



THE OUTCOME OF INCOME IN THE YEAR THAT WAS.

FMI 2020 CLAIMS REPORT



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THE OUTCOME OF INCOME IN THE YEAR THAT WAS

FMI 2020 CLAIMS REPORT

A successful claims experience is so much more than just getting your claim paid. It's also important that the process is quick, easy, empathetic and exceeds your expectations. FMI's experience in assessing income protection claims has enabled the company to improve its claims assessment criteria to ensure its clients qualify for a claim as often as possible.

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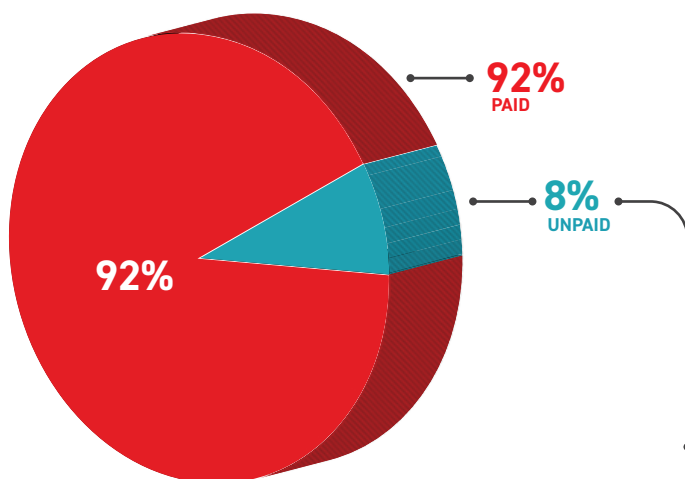
CANCER COVER REMAINS VITAL

CANCER WAS THE 3rd MOST COMMON CLAIM

THE IMPORTANCE OF CHOOSING THE RIGHT WAITING PERIOD

A waiting period can make or break a claim.

92% OF ALL SUBMITTED CLAIMS WERE PAID.



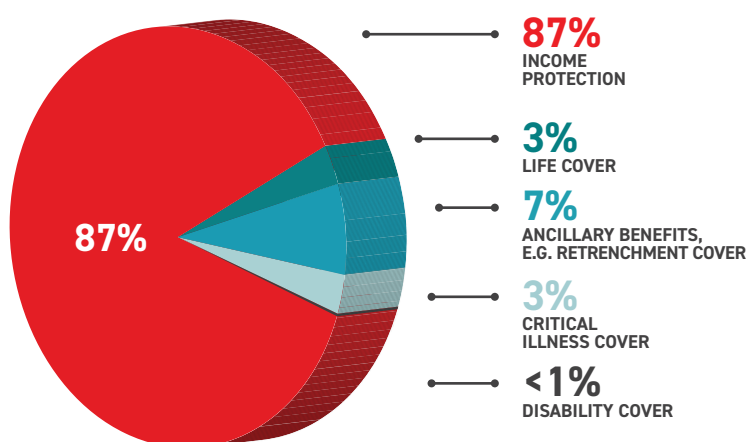
4 OUT OF 10

CLAIMS THAT WEREN'T PAID WERE DUE TO CLIENTS CLAIMING WITHIN THEIR WAITING PERIOD.

40% OF CLAIMS LASTED **LESS THAN 30 DAYS**, YET **64%** OF INCOME PROTECTION POLICIES SOLD HAD A WAITING PERIOD OF **30 DAYS OR LONGER**.

INCOME PROTECTION IS THE MOST EFFECTIVE RISK INSURANCE

In 2020, FMI paid more claims on income protection than any other type of cover.



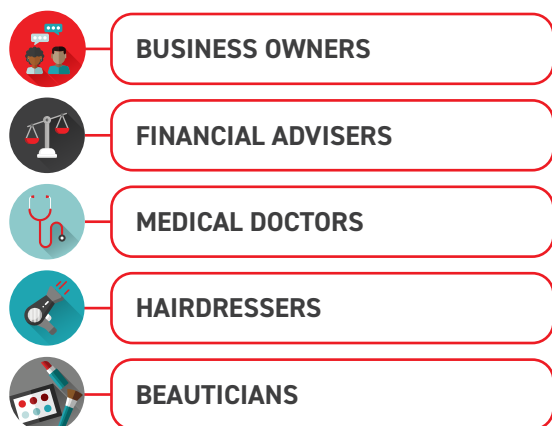
87% OF ALL CLAIMS WERE FOR INCOME PROTECTION.

