



***When life happens,
we show up.***

Bidvest Life 2021 Claims Report

2021 was a record-breaking year for Bidvest Life, largely due to Covid-19 claims. Even with the increased demand, we demonstrated our commitment to paying claims with speed and efficiency. Our income protection claims continue to exceed any other. Most of our claims were for individuals under the age of 45, so if you want to show up for your clients, ensure that income protection forms part of their financial plan, no matter their age.

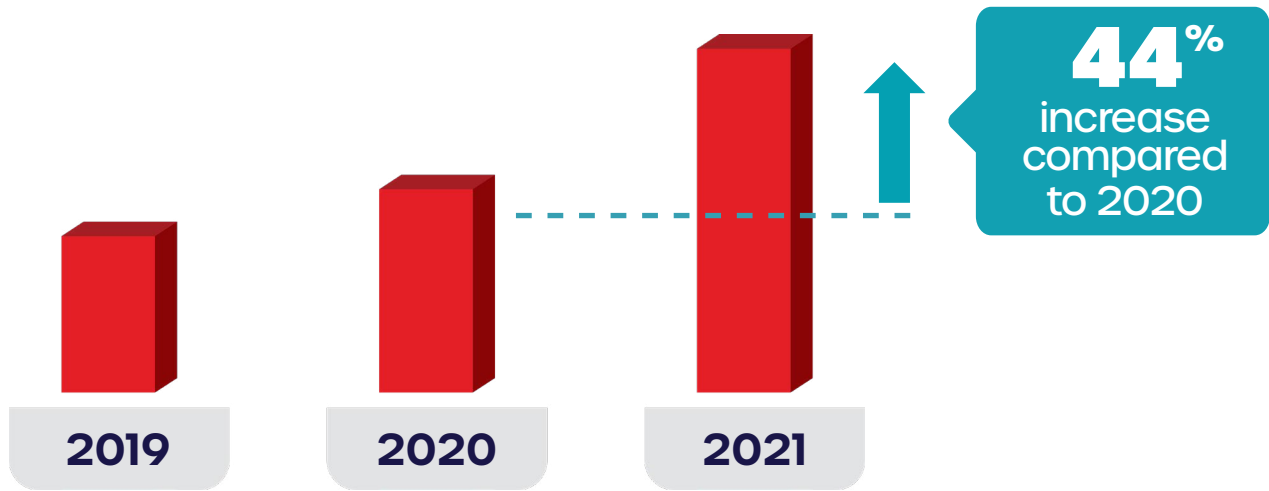
Key learnings from our 2021 claims experience

Page

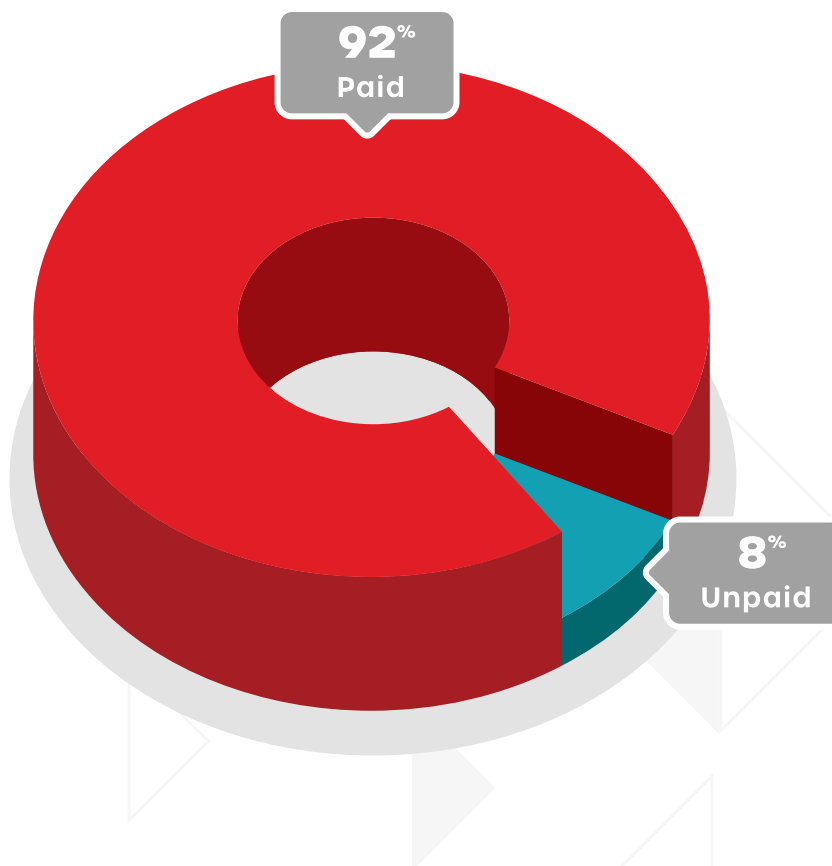
1 ► Your claim is in safe hands.

