim experiences. To ensure that clients' claims are processed efficiently, we advise them to follow the steps outlined in the three-step claims journey below.

### Reporting the claim

When clients contact us, we will inform them what documentation is required.

Email us at:

[riskclaims@momentum.co.za](mailto:riskclaims@momentum.co.za)

or call us on 0860 441 111

STEP  
01



### Assessing the claim

Once we have received all the claim requirements, we will start assessing the claim.

Email us at:

[riskclaims@momentum.co.za](mailto:riskclaims@momentum.co.za)

or call us on 0860 441 111

STEP  
02



### Providing a decision

Once we have assessed the claim against the qualifying claims criteria in the policy we will let clients know whether the claim will be paid, deferred or declined.

STEP  
03



If a query requires escalation, **it can be directed to the following people:**

#### Death claims

Harlene Lottering (Manager)

Email address: hlottering@momentum.co.za

Telephone number: 012 673 7222

#### Disability, income disability and critical illness claims

Sheila Mushwana (Manager)

Email address: sheila.mushwana@momentum.co.za

Telephone number: 012 673 7370

**If no resolution can be reached with the respective manager,** the query can be escalated to the claims escalation consultant:

#### Claims escalations consultant

Martie Labuschagne

Email address: mjlabuschagne@momentum.co.za

Telephone number: 011 505 2252

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