



## Sanlam Group Risk Cover **Severe Illness insurance**

### New Severe Illness offering

Sanlam's philosophy for Severe Illness insurance has always been to provide proper cover for the most prevalent diseases.

We also have to make sure that our offering remains affordable and competitive in the market, while still being in line with employees' expectations and needs.

With all the above in mind we have revamped our Severe Illness insurance offering to provide a very comprehensive, marketable and flexible solution, but without compromising on our philosophy to always provide proper **impact-based** cover for employees.

unexpected costs

**A severe illness can inflict devastating financial burdens on employees and their affected family members.**

This is why severe illness insurance is vital.

Extra costs for an employee at a time like this may include:

- ① Travelling expenses to treatment centres.
- ② Alternative and/or advanced treatments.
- ③ Private nursing not covered by a medical scheme.
- ④ Employing additional help to manage children and the home while an employee is too ill to do so themselves.
- ⑤ An unplanned reduction in income if an employee decides to delay returning to work in favour of a speedier recovery.
- ⑥ The financial setback resulting from an employee deciding to reduce working hours following an illness like a heart attack, in an attempt to better manage stress.

**The Severe Illness insurance allows employees to put measures in place to deal with the financial setbacks that results from suffering a severe illness.**



# The need for severe illness insurance

## Disability vs severe illness

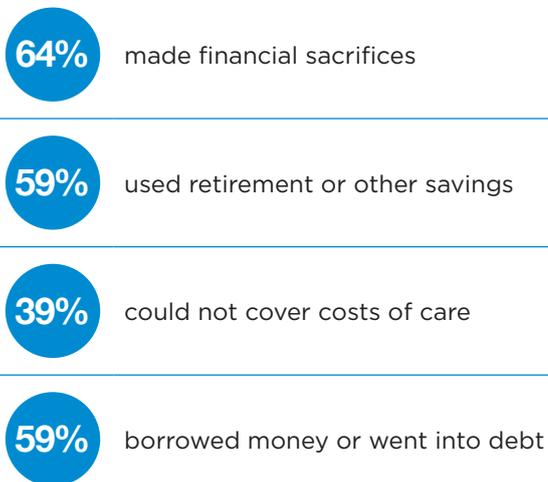
Because employees do not always qualify for occupational disability benefits after the occurrence of a severe illness, their disability insurance may not assist them in the event of suffering a severe illness. Disability insurance also only pays out after the expiry of a waiting period and after the employee has been treated, the illness has stabilised and the impairment they have suffered can be assessed.

This can result in the employee either waiting a significant time for their pay-out, or not receiving a pay-out at all, if the assessment does not meet the claim criteria of the disability insurance.

**The last thing an employee should worry about, when diagnosed with a severe illness, is his/her family's finances.**

Unlike income disability insurance, medical aids and medical aid gap cover products, severe illness products provide cover for the various additional and often unexpected costs of being diagnosed with an illness. Severe illnesses, e.g. cancer, have financial implications for both those who die and those who survive their illness.

### Common types of financial problems faced by cancer survivors\*:



\* From LIVESTRONG Survey, 2015

## Cancer-only and Cardiovascular-only benefits

While the list of potential severe illnesses one can suffer from is long, cancer- and cardiovascular-related events are most likely to affect insured members.

**More than 80% of severe illness claims admitted** by the life insurance industry in any year are solely as a result of these events. (According to Swiss Re Study)

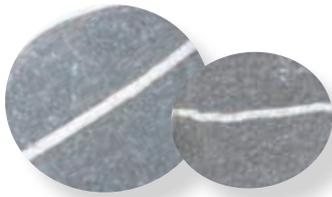
That's why our new Severe Illness insurance offering includes Cancer-only and Cardiovascular-only benefits, enabling employers to **directly address what concern their employees most.**

## Existing benefits still available

Our Standard Critical Illness insurance, now called the **Core Severe Illness insurance**, is still available from our previous range of Critical Illness insurance offering. It still covers **10 common severe illnesses at 100% payment.**

The Core Severe Illness insurance is **not impact based** and only provides non-tiered benefit payments. The survival period has been increased to 14 days, in line with our new Impact range of severe illness benefits.

All other features of the existing product remains unchanged.