We paid the highest number of claims ever in 2021.

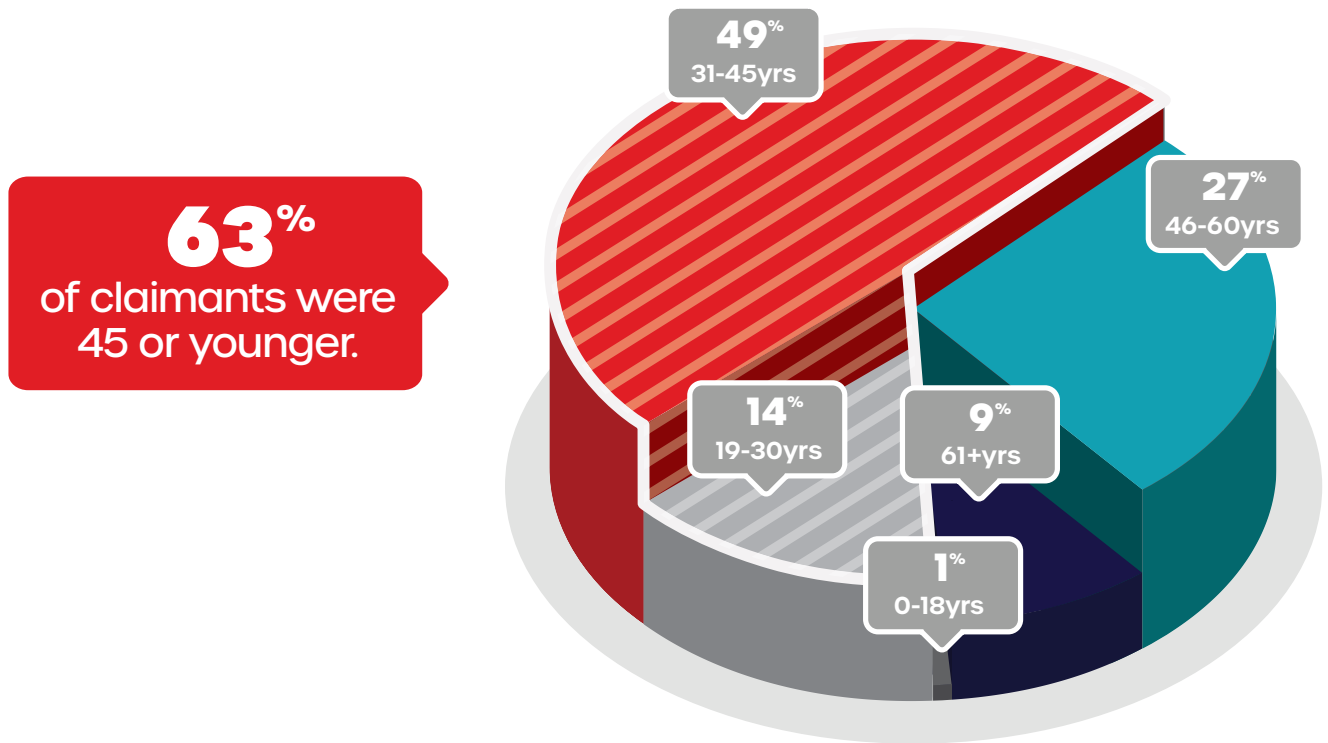
The 44% increase in claims from 2020 was mainly due to Covid-19.



Our pay-out ratio remained consistent at **92%** of all lodged claims.



2 ► It's essential to get income protection from a young age.



