



FOR PROFESSIONALS

SINCE 1941

PPS CLAIMS EXPERIENCE  
**2016**

# 2016 Claims Fact Sheet

PPS exists to financially protect our members when they need us the most, in times of sickness, injury, disability or death.

Choosing to protect your financial wellbeing is an important decision, that shouldn't be taken lightly. Choosing a company that you can trust can give you the additional reassurance that you and your family will be financially protected. PPS has been protecting the health and wealth of its members since 1941.

Planning properly and knowing that you don't have to worry about the financial impact of an unfortunate life event, hopefully gives you a little bit of comfort.

We provide you with an overview of claims paid and to give you peace of mind that PPS is committed to paying all valid claims, timeously and efficiently.

## PPS' UNIQUE FEATURES

- Claims made on any PPS risk products do not have an impact on the value of the PPS Profit-Share Account.
- PPS has no loadings or exclusions for hazardous pursuits (e.g. skydiving, quad-biking, etc.) or international travel and work.
- PPS does not aggregate (limit) benefits against any other income or lump sum benefits received.
- We cover you for the inability to perform your usual professional duties.
- We do not require proof of loss of income, for a claim to be made.
- The Permanent Incapacity Booster is a unique benefit, both locally and internationally, offered only by PPS, and boosts any Permanent Incapacity award of 20% or 60% to 100% payout, and is non-reviewable, and is payable until retirement.
- Only PPS Sickness benefits offer a partial payment while you recuperate and are slowly returning to work.

## PPS' BENEFITS



### Sickness

- Pays you an income when you are partially or totally unable to perform your usual professional duties because of illness or injury;
- Helps you to maintain your standard of living and take care of day to day expenses;
- Provides cover for periods of hospitalisation for you and your family.



### Permanent Incapacity

- Designed to be a natural progression after a sickness period of 728 days;
- Compensates the member for the loss of ability to perform their usual professional duties;
- Can claim for partial or total incapacity;
- With Permanent Incapacity Booster, awards are boosted to 100%, non-reviewable payment.



### Life Cover

- Lump sum payment payable on death;
- Offers your family financial relief to pay the bills, bond, education and general living expenses;
- Can provide liquidity in your estate, to pay for estate duty, executor fees, etc.



### Critical Illness Cover

- Covers critical illnesses like cancer, stroke, heart attack and many more;
- Provides a lump sum payout to pay for additional expenses or access to alternative medical treatment;
- Supplements any gaps in medical aid, especially for where limits are applied, e.g. cancer and oncology treatment.



### Disability

- Lump sum if the member becomes disabled and unable to carry out their occupation;
- Condition must be permanent and severe.



### Education Cover

- Provides for children's education (up to tertiary level) in the event of the life insured dies, has a severe illness or becomes disabled;
- Covers tuition fees and other related costs, e.g. books, extra mural activities, school trips and many more.

# Summary of Claims Paid in 2016

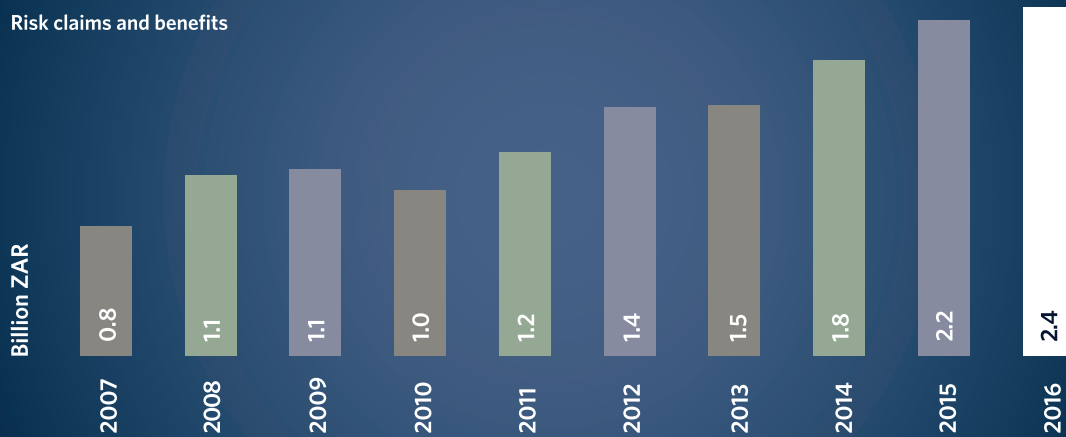
We are proud of what we have achieved for our members in 2016.

