

## **Guideline on claims experience for Group Schemes**

## Introduction

The objective of this guideline is to facilitate the timeous and appropriate submission of claims experience for rebroking of group life insurance.

**NOTE:** The standardised forms in this guideline, Annexures 1-3, aim to assist with capturing accurate and reliable data which can be provided when quotations are requested at re-broking stage. This facilitates competition and is to the benefit of consumers. The forms refer to schemes with more than 400 members as experience has shown that this is a reasonable threshold level at which to provide this data. However this does not mean that the information should not be available on request for smaller schemes, or should not be provided for smaller schemes as a matter of course should ASISA members wish to do so.

This document should be used in conjunction with Annexures 1 - 3. The paragraph numbers in this document correspond with the cell numbers in Annexures 1 - 3.

### Group Life only - Annexure 1

The user should fill in the Scheme name and Name of existing underwriter in full before proceeding to fill in the body of the main table below.

#### 1. Sum of Monthly Salary Roll or Sum of Sum Assured (\*\*\*)

- The sum of the monthly salary roll as reflected in the premium reconciliation should be disclosed for the relevant period. Alternatively, if the scheme is rated on a unit rate basis, the sum of the sum assureds for the relevant period should be disclosed. For funeral schemes rated on per member per month basis, the sum of the monthly number of members over the period should be disclosed.
- The sum of the salary roll/sum assured is important to track exposure changes over the period and should be disclosed in addition to the sum assured at the beginning of the period.
- If the monthly salary roll/sum assured data is not available, the monthly salary roll/sum assured should be estimated from the premium paid, by dividing the premium paid by the premium rate and disclosing the corresponding sum of the monthly salary roll/sum assured.
- The actual current or past premium rates should not be disclosed.

#### 2. Total Sum Assured at beginning of each period and Total Salary Bill for period (\*\*\*)

- Claims experience template must reflect both Sums Assured at the beginning of the period and Salaries preferably for the corresponding period or alternatively as at the beginning of the period.
- Please note both Sum Assured and Salary Bills are to be included (as opposed to either one or the other of these).

#### 3. Death claim amounts (\*)

- This field should contain the rand value of death claims incurred during the period (i.e. the dates of death must be during this period).

#### 4. No. of Death claims

- This field should contain the number of death claims incurred during the period (i.e. the date of death must be during this period).

#### 5. Pending claims

- This field should contain the value of all pending Group Life claims for the experience.
- NOTE - The user should indicate whether or not pending claims have been included in the experience at 'C'.

#### 6. Provision for late claims

- This field should contain the underwriter's estimation of the rand value of IBNR for Group Life and should be calculated using the claims reporting delay (11.).

#### 7. List of Claimants

- This table should contain the information for all claimants to be accounted for in the experience. This should include pending claims.

#### 8. Existing benefit structure

- This field should contain the current benefit structure for Group Life and the date at which the scheme moved to the current benefit structure. Where there are categories of members with different benefit structures, this should be clearly indicated.
- Confirm the full benefit structure as insured e.g. cover to continue, conversion option, profit sharing, etc.

#### 9. Changes to benefit structure

- These fields should contain the different benefit structures that the scheme has had for Group Life and the dates at which these benefit structures became effective.
- Include confirmation of changes to the benefit structure relating to additional benefits such as cover to continue, conversion option, profit sharing, etc.

#### 10. Claims reporting delay

- The user should provide the average claims reporting delay to two decimal places (in months) in the fields provided. This number should be used to calculate the provision for late claims (7.). State any assumptions that were made.

#### 11. Date and contact details

- The user should provide the date on which the experience was extracted and their name and contact details.

### Group Life & Lump Sum Disability - Annexure 2

The user should fill in the Scheme name and Name of existing underwriter details in full before proceeding to fill in the body of the main table below.

#### 1. Sum of Monthly Salary Roll or Sum of Sum Assured (\*\*\*)

- The sum of the monthly salary roll as reflected in the premium reconciliation should be disclosed for the relevant period. Alternatively, if the scheme is rated on a unit rate basis, the sum of the sums assured for the relevant period should be disclosed.
- The sum of the salary roll/sum assured is important to track exposure changes over the period and should be disclosed in addition to the sum assured at the beginning of the period.
- If the monthly salary roll/sum assured data is not available, the monthly salary roll/sum assured should be estimated from the premium paid, by dividing the premium paid by the premium rate and disclosing the corresponding sum of the monthly salary roll/sum assured.
- The actual current or past premium rates should not be disclosed.