17% of our claims were from policyholders in their **1st year of cover.**



Youngest policyholder to claim

- 18-year-old male
- High school student
- Claimed on temporary income protection for torn ligaments due to a rugby injury (2nd claim)

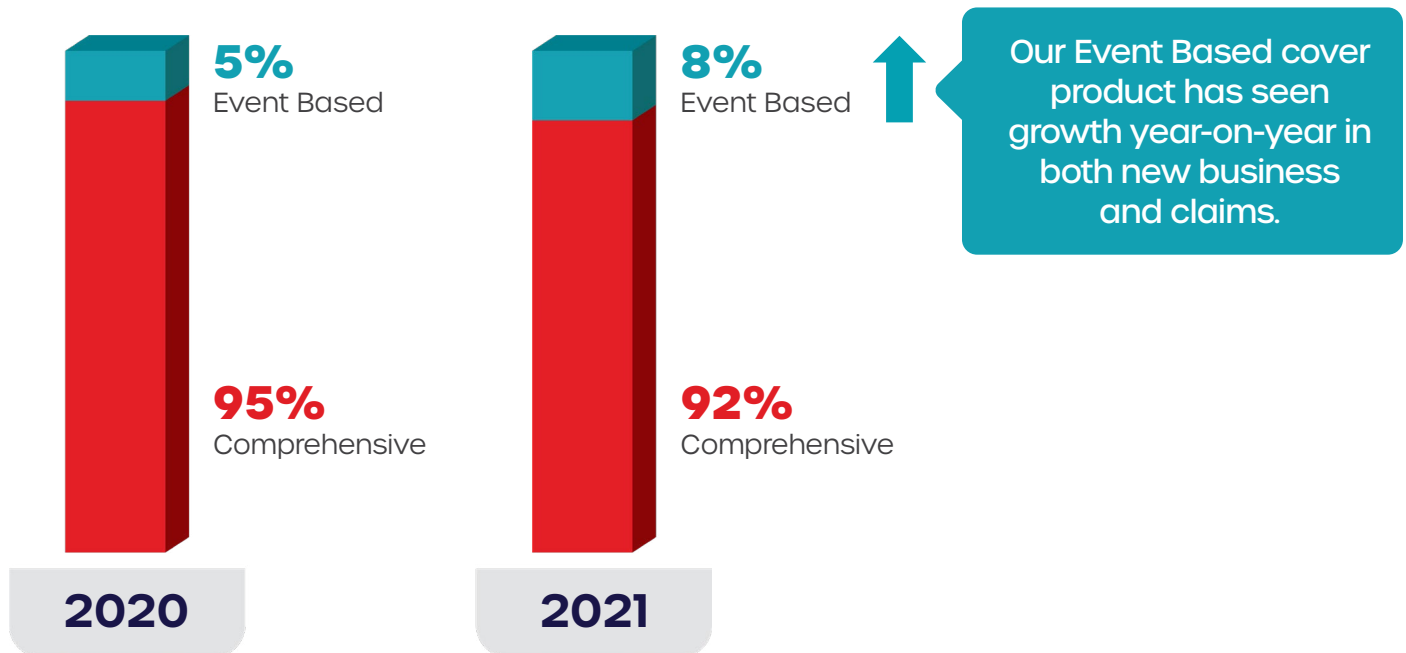


Youngest dependant to claim

- 5-day old baby girl
- Surgery due to a congenital heart defect
- Claimed on Critical Illness Lump Sum injury (2nd claim)