## Impact range

The Impact range is a more affordable range of severe illness benefits, designed to consider the true impact of a severe illness on the employee's life and finances whilst still providing proper cover.

Take cancer for example. At Sanlam we recognise that not all cancers are the same.

While it would generally be suitable to pay 25% for stage I cancer, paying 25% for stage I pancreatic cancer will fall short of properly covering an employee. Pancreatic cancer has a poor prognosis, requiring aggressive, upfront treatment, with the resultant immediate change in lifestyle.

The cancer cover provided by our Impact range will therefore pay 100% for specified aggressive cancers from stage I.

options options options	➔	<h3>Cancer</h3> <p>Unique impact-based cancer cover paying 100% for specified aggressive cancers from stage I*.</p> <p>(Included in our <i>Comprehensive benefit</i> or available as a separate benefit)</p>
	➔	<h3>Cardiovascular</h3> <p>Very comprehensive and proper impact-based cardiovascular cover for heart and vascular conditions.</p> <p>(Included in our <i>Comprehensive benefit</i> or available as a separate benefit)</p>
	➔	<h3>Comprehensive Severe Illness</h3> <p>Comprehensive Severe Illness cover, providing proper impact-based cover for a wide range of severe illnesses, impairments, injuries and infections. In total more than 200 claim events are covered.</p>

\* If cancer is covered by the applicable benefit.



Refer to the sections to follow for more information on the:



**Cancer benefit**



**Cardiovascular benefit**



**Comprehensive Severe Illness benefit**



**Please note:** A set of layman's definitions is available on the Sanlam website which explains the contractual claim event definitions in layman's terms.



## Terms & conditions

### Employees qualify for cover up to the Medical Proof Free Limit

All employees qualify for cover up to the Medical Proof Free Limit\* without having to submit medical evidence of good health, i.e. employees will only have to provide Sanlam with medical evidence of good health in respect of their cover that exceeds the Medical Proof Free Limit.

*\* A Medical Proof-free limit is offered on condition that membership is compulsory for all new qualifying employees and an enrolment percentage of at least 80% in respect of existing qualifying employees at inception date of the scheme with Sanlam, subject to an overall minimum of 10 employees.*

### Survival period

A survival period of 14 days will apply for all claim events, from the date the contractual claim event definition has been met. Should an employee die before the end of the survival period, no severe illness benefits will be paid.

### Multiple claims

Multiple claims are possible, subject to our multiple claim event rules.

For related claim events the pay-out percentage of a claim may be reduced by the pay-out percentages of previously admitted related claims.

For certain specified claim events like angioplasty, an employee can however claim up to two times for repeat occurrences of the same claim event, even if they are related.

We may further reduce the pay-out percentage for a claim event in order to ensure that:

- the sum of the pay-out percentages of related claims is not more than 100%, and
- the sum of the pay-out percentages of a bundle of claims is not more than 100%.

**Multiple claims for unrelated claim events are unlimited**, subject to the overall pay-out percentage limitation that applies for bundled claims.

*Refer to the relevant Benefit Guide for further detail on multiple claims.*





# Sanlam's new cancer-only benefit

South Africans are generally more concerned about the risk of cancer, than the risk of any other disease.

With Sanlam's new **Impact range** of cancer-only benefits, employees can now directly address what concerns them most.

## Very Comprehensive and proper impact-based cover

Our new Cancer benefit covers 50 cancer events, which provide cover for:

- ⤵ Cancer, leukaemia, lymphoma and tumours;
- ⤵ Wide cover for benign brain tumours;
- ⤵ Catch-all cancer claim events providing even further peace of mind (refer Benefit Guide).

## Statistics at a glance



### South African Cancer statistics

- ⤵ **1 in 4** South Africans will be **affected by a cancer** diagnosis of a family member, a friend or themselves.
- ⤵ More than **100 000** South Africans are diagnosed with cancer every year.
- ⤵ South Africa's cancer **survival rate** is **6 out of 10**

<http://www.cansa.org.za/south-african-cancer-statistics/>

**SOUTH AFRICAN WOMEN**  
(LIFETIME RISK 1:8)

- 1 Breast
- 2 Cervical
- 3 Origin unknown\*
- 4 Colorectal
- 5 Uterus

#### TOP 5 CANCERS AMONG



**SOUTH AFRICAN MEN**  
(LIFETIME RISK 1:7)

- 1 Prostate
- 2 Colorectal
- 3 Lung
- 4 Origin unknown\*
- 5 Karposi Sarcoma

Statistics as per National Cancer Registry (2010)

\*'Origin unknown' means it is not possible to determine where the cancer originated in the body.