2. Total Sum Assured at beginning of each period and Total Salary Bill for period (\*\*\*)
  - Claims experience template must reflect both Sums Assured at the beginning of the period and Salaries preferably for the corresponding period or alternatively as at the beginning of the period.
  - Please note both Sum Assured and Salary Bills are to be included (as opposed to either one or the other of these).
3. Death and Disability claim amounts (\*)
  - These fields should contain the rand values of death and disability claims incurred during the period (i.e. the dates of the claims must be during this period).
4. No of Death and Disability claims
  - These fields should contain the number of death and disability claims incurred during the period (i.e. the dates of the claims must be during this period).
5. Pending claims
  - This field should contain the value of all pending Group Life and Lump sum Disability claims for the experience.
  - NOTE - The user should indicate whether or not pending claims have been included in the experience at 'C'.
7. Provision for late claims
  - This field should contain the underwriter's estimation of the rand value of IBNR for Group Life and Lump sum Disability and should be calculated using the claims reporting delay (11.).
8. List of Claimants
  - This table should contain the information for all claimants to be accounted for in the experience. This should include pending claims.
  - NOTE - The user should differentiate between Death and Disability claims.
9. Existing benefit structure
  - This field should contain the current benefit structure for Group Life and Lump sum Disability and the date at which the scheme moved to the current benefit structure. Where there are categories of members with different benefit structures, this should be clearly indicated.
  - Confirm the full benefit structure as insured e.g. cover to continue, conversion option, profit sharing, etc.
10. Changes to benefit structure
  - These fields should contain the different benefit structures that the scheme has had for Group Life and Lump sum Disability (including maximum Lump sum Disability benefit) and the dates at which these benefit structures became effective.
  - Include confirmation of changes to the benefit structure relating to additional benefits such as cover to continue, conversion option, profit sharing, etc.
11. Claims reporting delay
  - The user should provide the relevant information (to 2 decimal places) in the fields provided. This number should be used to calculate the provision for late claims (7.). State any assumptions that were made.
12. Date and contact details
  - The user should provide the date on which the experience was extracted and their name and contact details.

## Disability Income Continuation - Annexure 3

The user should fill in the Scheme name and Name of existing underwriter in full before proceeding to fill in the body of the main table below.

### 1. Sum of Monthly Salary Roll or Sum of Sums Assured (\*\*\*)

- The sum of the monthly salary roll as reflected in the premium reconciliation should be disclosed for the relevant period. Alternatively, if the scheme is rated on a unit rate basis, the sum of the sums assured for the relevant period should be disclosed.
- The sum of the salary roll/sum assured is important to track exposure changes over the period and should be disclosed in addition to the sum assured at the beginning of the period.
- The actual current or past premium rates should not be disclosed.
- If the monthly salary roll/sum assured data is not available, the monthly salary roll/sum assured should be estimated from the premium paid by dividing the premium paid by the premium rate and disclosing the corresponding sum of the monthly salary roll/sum assured.

### 2. Total Sum Assured at beginning of each period and Total Salary Bill for period (\*\*\*)

- Claims experience template must reflect both the Benefits Assured at the beginning of the period and Salary Bill preferably for the corresponding period, or alternatively as at the beginning of the period.
- Please note both Sum Assured and Salary Bills are to be included (as opposed to either one or the other of these).

### 3. No. of claims

- This field should contain the number of disability claims incurred during the period (i.e. the dates of disability must be during this period).

### 4. Total benefits (instalments) paid to date (\*)

- This field should contain the rand value of disability claims paid to date for claims incurred during this period (i.e. the total instalments paid to date for claimants together with their dates of disability during this period).
- These instalments should not include reserves for existing claimants.

NOTE - This field should contain the value of instalments paid until the end of the final claims experience period and not merely for the period in which the disability arose.

### 5. Provision for late claims

- This field should contain the underwriter's estimation of the rand value of IBNR for Group Life and Lump sum Disability and should be calculated using the claims reporting delay (11.).

### 6. List of claimants

- This table should contain the information for all claimants to be accounted for in the experience and should include terminated claims.
- The number of claimants listed here should equal the total number of claims (4.).

### 7. Pending PHI claims

- This table should contain the information for all pending claimants to be accounted for in the experience.

NOTE - The user should indicate whether or not the figures in the Current monthly instalment field in (7.) and (8.) include any waivers present on the benefit at 'D - (+)'.

**9. Existing benefit structure**

- This field should contain the current benefit structure for Disability Income Continuation and the date at which the scheme moved to the current benefit structure. Where there are categories of members with different benefit structures, this should be clearly indicated.
- Confirm the full benefit structure as insured e.g. cover to continue, conversion option, profit sharing, etc.

**10. Changes to benefit structure**

- These fields should contain the different benefit structures the scheme has had for Disability Income Continuation and the dates at which these benefit structures became effective.
- Include confirmation of changes to the benefit structure relating to additional benefits such as escalation, employer waiver, conversion option, profit sharing, etc.

**11. Claims reporting delay**

- The user should provide the relevant information (to 2 decimal places) in the fields provided. This number should be used to calculate the provision for late claims (6.).

**12. Date and contact details**

- The user should provide the date on which the experience was extracted and their name and contact details.