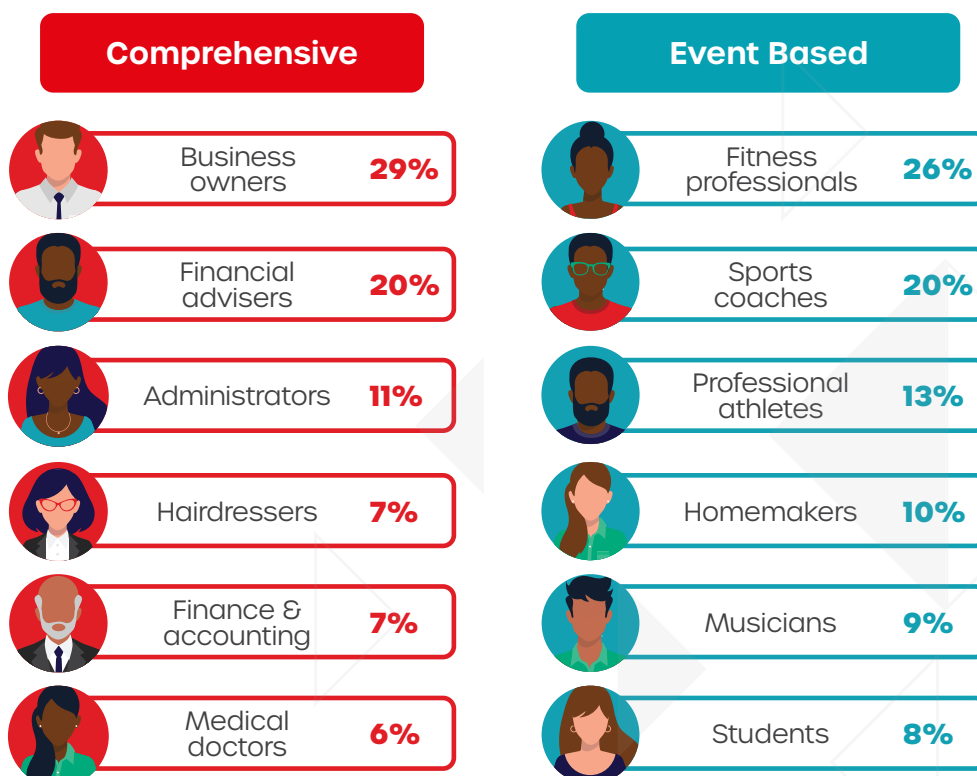
3 ▶ Everyone should protect their income.

Claims by product type



Having two versions of our product allows us to provide income protection to a wide range of occupation types, including business owners, commission earners, salaried employees, freelancers and independent contractors. Many of the occupations covered on Event Based cover were previously unable to qualify for temporary income protection.

Top claiming occupations







The adviser's choice

Two-thirds of our top 100 supporting advisers have their own Bidvest Life policies, which illustrates that we are the product of choice for many advisers.

