

Cancer still tops insurance claims list

 By [Nicci Botha](#)

3 Apr 2017

Cancer was the single biggest cause of Liberty's long-term insurance claims in 2016, and the insurer expects this figure is set to rise. However, an increase in cancer claims might not necessarily be a bad thing.



Henk Meintjes, head of risk product development, Liberty

Prostate cancer is the most prevalent form of the disease among men, and breast cancer among women. However, improved screening and early diagnosis means that cancers are being caught before they become too advanced, so although the numbers are higher, so is the survival rate, said Henk Meintjes, head of risk product development.

"We are going beyond prostate-serum antigen (PSA), a new generation of prostate cancer biomarkers is already under development. These biomarkers are able to detect even smaller cancers and can also differentiate between aggressive and non-aggressive cancers," he said in a presentation.

Client segments

Last year, Liberty set different parameters for their market segments based on the life stage of clients rather than just physical age. These are broken down into Young Achievers, Young Parents, Established Providers and Empty Nesters. "Whether they are just starting out in their careers, celebrating their first-born child, or planning for their retirement, it is our intention to develop solutions and services that allow our customers the flexibility and assurance to handle life's challenges," explained Meintjes.

Cancer was the main cause for claims for all segments except for Empty Nesters, where claims swing towards cardiovascular conditions. By the numbers, 15.2% of cancer claims were from Young Achievers, 24.4% for Young Parents, 26.2% for Established Providers and 23.31% for Empty Nesters.

Cardiovascular was the second most common cause overall; 9% (Young Achievers), 14.72% (Young Parents), 22.18% (Established Providers) and 23.67% (Empty Nesters) of paid claims respectively.

Strokes or central nervous system disorders also contributed significantly to total claims paid and were responsible for 9.31% of Young Parents' claims paid and 9.21% of Established Providers' claims paid. As expected for Empty Nesters, who are generally older, respiratory diseases and disorders were responsible for 7.31% of paid claims.

Understanding the fudge factor

Meintjes pointed out that non-disclosure was the primary source of claims being rejected, and calls this the fudge factor – where people aren't 100% honest in the information they provide. Information about medical conditions (more than 40%) is by far the biggest area of non-disclosure, followed by financial (just over 20%) and then occupational (20%) information.

However, Meintjes said a large proportion of this non-disclosure is innocent, and could result from clients not regularly updating their information on their policies as their circumstances change.

By the numbers

Of claims lodged in 2016, 91.6% were valid and were paid out, 6.8% of the conditions claimed for did not meet the requirements in the policy document, 1.1% did not disclose relevant information at the application stage of the policy, while 0.3% were claim events that were specifically excluded on the policy.

Liberty paid out R4,3bn in valid claims, 13% more than 2015. This amounts to R17m every working day.

ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

- #WomensMonth: Prudential's Leshni Dial-Harikaran on the beauty of a perfectly balanced spreadsheet - 10 Aug 2021
- #WomensMonth: MWay's Mbogadi Kekana on the importance of financial independence - 6 Aug 2021
- #WomensMonth: Mamedupi Matsipa's passion for finance charted her career path - 5 Aug 2021
- #WomensMonth: Standard Bank's Simone Cooper asks, "How does your business grow?" - 4 Aug 2021
- #WomensMonth: Twané Wessels, product actuary at Just SA - 2 Aug 2021

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>