

Q&A | In Conversation with Sanlam Corporate | 4 November 2020

Question	Answer
Were the global equity and global bond returns not good because of the Rand's depreciation?	The Rands depreciation has added to returns over the long term, but those offshore asset classes have still outperformed local asset classes in USD terms (i.e. ignoring Rand depreciation).
Most clients cannot invest in the Sanlam Stable Bonus Portfolio because of the restriction asset limit requirement. This portfolio should be a default option because it is also one of the flagship portfolios.	This portfolio is currently available on the investment menu as a member choice portfolio (under the Comprehensive option) and as well as a tailored default for clients that meet certain criteria.
Is it LAW that if the death is confirmed as a Covid-19 death, that this must be noted on the abridged death certificate? Or, will it only show on the BI1663? My understanding is that the death certificate states "natural" or "unnatural" only.	<p>It isn't law to include it, but there is guidance from government that it should be included on the death certificate. But in general, you are correct that the death certificate just says "natural" or "unnatural". In certain cases we can supplement that information with a police report or the BI1663, however, the BI1663 is not a requirement to log a claim, and thus we don't often get it with natural deaths.</p> <p>We have found that during the pandemic, we have received death certificates with a note on it indicating it is a COVID death. However, it is impossible to know how accurate or robust this is. We do log them as such, though, to make sure we collect as much data as possible.</p>
Why does the graph on excess deaths have a negative curve? Have dead people been revived?	This is because "excess deaths" = actual deaths - expected deaths (under normal circumstances without COVID). Due to random fluctuation, even during the pandemic, we have weeks where the actual deaths might be lower than the expected deaths. For consistency, they count these as "negative excess deaths" - because you can't just count the bad and ignore the good. However, as you count over a longer and longer time period, the random fluctuations even out and the excess deaths number will appear positive.
Are you able to determine the different unnatural deaths e.g. difference between MVA, suicide, etc.?	Unfortunately, due to police reports not always being as thorough as they need to be, or BI1663's not always being included, our cause of claim data for mortality is not a comprehensive as we would like it to be. The majority of our unnatural deaths are listed as a generic, violent (this doesn't necessarily mean a crime was committed... it could be a car accident or a fall off a tower, or whatever the case may be) occurrence. We can only analyse further on the subset of claims where more accurate data is provided

<p>Is your mental health claims based on payouts or actual claims received?</p>	<p>The graph in my slides were based on number of claims incurred. We removed the size of the claim as a factor in order to make it easier to combine the lump sum disability and income disability claims in the same analysis.</p>
<p>I would assume that these statistics are based on claims so it would not be possible draw a line to what happened in real life as many people who died might not have had a policy with an assurer and for that matter with Sanlam. So we are talking Sanlam and the pandemic and that is all?</p>	<p>In theory, yes, Sanlam's experience is only a small subset of the total country's experience. However, the first few graphs in my slides (from the SA Medical Research Council) refer to the country as a whole. It is interesting to note that, despite Sanlam's claims only being a small sample of the total country, our experience mirrors the national experience very closely.</p>
<p>Neil, do you expect an increase in the GLA premiums and disability premiums as a result of Covid-19? If so, what kind of increase do you expect?</p>	<p>Sanlam will not increase premiums as a result of the pandemic in so much as we won't try to recoup premiums for claims that happened in the past - assuming it was a once off occurrence (e.g. we won't be charging premiums next year for this year's spike in pandemic claims).</p> <p>Where we might consider raising prices if we feel that a second wave is likely, or (the scenario I'm more worried about), we feel that mortality in the future is likely to stay slightly elevated (a prolonged surge rather than a sharp spike) for a protracted period of time.</p> <p>For GLA specifically, we don't foresee any real increases, except from isolated schemes which may have higher risk than normal. For disability, we do expect the depressed economy to have a significant effect on claims rates, so we will - in all likelihood - have to increase rates there. I hesitate to give actual numbers for expected increases because it will be heavily dependent on the industry, however, we will try to smooth increases out over a long time period as we can so that we don't hit clients with large increases all at once unless absolutely necessary.</p>