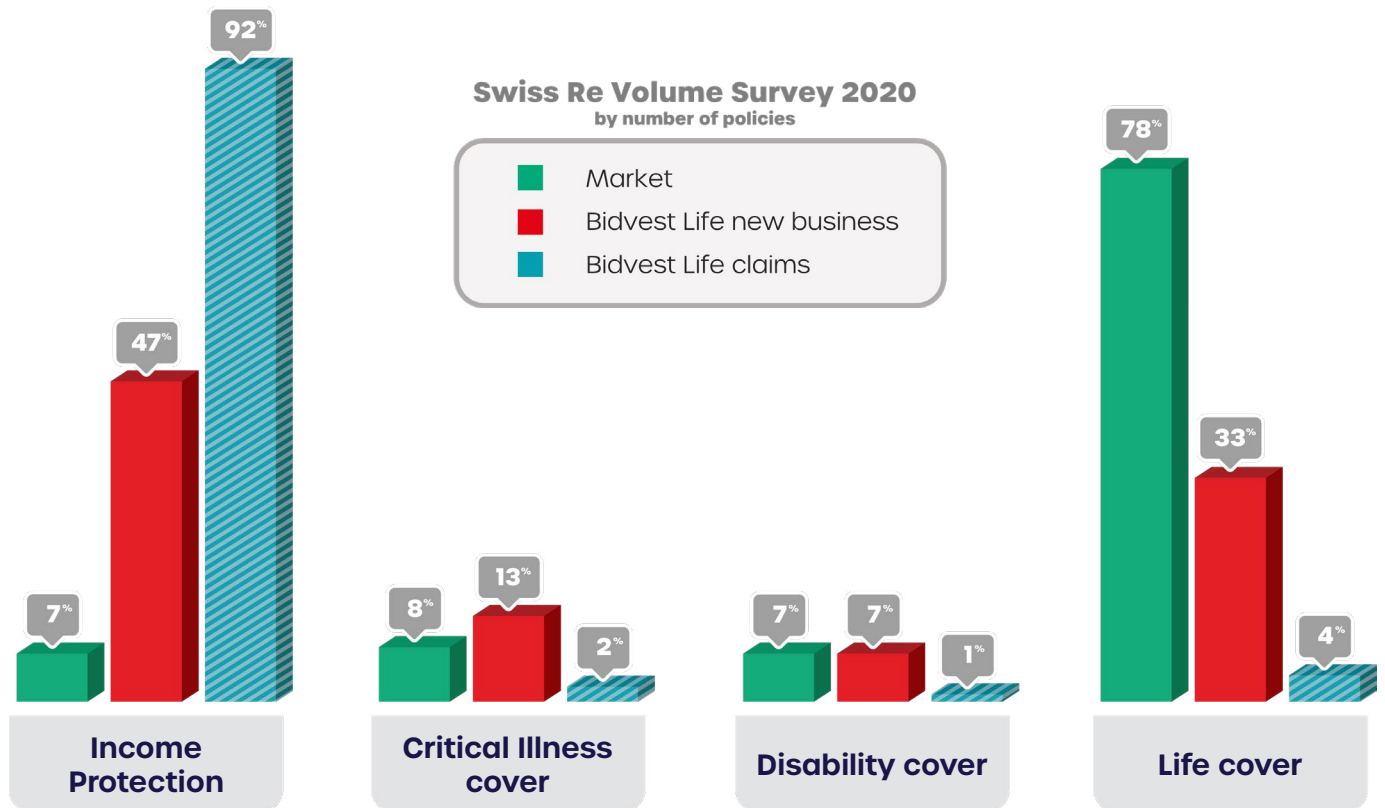
2021 claims by gender

|  VS  | Income Protection | Disability | Critical Illness | Death |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | M - 54% F - 46% | M - 67% F - 33% | M - 35% F - 65% | M - 70% F - 30% |

Historically, life insurance was predominantly sold to males, however, our claim stats show the importance of cover for all ages across both genders.



4 ► You are more likely to claim on income protection than lump sum disability cover.



Although lump sum sales continue to dominate the life insurance market, income benefits continue to make up most of our claims, demonstrating the importance of protecting your client's income first.



Top 10 income protection claim events



8/10

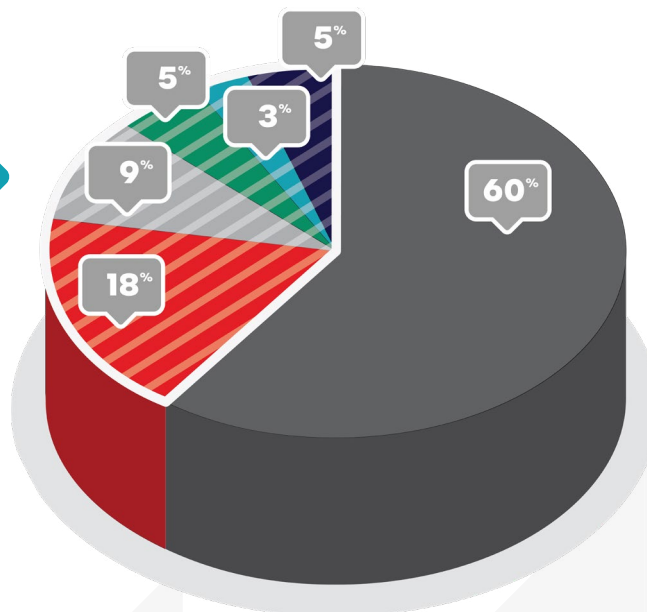


**of these are listed
Fast-Track Events**

Most of the top 10 claim events would not have resulted in a lump sum payout. Whilst lump sum cover is crucial to provide meaningful cover for serious illnesses, disability or death, it doesn't protect you from the financial impact of a short-term or non-permanent injury or illness.

You are likely to claim more than once

40%
of claimants
in 2021 had
claimed before.



Number of claims

■ No prior claims ■ 1 prior claim ■ 2 prior claims ■ 3 prior claims ■ 4 prior claims ■ 5 or more prior claims