Income protection also provides greater claims certainty compared to lump sum disability or critical illness cover, because it pays for minor injuries and illnesses.

FMI pays claims to a diverse range of occupations, including those that weren't previously able to get insurance.

95% OF CLAIMS WERE ON COMPREHENSIVE COVER

Top 5 claiming occupations on Comprehensive cover:



5% OF CLAIMS WERE BY TRADITIONALLY UNINSURABLE OCCUPATIONS.

Top 5 claiming occupations on Event Based cover:



Why income protection is crucial even if you have lump sum cover in place



TOP 10 OVERALL CLAIM EVENTS

1

MINOR INFECTIONS*

2

MENTAL ILLNESS

3

CANCER*

4

ROTATOR CUFF REPAIR

5

HYSTERECTOMY

6

TENDONITIS, SYNOVITIS, BURSITIS

7

CARPAL TUNNEL RELEASE

8

ABSCESS DRAINAGE

9

LUMBAR SPINE FUSION

10

GALLBLADDER REMOVAL

*Only cancer and severe Covid-19 infections that resulted in hospital accounts exceeding a threshold amount were paid on the Critical Illness Lump Sum benefit.



**ONLY 2 OUT OF 10
CLAIM EVENTS**

would likely have resulted in
a lump sum payout.



MOST COMMON FAST-TRACK EVENTS BY CATEGORY

PROCEDURES

- Rotator cuff repair
- Hysterectomy
- Carpal tunnel surgery

INJURIES

- Fracture of ribs
- Fracture of pelvis
- Fractures of the clavicle, acromion, scapula

CONDITIONS

- Cancer
- Herniated, prolapsed, slipped, displaced or bulging spinal disc
- Heart attack

SICK NOTES

- Minor infections
- Tendonitis, synovitis, bursitis
- Abscess drainage

Reproductive health is a leading cause of income protection claims in women. That is why women need income protection.

HYSTERECTOMIES
WERE THE 2nd MOST COMMON
CLAIM FOR FEMALES.

20% OF ALL CLAIMS
WERE FOR THE
CHILDBIRTH BENEFIT.

Most injury and illness claims are for short durations and would not result in a Disability Lump Sum payout.



THE AVERAGE CLAIM
DURATION WAS **78 DAYS**



80% OF CLAIMS LASTED
LESS THAN **90 DAYS**

Employee benefits don't offer a true safety net, because most that do offer income protection come with a 3- or 6-month* waiting period.

**Swiss RE Group Risk Survey*

The average claim duration for serious illnesses, like cancer and stroke, are often longer-term.

THE AVERAGE INCOME
PROTECTION CLAIM LASTED



314 DAYS
FOR
CANCER

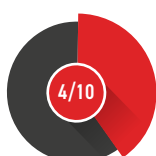


367 DAYS
FOR
STROKE

Are all long-term claims permanent?

Historically, less than **3%** of income protection claims have lasted their full benefit term.

Although the chances of having a long-term claim are low, the consequences are significant if a client has not chosen cover that pays until retirement.



4 out of 10 long-term income protection claims were not for permanent disabilities.



6 out of 10 temporary income protection claimants in 2020 had no long-term income protection.

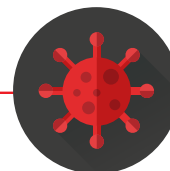
THE IMPACT OF COVID-19 ON OUR CLAIMS EXPERIENCE

17%

INCREASE IN OVERALL NUMBER OF CLAIMS, COMPARED TO 2019.



MINOR INFECTIONS WERE THE LEADING CAUSE OF CLAIMS AND ACCOUNTED FOR 31.2% OF CLAIMS PAID.