# The burden of cancer worldwide

- ① Cancer is among the leading causes of death worldwide. In 2012, there were 14 million new cases and 8,2 million cancer-related deaths worldwide.
- ① The number of new cancer cases will rise to 22 million within the next two decades.
- ① More than 60 percent of the world's new cancer cases occur in Africa, Asia, and Central and South America. *Refer to the website of the World Health Organization for more information about global cancer statistics.*
- ① Globally cancer kills more people than TB, AIDS and Malaria combined. *According to Centers of Disease Control and prevention (CDC)*

**CANCER > TB + AIDS + MALARIA**  
<http://www.cansa.org.za/south-african-cancer-statistics/>

## Sanlam dread disease statistics 2015

Of the dread disease claims Sanlam\* paid in 2015, most were for cancer.

\* Statistics are for Sanlam Individual Life



**47% of claims paid for men** were for cancer, of which 7% were for prostate cancer.



**79% of claims paid for women** were for cancer, of which 32% were for breast cancer and 7% for melanoma.

**Proper impact-based cover**

Sanlam's new Cancer benefit is an impact-based benefit that addresses the need for more affordable cancer cover while still properly covering an employee.



**When designing the benefit we have recognised that certain stage I cancers are very aggressive and can have the same significant impact on employees as another type of stage IV cancer.**

Unlike the cancer cover provided by competitors' tiered benefits (i.e. benefits in the same price range that generally pay lower percentages for lower severities of cancer), our **impact-based** Cancer benefit does not merely pay according to the stage of the cancer.

Instead, our Cancer benefit pays 100% for ALL stages of specified aggressive cancers, to ensure employees are properly covered when it matters most.

## SCIDEP table

The Standardised Critical Illness Definitions Project (SCIDEP) of the Association for Savings and Investment South Africa (ASISA) drafted standard definitions for the 4 severity levels for the 4 recognised main claim events.

The table below indicates the percentage of the cover amount we will pay for a cancer claim, depending on the severity levels of the following cancer claim events as identified by SCIDEP:

	Level A Most severe	Level B	Level C	Level D Least severe
<b>Cancer</b>	<b>Claim event % for the indicated severity levels</b>			
Specified aggressive cancers	100	100	100	100
Other cancers, except cancers excluded by SCIDEP*	100	100	50	25

\* Certain stage I cancers are excluded by SCIDEP, and are therefore not shown in the table above. Refer to the claim event table for the claim event percentages that apply to the stage I cancers that are covered by these benefits. The claim event table is available in the relevant Benefit Guide.

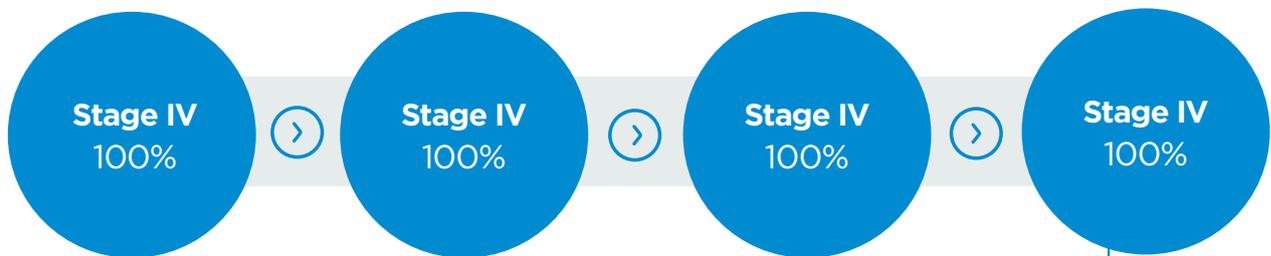


When considering cancer pay-outs according to SCIDEP criteria, competitors' tiered benefits typically pay out as follows:



Sanlam's Cancer benefit: pay out as follows:

## For specified aggressive cancers:



### Specified aggressive cancers:

- ⌋ Oesophageal cancer
- ⌋ Liver cancer
- ⌋ Bile duct cancer
- ⌋ Lung cancer
- ⌋ Mesothelioma
- ⌋ Pancreatic cancer
- ⌋ Retroperitoneal cancer
- ⌋ Omental cancer
- ⌋ Mesenteric cancer
- ⌋ Stomach cancer
- ⌋ Tongue cancer
- ⌋ Hypopharyngeal cancer

These cancers have a poor prognosis even in their early stages. They tend to require aggressive initial treatments and immediate changes in lifestyle. Sanlam will therefore always pay 100% for these cancer claims.

## For other cancers\*:



**nb**

**Please note:** A set of layman's definitions is available on the Sanlam website which explains the contractual claim event definitions in layman's terms.



# Sanlam's new Cardiovascular-only benefit

Cardiovascular diseases are responsible for a significant portion of severe illness claims. Stress, diet and genetic factors all contribute to the high prevalence of heart and vascular disease.

With Sanlam's new **Impact range** of cardiovascular-only benefits, employees can now directly address what concerns them most.

**Very Comprehensive and proper impact-based cover**

The new cardiovascular benefit covers 45 cardiovascular events, which provide cover for:

- › the structures of the heart, including the coronary arteries;
- › the function and rhythm of the heart;
- › diseases of the aorta and other large arteries;
- › the peripheral vascular system; and
- › diseases of the blood vessels of the brain (including stroke).

Minimal invasive surgery and keyhole techniques are included. Coronary artery bypass graft is covered at 100% from SCIDEP severity B and a heart attack of severity D is covered at 35%.

## Statistics at a glance

### Cardiovascular Disease in South Africa



**1 in 3** South African adults has high blood pressure. This is one of the highest rates in the world.

High blood pressure is a silent killer - 75% of people with high blood pressure do not even know they have it.



**210** people die from heart disease in South Africa every day.



**31%** of adult men and **7%** of adult women in South Africa smoke, according to a report on global smoking released by the World Bank in 2016. These are major risk factors for diseases like heart attack and stroke.



**1 in 2** adults in South Africa is overweight.



Every hour **10 people** in South Africa suffer a stroke.



Every hour **5 people** in South Africa have a heart attack.

*Heart Health: Health24 26 September 2016*



# Proper impact-based cover

With Sanlam’s new cardiovascular benefits, employees’ severe illness cover can be geared toward cardiovascular events only



Sanlam’s unique Cardiovascular benefit provides comprehensive cover for the entire cardiovascular system and great care was taken to ensure meaningful cover is provided to employees.

## SCIDEP table

The Standardised Critical Illness Definitions Project (SCIDEP) of the Association for Savings and Investment South Africa (ASISA) drafted standard definitions for the 4 severity levels for the 4 recognised main claim events.

The table below indicates the percentage of the cover amount we will pay for a cardiovascular claim, depending on the severity levels of the following cardiovascular claim events as identified by SCIDEP:

	Level A Most severe	Level B	Level C	Level D Least severe
<b>Cardiovascular</b>	<b>Claim event % for the indicated severity levels</b>			
Coronary artery bypass graft (CABG)	100	100	50	50
Heart attack	100	75	50	35
Stroke resulting in permanent impairment	100	75	50	25



**Please note:** A set of layman’s definitions is available on the Sanlam website which explains the contractual claim event definitions in layman’s terms.



## Sanlam's new Comprehensive Severe Illness benefit

With modern medical advances and early detection, more people are surviving illnesses that would have been fatal in the past.

With Sanlam's new **Impact range** of comprehensive severe illness benefits, employees can now directly address what concerns them most.

## Very Comprehensive and proper impact-based cover

Our new Comprehensive benefit covers more than 200 claim events, which provide cover for:

- › Various serious as well as relatively milder conditions;
- › Common as well as rare diseases;
- › A significant list of impairment, injury and infection claim events are covered, like joint replacements, gunshot wounds and bacterial meningitis;
- › Catch-all claim events for cancer are included – providing even more peace of mind.



## Remember



The benefit includes the exact same market-leading cancer and cardiovascular cover as provided under the separate **Cancer and Cardiovascular benefits**.