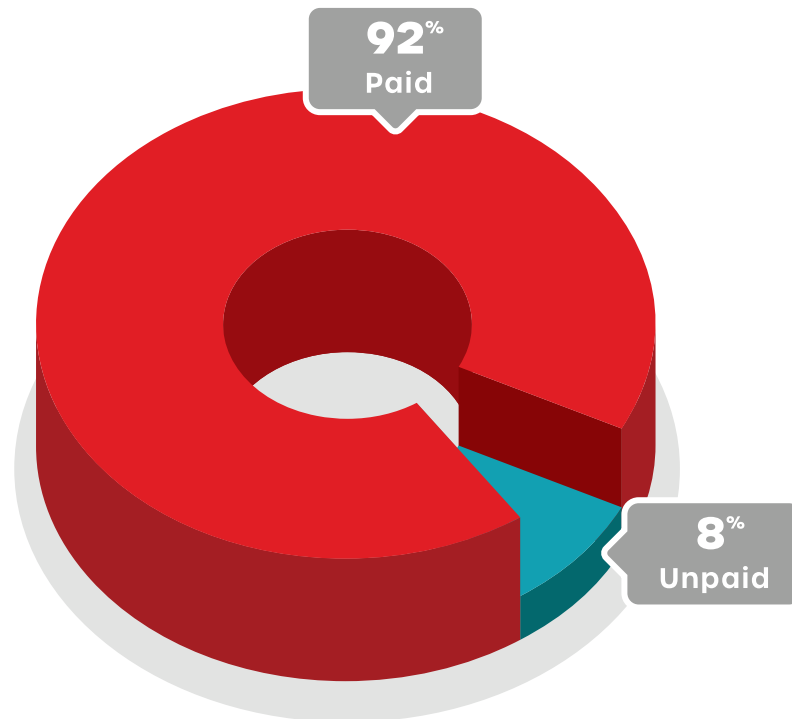
**You are 4x more
likely to claim again
after your first claim.**

This can point to 2 reasons:

1. It's easier to claim than you think.
2. You are at a greater risk of a related condition.

5 ► Your selected waiting period can make or break a claim.

Claiming within the waiting period remained the biggest reason why claims weren't paid.



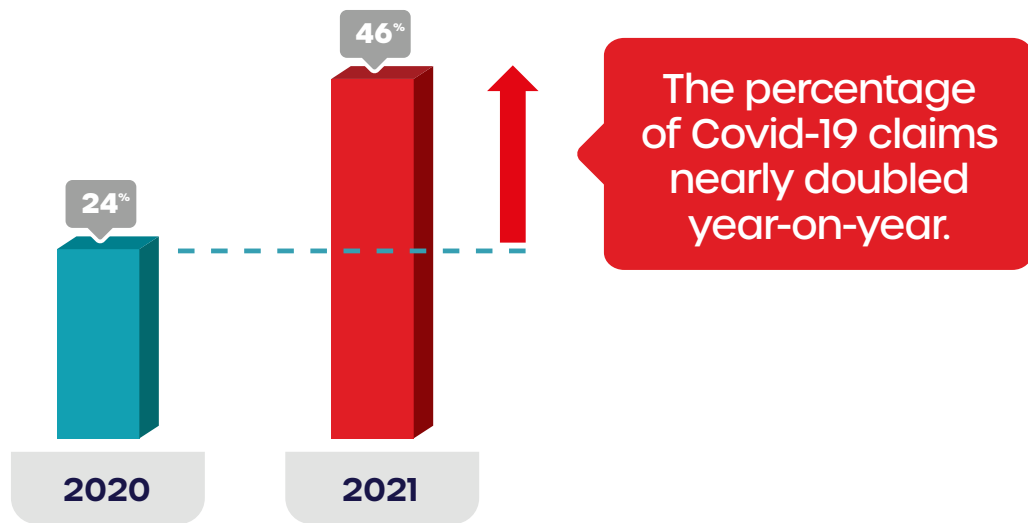
The waiting period is arguably the most important decision when taking out income protection. Selecting a longer waiting period is more affordable. However, if the period you are unable to work is shorter than the waiting period, it will result in an unsuccessful claim. We offer split waiting periods to manage affordability.

| Temporary income protection claim duration | | |
|--|------|------|
| | 2020 | 2021 |
| 14 days or less | 19% | 34% |
| 15-30 days | 21% | 22% |
| 31 - 90 days | 40% | 33% |
| 91 days to 1 year | 16% | 8% |
| More than 1 year | 4% | 3% |

56% More than half of claims lasted **less than 30 days**

Yet, **60%** of temporary income protection policies sold had a waiting period of **30 days or longer.**

Covid-19 related claims dominated our 2021 claims with a 22% increase on 2020.



