

2015 Claims Experience

The importance of temporary income protection – it can happen to you...and more than once

In 2015, FMI paid claims to policyholders with an annual income of more than **R200 million**, for **temporary income protection** alone!

1/17 of our policyholders had a **temporary income protection** claim in 2015.

15% of our claims were from policyholders in their **1st year of cover**.

7/10 people will have at least one disability in their lifetime that will prevent them from earning an income.



You are **9 x more** likely to have a temporary disability than to have your car stolen or hi-jacked in SA.

We live in a country where crime is a day to day reality.

Most of us do the sensible thing and insure our most important assets – like our car.

But what about protecting your ability to earn an income?



What's your most valuable asset?

Let's put this into perspective

Your **car** vs. your **future income**

around **R200k**
depending on
your car



VS.

around **R43million**
for a 35 yr old
earning R40k pm

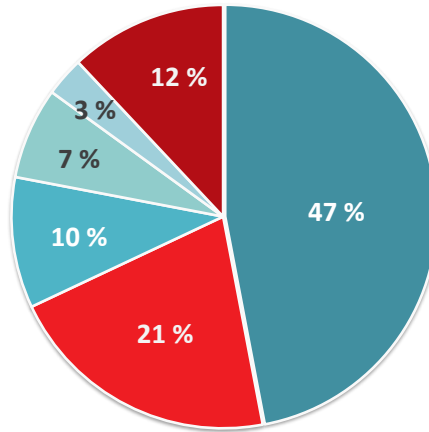


Income Protection is insurance for your **most** valuable asset.

Temporary income protection claims happen more than once.

53%

of claims in 2015 were for policyholders who had claimed before.

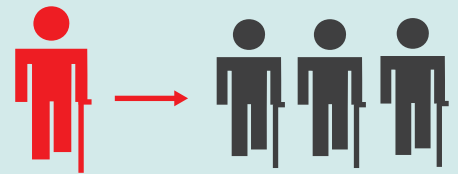


- No prior claims (47%)
- 1 prior claim (21%)
- 2 prior claims (10%)
- 3 prior claims (7%)
- 4 prior claims (3%)
- 5 prior claims or more (12%)

You are 3 x more likely to claim again, after your first claim.

This can point to 2 reasons:

- It is easier to claim than you think
- You are at a greater risk of a related condition



Whatever the reason, once you have claimed, you are more at risk of it happening again.

Why is this important?



Protect your income before it is too late.

After a disability, you may not qualify for income protection or it may come with onerous exclusions.



“Self insuring” is risky.

Some people choose to rely on their rainy day fund instead of income protection. What happens if your rainy day fund has run out and you are disabled and unable to work for the 2nd or 3rd time?



Let's look at a real life example

40 yr old female

**FMI TIP policy
commenced:
Feb 2013**

**Monthly income:
R25 000**

6 of her claims we've paid to date:

| | |
|---------------------------|----------------------------|
| Sick note claim - 45 days | Chronic fatigue - 110 days |
| Hernia repair - 128 days | Splenectomy - 39 days |
| Bronchitis/GORD - 11 days | Endometriosis - 9 days |

**Total premiums
to date:**

R10,700

**Total claims payouts
to date:**

R194,988

- ✓ Temporary disability is the most likely risk event to occur during your working life.
- ✓ Multiple claims are a reality so don't leave it too late.
- ✓ Every financial plan should be built around temporary income protection.
- ✓ Protect your most valuable asset - your ability to earn an income.

Protect the lifestyle you're creating.

For more information, visit www.fmi.co.za
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