COVID-19 WAS THE LEADING MINOR INFECTION.

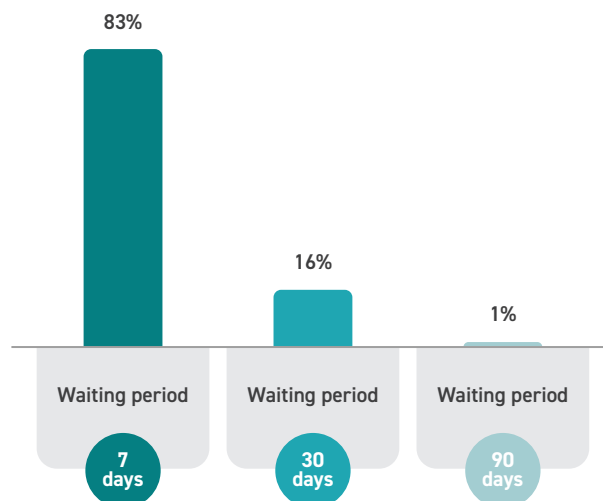
The importance of choosing the right waiting period



Average Covid-19 claim duration:

18 days

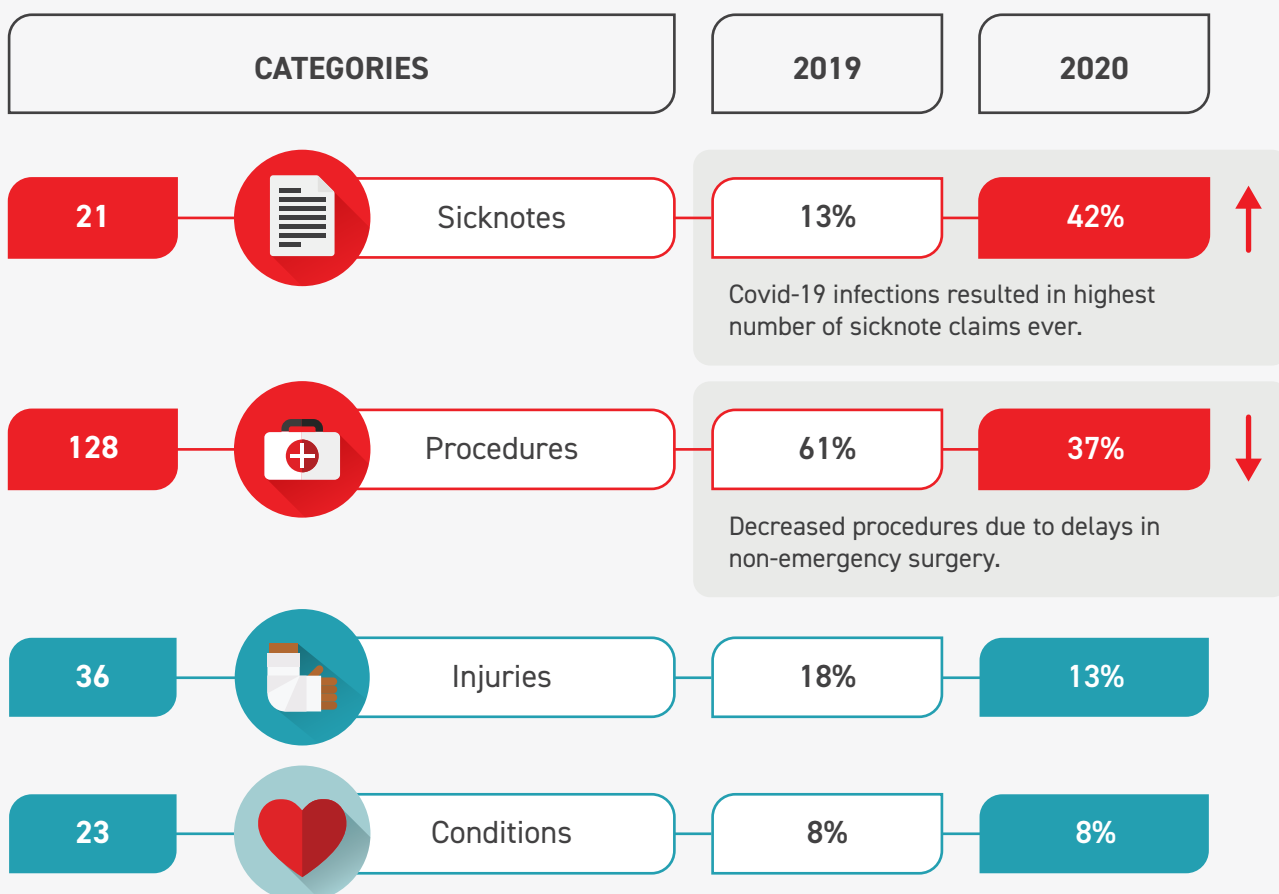
BREAKDOWN OF COVID-19 CLAIMS BY WAITING PERIOD



**FMI understands that claims don't just need to be paid
– they need to be paid fast!**



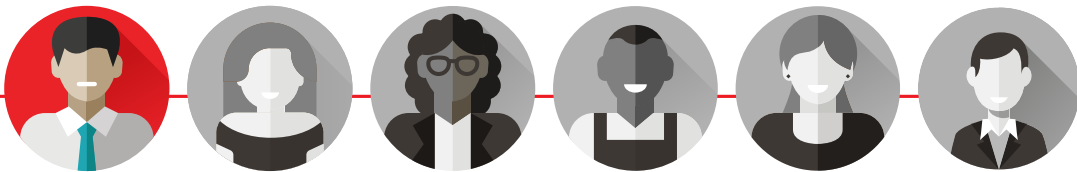
The impact of Covid-19 on non-Covid claims.



INCOME PROTECTION PROVIDES FINANCIAL RELIEF FOR MENTAL ILLNESS

The South African mental health crisis

Countless studies show that people are not getting help for mental health issues because of the stigma attached to it and the lack of awareness.