Average claim duration



51 days

The average claim duration reduced from

78 days in 2020 to 51 days in 2021,

mainly due to the high volumes of short-term claims for Covid-19.

- Many salaried individuals may not think that they need income protection, however, the average claim duration of 51 days would wipe out a client's sick leave.

Only

11%

of claims lasted more than **90 days**

- Some salaried individuals may be fortunate to have group benefits, however, employee benefits rarely make provision for short-term temporary injuries or illnesses.
- The waiting period on income protection within group schemes is often 3 or 6 months. Only 11% of our claims lasted longer than 90 days, which means that the chance of claiming on group cover is significantly less when compared to personal policies, which provide much shorter waiting period options.

6 ► Not all long-term income protection claims are permanent.



Top 3 critical illnesses paid on income protection

1

Cancer

Average
claim duration

229 days

2

Stroke

Average
claim duration

224 days

3

Coronary artery
bypass graft

Average
claim duration

176 days

Most claims last for short durations, however, the average duration for critical illness and permanent disability claims is significantly higher.

One may assume that if you are unable to work for more than 2 years that you must be permanently disabled. Our experience has shown the importance of covering 100% of your after-tax income on a long-term income protection benefit, which doesn't require permanence.

4/10

Less than

2%

of income protection
claims in our history
lasted longer than
24 months



of our extended income protection claimants
in our history were not permanently disabled.

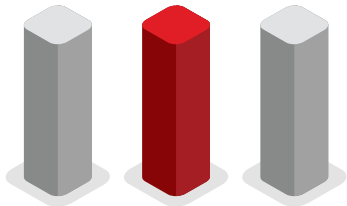
Our extended income protection pays
up to 100% of income – even for
non-permanent claims.

7 ► Comprehensive cover for critical illnesses

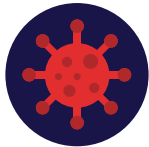
Cancer remained the leading cause of Critical Illness Lump Sum claims.

1/3

of cancer claims were for **breast cancer**, which was the most common type of cancer.



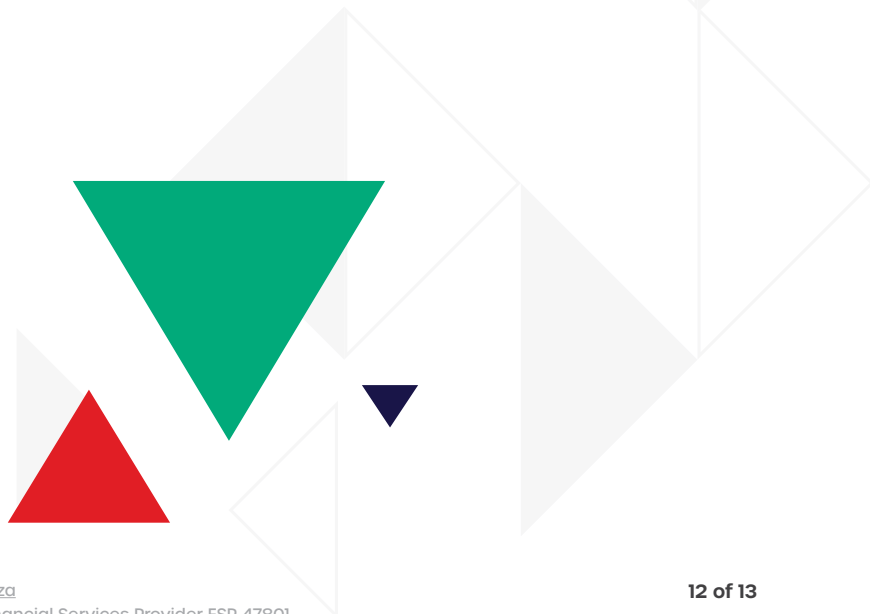
50% of cancer claims were **diagnosed at stage 1.**



15%

of Critical Illness Lump Sum claims were due to **Covid-19**

This was possible because of our market-leading Expense Benefit, which provides us with the ability to pay critical illness claims for conditions that are not defined on our critical illness lists if the claimant has hospital bills above a threshold amount over a 12-month period.



8 ► A shift towards a combination of Life Income and Life Lump Sum benefits

Life Income is still a relatively new benefit in the life insurance market; however, we have seen a shift towards policyholders selecting a combination of income and lump sum benefits that will pay in the event of their death.