Below are some highlights:

CUMULATIVE INSURANCE BENEFITS PAID OVER THE LAST 10 YEARS  
**R14.7 BILLION**

## INSURANCE BENEFITS PAID IN THE LAST 10 YEARS

Risk claims and benefits



TOTAL VALUE OF CLAIMS PAID

**R 1 381 058 245**

SICKNESS  
BENEFITS

R394.5 million

PERMANENT  
INCAPACITY  
BENEFITS

R346.6 million

LIFE/DEATH  
COVER

R463.9 million

CRITICAL  
ILLNESS COVER

R105 million

PERMANENT  
DISABILITY  
BENEFITS

R71.1 million

TOTAL CLAIMS PROCESSED  
**20 355**



On average we paid over  
**R5.5 MILLION**  
and **81 claims** per working day

Cumulative PPS Profit-Share Account  
allocations over the last 10 years

**R22.5 BILLION**



TOTAL  
CANCER CLAIMS  
**R303 MILLION**

# Sickness Benefits

Total claims paid  
R394.5 million

## TOP 3 CLAIM CONDITIONS



- Diseases of the musculoskeletal system and connective tissue - **20%**



- Injury and certain other consequences of external causes - **10%**



- Diseases of the digestive system - **9%**



## SPREAD OF CLAIMS BY PROFESSION

- Medical & Dental - **55%**
- Legal - **12%**
- Financial & Accounting - **12%**

We paid over **R8.2 million** in sickness claims to members living overseas

## CLAIMS BY AGE

21-30 YEARS	31-40 YEARS	41-50 YEARS	51-60 YEARS	61-70 YEARS	70+ YEARS
4%	19%	25%	28%	21%	3%

- Youngest claimant - **23 years**
- Oldest claimant - **82 years**
- Average age - **54 years**

**CLAIMS SPLIT BY GENDER** Male - **56%** Female - **44%**

## CLAIM EXAMPLE

A 58 year old male was admitted to hospital for 10 days, for ulcerative colitis. The member's Hospital Benefit paid for the 10 days of hospitalisation, while his Sickness Benefit paid for 39 days, as that is the total period that he was booked off for.



## DID YOU KNOW?

The sickness benefits include cover for a member's Actual Business Expenses (ABE), which will ensure that expenses associated with the business are also covered during a time of illness or injury. There is no additional waiting period or separate claims process for this benefit.

# Permanent Incapacity Benefits

Total claims paid  
R346.6 million

## TOP 3 CLAIM CONDITIONS



- Mental and behavioural disorders - **33%**



- Injury and certain other consequences of external causes - **17%**



- Diseases of the musculoskeletal system and connective tissue - **14%**



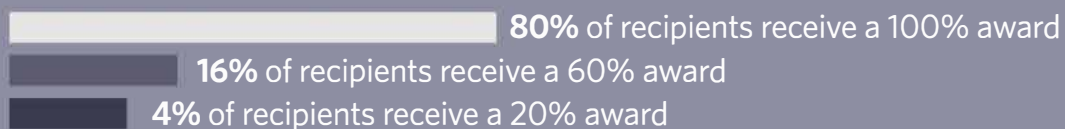
## SPREAD OF CLAIMS BY PROFESSION

- Medical & Dental - **49%**
- Legal - **14%**
- Financial - **13%**

## CLAIMS BY AGE



- Youngest claimant - **31 years**
- Oldest claimant - **66 years**
- Average age - **56 years**



**CLAIMS SPLIT BY GENDER** Male - **62%** Female - **38%**

## CLAIM EXAMPLE

A young member was injured while scuba diving overseas. He sustained a spinal fracture and after hospitalisation and rehabilitation, he was declared a quadriplegic. He received an early Sickness Benefit while in hospital overseas, to assist with the medical costs. Once his quadriplegia was diagnosed, he was paid a Lump Sum Disability Benefit and he is also in receipt of 100% Permanent Incapacity Benefit, which he will continue to receive until he turns 66 years.



## DID YOU KNOW?

If you are in receipt of a partial Permanent Incapacity payment, you may apply for an upward review of benefits should your condition deteriorate or if you suffer from another condition.

