

# Momentum minds the critical illness gap

During recent years all the major insurance companies have highlighted a notable increase in critical illness claims. According to Stephen van Niekerk, Head of Retail Life Insurance Products, "This trend is set to continue because of increased longevity and the prevalence of critical illnesses. During 2014 Momentum paid R382 million in critical illness claims, as the second largest claim category after death claims.

However, the 2014 FinScope consumer survey reported that 40 per cent of South Africans do not have any kind of financial product in place that covers any risk events, citing affordability as the main barrier to uptake. This is ground for great concern because the existing insurance gap will continue to increase especially in light of the tough economic conditions that consumers are facing."

## We are stepping up our game

Van Niekerk adds that "Over and above the current harsh economic climate, there are a number of reasons for the increasing insurance gap in South Africa and we have decided to step-up and make every effort to close the gap. Based on our extensive experience and continuous analysis of a wide range of market intelligence, we are launching new critical illness benefits that are set to redefine the risk industry, forever. Since Myriad already offers your clients the most comprehensive critical illness cover in the market, it was an easy transition from the current benefits to the new benefits."

## Our world is changing at a rapid pace

He continues to state that "With the rapid developments in the medical fraternity, especially over the last two decades, it has become vital for insurance companies to structure their risk products in such a way that it can support these advances, but

affordability remains a major concern. Also, our product history indicates that more and more clients are looking for broader cover. This is why the take-up of our previous 'Plus' options on critical illness benefits, almost doubled in the last 10 years.

Based on the above mentioned developments and our extensive experience, we realised that critical illness benefits need to adapt to the changing environment. We believe modern 'best of breed' critical illness benefits should:

- Provide early pay-outs in line with early detection trends;
- Offer unsurpassed breath of cover;
- Provide reinstatement of cover after a claim event;
- Provide appropriate pay-out levels to ensure cover remains affordable ;
- Be simple to understand and not create unnecessary complexity for clients; and
- Make provision for additional payments, over and above any initial lump sum payment, so that cover never runs out.



With this in mind, our newly designed critical illness benefits cater for these requirements and so much more. These benefits replace our existing range of benefits and consist of:

- The Complete Critical Illness Benefit with the option of adding an ancillary benefit referred to as the Specified Claim Event Enhancer; and
- The Complete Enhanced Critical Illness Benefit.

We have also introduced another 'world-first' by way of our new Breadth of Cover Guarantee™. This guarantee settles the debate once and for all about which company covers the widest range of critical illness conditions!

## Complete Critical Illness Benefit

This benefit has been designed to offer your clients tiered pay-outs across all benefit categories for different severity levels. This allows for a smooth progression of payment levels in line with increased severity of conditions. As a result your client needs are met as they arise; paying out a smaller percentage on diagnosis of lower severity events (as defined) and more, if and when the condition progresses. It also includes all previous 'Plus' benefits (ie pay-out percentages below 25), enhanced critical illness cover for children, a new early cancer category, reinstatement of all claim event categories for unrelated claims and the 'world-first' Breadth of Cover Guarantee.

## Specified Claim Event Enhancer

The Specified Claim Event Enhancer, as an ancillary benefit to the Complete Critical Illness Benefit, increases your clients' pay-outs on qualifying claims in the heart attack, coronary artery bypass graft (CABG), stroke and cancer SCIDEP categories to 100 per cent. It provides maximum pay-outs on the claim event categories as defined by SCIDEP that incidentally represents approximately 70 per cent of critical illness claims, as experienced by Momentum.

This new ancillary benefit thus provides your clients with absolute peace of mind in knowing that they will receive a 100 per cent claim pay-out for these major specified claim events.

## Complete Enhanced Critical Illness Benefit

The thinking behind this new benefit was twofold: we wanted to still offer your clients the most comprehensive critical illness cover in the market for the broadest number of conditions but we also wanted to include the highest claim pay-out levels. The outcome of these ambitious objectives was the Complete Enhanced Critical Illness Benefit which provides maximum pay-outs on the SCIDEP claim event categories and elevates all other 50 and 75 per cent severity claim events to 100 per cent.

To keep things simple, the Complete Enhanced Critical Illness Benefit will cover the same events and have the same claim categories as the Complete Critical Illness Benefit; and the only difference is the enhanced pay-out levels. This benefit also includes enhanced critical illness cover for children, a new early cancer category, reinstatement of all claim event categories for unrelated claims and the world-first Breadth of Cover Guarantee.

## Understanding the top-of-mind trends

More than a decade has passed since Myriad introduced its critical illness benefits and there have been a number of advances and learnings during this time which inspired us to include new features and expand on existing benefits. The following features are included automatically in our two new critical illness benefits:

## Breadth of Cover Guarantee

As leaders in the risk market, we are introducing another innovative feature that is set to alter the critical illness landscape forever. Our new Breadth of Cover Guarantee provides your clients with unsurpassed breadth of cover by guaranteeing that your clients will always receive a payment under their Myriad critical illness benefit.

Critical Illness benefits in South Africa has evolved faster than anywhere in the world and companies have regularly updated their benefits to include new claim events and in this way increase their breadth of cover offered. Clients and advisers are unfortunately not always able to make an accurate assessment of which benefit provides better breadth of cover and often competitor comparisons only focus on specific events without giving a complete picture. We settled this debate by introducing a world first Breadth of Cover Guarantee. We guarantee that we cover any condition covered by the critical illness benefits of other local insurers and more!

It is important to note that the Breadth of Cover Guarantee is automatically included in the new critical illness benefits and available to existing clients via an easy alteration.

## Critical illness cover for children

Critical illness cover for children is becoming a prominent focal point in the industry. Our unique, free critical illness cover for children, as part of our existing main critical illness benefits, has always been perceived as an innovative advantage. However, with the overall increase in critical illness events in our population, as is the case world-wide, we believe it is necessary to increase the number of child specific critical illness conditions for the new benefits.

The newly launched critical illness benefits will continue to offer new clients free critical illness cover for children but now also covers a wider range of child-specific conditions. The enhanced critical illness cover for children adds an additional 13 child-specific claim events, for example congenital birth defects, juvenile arteritis, cancers and metabolic conditions and extends the entry age to birth. Even more impressive is the fact that the amount of critical illness cover for children will increase from the previous maximum cover amount of R125 000 to R250 000, still free of charge under the parents' critical illness cover on our new benefits.

## Early cancer detection

As a result of the phenomenal advances in the medical field, early detection and intervention for a number of diseases including cancer, has become top-of-mind. Hence, insurance companies have to make provision for this in their products.

Based on the rise in the incidents of cancer and growing awareness of the need to be screened for the disease, we have decided to include an additional nine early cancer definitions in our new critical illness benefits, for example in situ "pre malignant" stomach cancer and in situ early breast cancer that requires specific treatment."

## Connect and innovate

Stephen concludes by saying that "We have listened to clients and adjusted critical illness benefits in a way that redefined the concept of breadth of cover. We can confidently state that we know the business of critical illness cover best and our forward-thinking products firmly support this."

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