1 IN 6 SOUTH AFRICANS SUFFER FROM ANXIETY, DEPRESSION, OR A SUBSTANCE USE DISORDER, WHILE ONLY 27% OF SOUTH AFRICANS WITH SEVERE MENTAL DISORDERS RECEIVE TREATMENT.

[THE SOUTH AFRICAN COLLEGE OF APPLIED PSYCHOLOGY 2018]

Our mental health claims experience

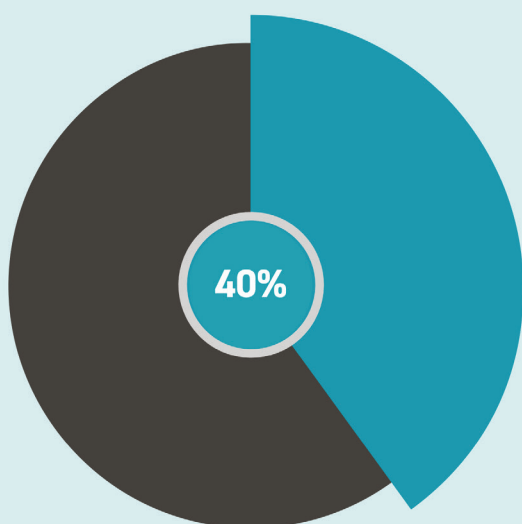
MENTAL ILLNESS WAS THE 2nd MOST COMMON CLAIM AND ACCOUNTED FOR 3.5% OF ALL CLAIMS PAID.



COMMON REASONS INCLUDED DEPRESSION, ANXIETY AND BURNOUT. THE AVERAGE CLAIM DURATION WAS 152 DAYS.

CANCER COVER REMAINS VITAL

Cancer continues to be the leading cause of critical illness claims paid in the industry.



40%
OF CRITICAL
ILLNESS LUMP SUM
CLAIMS WERE DUE
TO CANCER.



CANCER WAS THE 3rd MOST
COMMON INCOME
PROTECTION CLAIM AND
ACCOUNTED FOR **3.1%** OF
ALL CLAIMS PAID.

AVERAGE CLAIM DURATION:

2019

247 days

2020

314 days