# Life Cover

Total claims paid  
R463.9 million

## TOP 3 CLAIM CONDITIONS



• Cancer - 23%



• Suicide - 19%



• Cardio Vascular diseases - 14%



## SPREAD OF CLAIMS BY PROFESSION

- Financial - 35%
- Medical & Dental - 31%
- Engineering - 11%

## CLAIMS BY AGE

21-30  
YEARS

1%

31-40  
YEARS

7%

41-50  
YEARS

15%

51-60  
YEARS

26%

61-70  
YEARS

33%

70+  
YEARS

18%

- Youngest claimant - 27 years
- Oldest claimant - 98 years
- Average age - 55 years

Profit-Share Account paid on death - R78.9 million  
Highest Life Cover claim - R45.5 million  
Total of R19 million was paid in Terminal Illness Benefit

CLAIMS SPLIT BY GENDER Male - 82% Female - 18%

## CLAIM EXAMPLE

On 18 January 2016, a new member, whose policy started on 1 January 2016 fell and was rushed to hospital, where it was confirmed that he had suffered a stroke. He passed away the following day. His Life Cover Benefit of R3 million was paid to his beneficiaries.



## DID YOU KNOW?

On death, the full accumulated Profit-Share Account plus any pro-rata amount at time of death will be paid to your nominated beneficiaries or estate.

# Critical Illness Cover

Total claims paid  
R105 million

## TOP 3 CLAIM CONDITIONS



• Cancer - **57%**



• Diseases of the circulatory system - **23%**



• Diseases of the nervous system - **5%**



## SPREAD OF CLAIMS BY PROFESSION

- Medical & Dental - **39%**
- Legal - **18%**
- Financial - **17%**

**81%** of Critical Illness Claims were for severity A conditions ie **100% payout**

## CLAIMS BY AGE



- Youngest claimant - **24 years**
- Oldest claimant - **69 years**
- Average age - **51 years**

**CLAIMS SPLIT BY GENDER** Male - **61%** Female - **39%**

## CLAIM EXAMPLE

A 23 year old engineer took out the Critical Illness Cover in March 2016. On 13 March 2016 she was admitted to ICU due to lung problems. A 100% payment of R2 000 000 under the ICU benefit was paid to the member in May 2016.

## DID YOU KNOW?



The Critical Illness Cover automatically includes a Child Critical Illness Cover (which pays when your child is diagnosed with a critical illness) and an ICU benefit, which will pay 100% of your benefit if admitted to ICU, for any injury or illness.

# Lump Sum Disability

Total claims paid  
R71.1 million

## TOP 3 CLAIM CONDITIONS



• Cancer - **36%**



• Diseases of the nervous system - **17%**



• Diseases of the musculoskeletal system and connective tissue - **13%**



## SPREAD OF CLAIMS BY PROFESSION

- Medical & Dental - **36%**
- Legal - **66%**
- Financial - **57%**

## CLAIMS BY AGE



- Youngest claimant - **31 years**
- Oldest claimant - **66 years**
- Average age - **57 years**

**CLAIMS SPLIT BY GENDER** Male - **59%** Female - **41%**

## CLAIM EXAMPLE

A member was diagnosed with stage 4 liver cancer late in 2015, which was terminal. He was unable to continue working as the condition was deemed to be permanent and severe. His Lump Sum Disability Benefit as well as the Terminal Illness Benefit, on his life cover were, paid out after diagnosis. After his death, the balance of his life cover amount was paid to his beneficiaries.



## DID YOU KNOW?

From age 59 or upon retirement, the Lump Sum Disability Benefit is converted to a Severe Illness Benefit, which will pay 100% of the sum assured if you suffer from a listed severe dread disease, trauma or physical impairment.

## Young Members - Under 35 Years



Our youth are not spared when it comes to life's eventualities. It was encouraging to see that 61% of new members that PPS attained in 2016 were members below 30 years.

### MYTHS ABOUT LIFE INSURANCE, ESPECIALLY BY THE YOUTH

MYTH	FACT
I am too young	You are never too young for life insurance
I am very healthy	Even very healthy people can get sick, be injured or die
Life insurance is expensive	You will be surprised how cheap life insurance can be, depending on your lifestyle habits as well
I am not rich/don't have enough assets	As long as you have an asset or anybody that depends on you, you need life insurance

The claim statistics below show some of the common conditions that the youth claimed for:

## SICKNESS BENEFITS

### TOP 3 CAUSES



Diseases of the musculoskeletal system and connective tissue - **37%**



Injury and certain other consequences of external causes - **34%**



Diseases of the digestive system - **29%**

### CLAIM EXAMPLE

A young member with a spinal injury following an accident was admitted to hospital for 20 days and booked off totally for a further 3 months. Both his Sickness and Hospital Benefits were paid.

## LIFE COVER

### TOP CAUSES OF DEATH



Motor Vehicle Accident - **50%**



Cancer - **50%**

### CLAIM EXAMPLE

A young intern doctor died in a car accident, following a head on collision, after having been on call for a period of over 24 hours. The full Life Cover Benefit was paid to her beneficiary.