**Annexure 1: GLA (for Schemes/Funds with more than 400 members\*)**

Scheme/Fund Name:		Name of Existing Underwriter:				
Period	1. Sum of Monthly Salary Roll over the Period (or Sum of Sum Assured over the Period)	2. Total Sum Assured at beginning of each period	Total Salary Bill for period or as at beginning of the period (delete which is not applicable)	No. of lives exposed at beginning of each period	3. Death claims (**) R	4. No. of death claims
/ / to / /						
/ / to / /						
/ / to / /						
5. Pending Claims						
6. Provision for Late Claims						
Total						

(\* See NOTE – second paragraph on page 1.

(\*\*) Basis: date of death

Delete which is not applicable. Have pending claimants been included in the above claims experience? Yes / No

**7. List of claimants**

Name	Date of birth DD/MM/YY	Sex	Salary at claim date	Date of Death	Date of notification	Benefit R	Status (Admitted, Pending)

**8. Existing benefit structure:**

e.g. 3 X Annual Salary

**9. Changes to benefit structure during the full experience period:**

Date of change:	Benefit:

<b>Conversion option</b>		<b>YES</b>	<b>NO</b>	<b>If yes, then up to what age can the conversion option be exercised and under what events (eg. withdrawal, retirement)?</b>
<b>Continuation of cover during disability</b>		<b>YES</b>	<b>NO</b>	
<b>Growth on death benefit</b>		<b>YES</b>	<b>NO</b>	
<b>Existing pre-ex conditions :</b>				
<b>10. Experience is that claims are normally submitted approximately</b>			<b>months after the date of death. (state any assumptions necessary)</b>	
<b>Ceasing ages :</b>	<b>Males</b>		<b>11. Date and contact details</b>  <b>Name of contact person at existing underwriter :</b> <b>Telephone number of contact person at existing underwriter :</b>  <b>Date : / /</b>  <b>Note: Please use a separate sheet of paper if there is too little space.</b>	
	<b>Females</b>			
	<b>Other</b>			
	<b>If other than above: (Please specify)</b>			





<b>9. Existing benefit structure:</b> e.g. GL - 3 X Annual Salary; PTD – 2 X Annual salary (PTD max benefit R1.5m); Waiting period = 6 months				
<b>10. Changes to benefit structure including changes to definition of disability, during the full experience period:</b>		<b>Date of change:</b>		<b>Benefit:</b>
<b>Conversion option (On death and lump sum disability or only on death?)</b>		<b>YES</b>	<b>NO</b>	<b>If yes, then up to what age can the Conversion option be exercised and under what events (eg. withdrawal, retirement)?</b>
<b>Continuation of cover during disability (***)</b>		<b>YES</b>	<b>NO</b>	
<b>Growth on death benefit (***)</b>		<b>YES</b>	<b>NO</b>	
<b>Existing pre-ex conditions :</b>				
<b>Lump sum disability reduction basis (e.g. m/60) :</b>				
<b>Description of disability definition :</b>				
<b>11. Experience is that claims are normally submitted approximately</b>			<b>months after the date of death and (state any assumptions necessary)</b>	<b>months after the date of disability (state any assumptions necessary)</b>
<b>Ceasing ages :</b>	<b>Males</b>		<b>12. Date and contact details</b>  <b>Name of contact person at existing underwriter :</b> <b>Telephone number of contact person at existing underwriter :</b>  <b>Date : / /</b>  <b>Note: Please use a separate sheet of paper if there is too little space.</b>	
	<b>Females</b>			
	<b>Other</b>			
	<b>If other than above: (Please specify)</b>			



<b>9. Existing benefit structure:</b>												
e.g TTD: 75% of salary; Max benefit: R60 000 Waiting Period = 1 mnth; Payment Period = 23 mnths Escalation = The lesser of 5% and CPI				e.g. PHI: 75% of first R31 500; 60% of next R42 000; 50% of the balance (10% waiver) Max benefit: R60 000; Max waiver: R15 000 Waiting Period = 3 mnths; Escalation = The lesser of 5% and CPI Initial period = 24 months								
<b>10. Changes to benefit structure including changes to definition of disability, during the full experience period:</b>				<b>Date of change:</b>				<b>Benefit (incl duration of initial period and definitions of disability):</b>				
<b>Conversion option (***) :</b>				<b>YES</b>		<b>NO</b>		<b>If yes, then up to what age can the Conversion option be exercised and under what events (eg. withdrawal, retirement)?</b>				
<b>Description of existing pre-ex conditions</b>												
<b>Description of disability definition</b>												
<b>11. Experience is that claims are normally submitted approximately</b>						<b>months after the date of disability (state any assumptions necessary)</b>						
<b>Ceasing ages :</b>		<b>Males</b>				<b>12. Date and contact details</b>  <b>Name of contact person at existing underwriter:</b> <b>Telephone number of contact person at existing underwriter Date :</b>  / /  <b>Note: Please use a separate sheet of paper if there is too little space.</b>						
		<b>Females</b>										
		<b>Other</b>										
		<b>If other than above: (Please specify)</b>										