The comprehensive nature of this benefit provides peace of mind to employees.



# Statistics show an increase in the prevalence of severe illnesses.

## Some facts and statistics



### Multiple sclerosis

Multiple sclerosis (MS) is one of the most common diseases of the central nervous system. Symptoms range from numbness and tingling to blindness and paralysis. Most people with MS are diagnosed between the ages of 20 and 50, with at least two to three times more women than men being diagnosed with the disease. Today over 2,5 million people around the world have MS.

**Source:** <http://www.multiplesclerosis.co.za>



### Rheumatoid arthritis

Rheumatoid arthritis is an illness that affects various joints. About one per cent of South Africans are affected, although we have no accurate prevalence figures for this country. Women are affected about two to three times more often than men. The incidence increases with age and the sex difference diminishes in older people. Rheumatoid arthritis is seen around the world and all races are affected. It can start at any age and often affects young people - 80 per cent of people develop the disease between the ages of 35 and 50.

**Source:** <http://www.health24.com/Medical/>



### Cardiovascular diseases

In South Africa, approximately 8 400 coronary bypass operations are performed per year. There is an alarming incidence of heart disease in South Africa: one in three men and one in four women will suffer a heart attack before their 60th birthday. Every year, more than 50 000 South Africans suffer heart attacks.

**Source:** <http://www.health24.com/Medical/Heart/Treatment-for-heart-disease/>



### Cancer

More than 100 000 South Africans are diagnosed with cancer every year. 1 in 4 South Africans are affected by cancer through diagnosis of family, friends or self. 4.4 million women in South Africa are living with breast cancer. Prostate cancer is the most common cancer in men, with South African men having a 1 in 8 risk.

**Source:** CANSA & National Cancer Registry 2010



## Proper impact-based cover

Sanlam's new Comprehensive benefit provides cover for a comprehensive list of body systems, ensuring that employees are covered for a wide range of claim events, which are grouped into several different claim categories.



The list of claim categories, that ensures that most body systems are covered, include:

- ⦿ Cancer, leukaemia, lymphoma and tumours
- ⦿ Cardiovascular conditions - heart, blood vessels and stroke
- ⦿ Connective tissue
- ⦿ Ear, nose and throat
- ⦿ Gastrointestinal system
- ⦿ Lymph and blood
- ⦿ Musculoskeletal system
- ⦿ Nervous system and psychiatric disorders
- ⦿ Renal disorders
- ⦿ Respiratory disorders
- ⦿ Urogenital disorders
- ⦿ Vision
- ⦿ Infections
- ⦿ Injuries, accidents and poisoning

## SCIDEP table

The Standardised Critical Illness Definitions Project (SCIDEP) of the Association for Savings and Investment South Africa (ASISA) drafted standard definitions for the 4 severity levels for the 4 recognised main claim events.

The table below indicates the percentage of the cover amount we will pay for a comprehensive severe illness claim, for the severity levels of the following main claim events as identified by SCIDEP:

	Level A Most severe	Level B	Level C	Level D Least severe
<b>Comprehensive Severe Illness</b>	<b>Claim event % for the indicated severity levels</b>			
Specified aggressive cancers	100	100	100	100
Other cancers, except cancers excluded by SCIDEP**	100	100	50	25
Coronary artery bypass graft (CABG)	100	100	50	50
Heart attack	100	75	50	35
Stroke resulting in permanent impairment	100	75	50	25

\* For the following specified aggressive cancers, we will pay 100% for all SCIDEP severity levels:

- Oesophageal cancer stage I to IV;
- Liver or bile duct cancer stage I to IV;
- Lung cancer stage I to IV; Mesothelioma stage I to IV;
- Pancreatic cancer stage I to IV;
- Retroperitoneal, omental or mesenteric cancer stage I to IV;
- Stomach cancer stage I to IV;
- Tongue or hypopharyngeal cancer stage I to IV.

\*\* Certain stage I cancers are excluded by SCIDEP, and are therefore not shown in the table above. Refer to the "Cancers, tumours, leukaemias and lymphomas" claim categories in the claim event table for the claim event percentages that apply to the stage I cancers that are covered by this benefit.

**nb**

**Please note:** A set of layman's definitions is available on the Sanlam website which explains the contractual claim event definitions in layman's terms.