## CRITICAL ILLNESS COVER

### TOP CAUSES



Cancer - **25%**



Diseases of the nervous system - **25%**



Diseases of the circulatory system - **25%**



Pregnancy, childbirth & puerperium\* - **13%**

\*6 week period after child birth

### CLAIM EXAMPLE

A 30 year old female had flu like symptoms and was found unresponsive. She was admitted to ICU and diagnosed with encephalitis, which rendered her bed ridden. She is currently receiving treatment in a rehabilitation centre. Her full Critical Illness Cover Benefit was paid out.

## **We Look After Your Claim**

At the time when you make a claim, it is likely that you are going through a difficult time.

PPS aims to pay all valid claims as quickly and efficiently as possible, whilst supporting you through the claims process.

We employ a dedicated assessor approach, ensuring that for a specific claim, members only deal with one assessor.

Claims are assessed in a consistent, transparent and fair process.

Our claims assessors will work with you during the claims process and keep you informed at all times.



\* Members should provide PPS with permission on the Declaration by Member form to communicate claims information to an intermediary.

\*\* Provided the banking institution is the same as PPS.

# Sharing Our Success

For the past 76 years, PPS has shared its success with members by way of our PPS Profit-Share Account allocations. This unique benefit significantly enhances the Sickness and Permanent Incapacity Benefit (SPPI) at retirement and in most cases the profit allocation exceeds the premiums paid by PPS policyholders with qualifying products.

The actual real examples below show the benefits of members who retired between the ages of 60 to 67 who have been members for between 28 and 44 years. Profit allocations varied between R977 483 and R2.3 million. This also shows the significant benefit of starting early with PPS membership!

The examples below illustrates PPS' value proposition. PPS members, in most instances, have received more in profit allocations than what they have paid in premiums.

This is truly unique, members receive the profit allocation no matter how many claims they have submitted over their tenure with PPS.

PROFESSION	RETIREMENT AGE	YEARS OF MEMBERSHIP	TOTAL PREMIUMS PAID	TOTAL CLAIMS PAID	PPS PROFIT SHARE PAID
Medical doctor	66	39	R 1 604 727	R 686 870	R 1 980 330
Consultant	62	41	R 935 649	-	R 977 483
Medical doctor	67	44	R 1 782 659	R 377 112	R 2 320 209
Financial services	60	28	R 957 508	R 1 202 812	R 1 350 099
Advocate	65	38	R 1 316 794	R 877 267	R 1 687 151

# THE FINANCIAL JOURNAL

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4 May 2017 | Evening Edition

## NO ONE SAW IT COMING

So, 2016. That was the year that what it was, was exactly what thought it wouldn't be. Seldom has a year confounded everyone and baffled every so-called

Accepted wisdom was that to see its first female president.

Instead, she got trumped by a man written off.

The general consensus of the British (and world) media was that Britain would "bremain" part of the European Union. By contrast, the general consensus of the British public was the complete opposite.

**OVER R2.7 BILLION ALLOCATED TO PPS MEMBERS\***

\*Total cumulative allocations 2007-2016 (R22.5 billion)



And what that means is that the "smart" media thinking man's" papers, the and the "experts" are wildly with what the common man feeling.

the common man is feeling, and consequently right or wrong, is a moot point.

thought we had our finger of public sentiment, were as reporters, conveyors and shapers of thought, we have serious soul-searching to do.

## HERE'S SOMETHING TRULY RARE – A BUSINESS THAT FLOURISHED FINANCIALLY IN 2016

2016. The US Elections. Brexit. To name but two. It will go down in history as a year of unpredictability, where the economic climate was, well, stormy to say the least. Yet PPS flourished - allocating over R2.7 billion in profits to members' PPS Profit-Share Accounts as well as accumulating a record R31.4 billion in PPS Group assets.\*\* A rare achievement indeed. And a rewarding one for all our members. Because while for many, 2016 is a year they'd rather forget, PPS has made it a year to remember.

So if you're a graduate professional who wants to join this community and share all our profits, visit [pps.co.za](http://pps.co.za) or speak to a PPS-accredited financial adviser today.



FOR PROFESSIONALS

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#RAREISREWARDING

Life Insurance | Investments | Financial Planning | Short-Term Insurance | Medical Aid

PPS offers unique financial solutions to select graduate professionals. PPS is an authorised Financial Services Provider. Members with qualifying products share all the profits of PPS. \*\*Excluding assets in unit trusts for third parties. Past performance is not necessarily indicative of future performance.

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