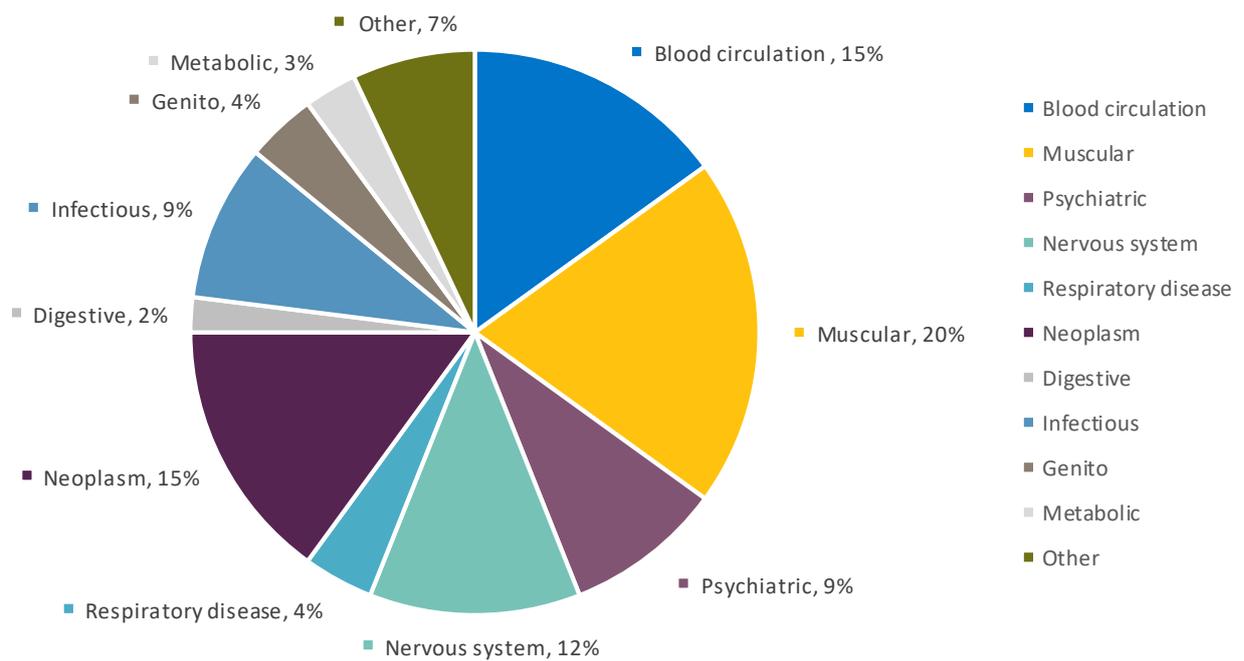


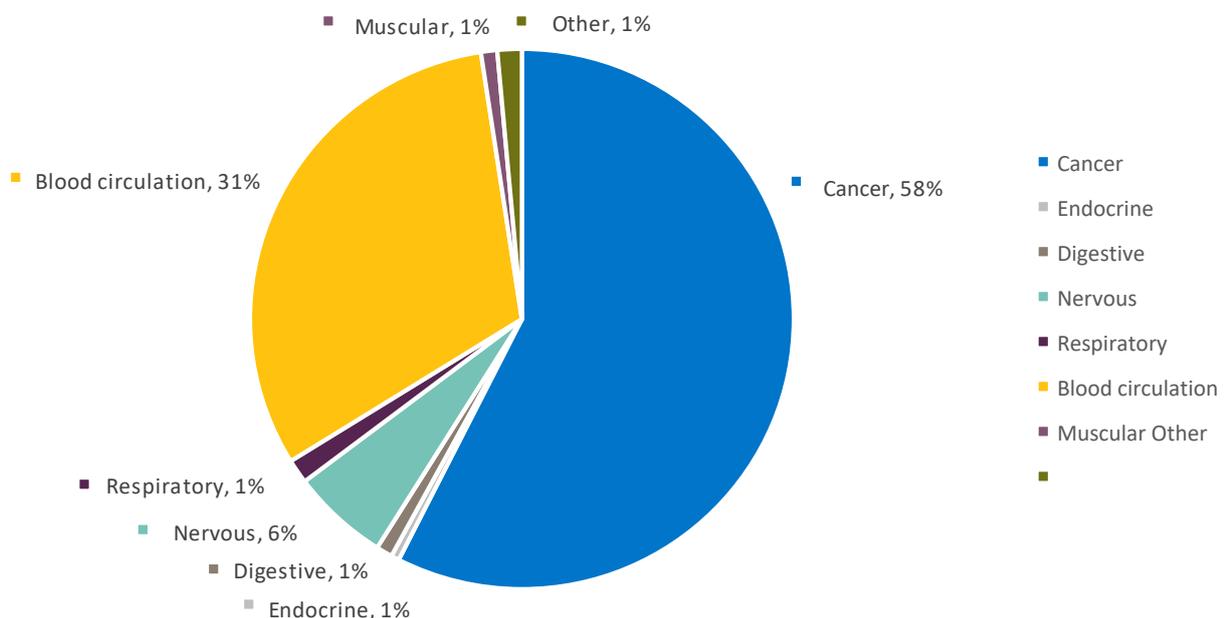
2019 Disability & Critical Illness Claims analysis

We analysed the claims data reported in 2019 to understand the illness and claims patterns of our insured clients, separately for Income Disability insurance and Critical/Severe Illness insurance:

Income Disability claims reported



Critical/Severe Illness claims reported





The Numbers in 2019:

- ⦿ 78% of our disability claims were for males and only 22% for females.

Females generally have a slightly lower average age at claim stage compared to males - 52 for females and 55 for males.

Similarly, 67% of mortality claims were for males and 33% for females. Again, females had a slightly lower average age at claim stage - 45 years vs 47 years.

- ⦿ 8 037 funeral claims were paid, which is almost 670 per month, or more than 30 per work day. Currently we pay on average 3 850 income disability payments per month.

- ⦿ 67% of lump sum disability claims were valid and approved in 2019, which is slightly lower compared with previous years.

There has been a decreasing trend in the percentage of valid and approved claims, as the economy falters and employers submit claims in an attempt to reduce their salary bills.

For income disability, the percentage of valid and approved claims has hovered around 90%, decreasing slightly from year to year for the last 3 years.

The higher number than lump sum disability reflects the less restrictive disability definitions on the income disability product.

- ⦿ Musculoskeletal and psychiatric claims make up a third of all our disability claims. These are difficult to diagnose and assess accurately, making them open to abuse in times of economic difficulty.
 - Psychiatric claims have been cyclical, peaking in 2008, 2015 and again in 2019 – generally following the poor performance of the economy.
 - Musculoskeletal claims also peaked around 2008 and 2013, and then stayed fairly constant at a high level of 20% for the last 5 years.

Cancer (tumours) make up a relatively larger percentage of our claims in 2019 – generally hovering around 14%, but spiking to 17% in 2019. There has been a definite increase in claims for cancer since the late 1990's - indicating the rise of cancer risk in our society, and highlighting the need for cancer specific products. To highlight this even further, cancer makes up over 50% of all critical illness claims since 2010 (with heart attacks and strokes making up a majority of the balance).