Sanlam

Sales Aid February 2017

Sanlam Risk Cover

Severe Illness

The need for **Severe Illness cover**

Should your client be diagnosed with a severe illness, all their energy will be needed to battle the illness and the last thing they should worry about is their finances. Which is why severe illness products are vital. Unlike income protection policies, medical aids and gap cover products, **severe illness products provide cover for the various additional and often unexpected costs of being diagnosed with an illness.**

unexpected costs

Extra costs at a time like this can include:

- Traveling expenses to treatment centres.
- Private nursing or alternative treatment not covered by a medical scheme.
- Costs for relatives to come visit.
- Employing additional help to manage children and the home while a client is too ill to do so themself.
- An unplanned reduction in income if a client decides to delay returning to work in favour of a speedier recovery.
- The financial setback resulting from a client deciding to reduce working hours following an illness like a heart attack, in an attempt to better manage stress.

Someone may also be well enough to work after a severe illness, but may not be insurable for between 3 and 10 years after such an illness.

Severe Illness cover can help clients to put some savings in place for such a period of uninsurability.

Disability vs. Severe Illness benefits

Because people are not always totally and permanently disabled by a severe illness, their disability cover may not assist them in the event of suffering a severe illness, even if they have a newer policy that also covers them for functional impairment. Disability cover also only pays out after they have been treated, the illness has stabilised and the impairment they have suffered can be assessed. This can result in them 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 benefit.

New Severe Illness offering

Sanlam's philosophy for Severe Illness benefits has always been to provide excellent cover for the most prevalent diseases. As Wealthsmiths we also have to make sure that our benefits remain affordable and competitive in the market, while still being in line with our clients' expectations and needs.

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

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 your clients. More than 80% of severe illness claims admitted by the life insurance industry in any year are solely as a result of these events. That's why our new Severe Illness offering includes Cancer-only and Cardiovascular-only benefits, enabling clients to **directly address what concerns them most**.

Impact range and Plus range

Our new benefits are available under 2 ranges:

Impact range

The Impact range is our more affordable range of severe illness benefits. But unlike competitor benefits in the same price range, these benefits have been designed to consider the true impact of an illness on your client's life and finances thereby still providing **proper cover**.

Take cancer for example. At Sanlam we recognise that not all cancers are the same. While it would be suitable to pay 25% for stage I skin cancer, paying 25% for stage I pancreatic cancer will fall short of properly covering your client. Pancreatic cancer has a poor prognosis, resulting in aggressive, upfront treatment, coupled with an immediate change in lifestyle. The cancer cover provided by our Impact range will therefore pay 100% for specified aggressive cancers **from stage I**.

- Cancer
- Cardiovascular
- Comprehensive Severe Illness

Plus range

Our Plus range of benefits is for clients who value **maximum possible pay-outs** above affordability. The Plus range of benefits provides 100% payments for the cancer, heart attack, bypass and stroke events covered by SCIDEP**. When compared to the Impact range it also pays higher pay-outs for certain other claim events.

- Cancer Plus
- Cardiovascular Plus
- Comprehensive Severe Illness Plus

New income benefit added on Income Protector

Severe Illness Income

To make our new offering complete a Severe Illness Income benefit was also added. It provides a boost to a client's income for a period of 12 months - enabling them to meet additional monthly costs incurred as the result of a severe illness.

Existing benefits still available

The following benefits are still available from our previous range of benefits:

01

Core Dread Disease (available as a whole life-, or term benefit)

If compared to the combination of our new Cancer and Cardiovascular benefits, it is not as comprehensive, but covers the **4 most common** severe illnesses at 100% payment.

02

Child: Illness and Injury

This benefit is unchanged and remains the **most comprehensive children's benefit in the market**, covering a wide range of illnesses, injuries, impairments and infections, with a maximum cover amount of R1m.

Our new range of benefits provides:

- **Exceptional cancer cover** where even the benefits from our more affordable Impact range pay 100% for specified aggressive cancers from stage I*.

  Included in our Comprehensive benefit or available as a separate benefit.

- **Very comprehensive and proper cardiovascular cover** for heart and vascular conditions.

  Included in our Comprehensive benefit or available as a separate benefit.

- **Comprehensive Severe Illness cover** providing proper cover for a wide range of severe illnesses, impairments, injuries and infections. In total more than 300 claim events are covered, including a number of catch-all events for further peace of mind.

- **Plus benefit options** which offer 100% payment for events covered by SCIDEP**, as well as higher % pay-outs for certain other claim events.

- The **ability to combine** the available benefits to address your client's specific needs and to aid affordability.

- A **Severe Illness Income benefit** that enables your client to meet additional monthly expenses typically incurred while being ill.

- The most comprehensive **Child: Illness and Injury benefit** in the market offering cover against child specific illnesses, injuries, infections and impairments.

- **An explanation of each claim event in layman's terms** to provide intermediaries and clients a better understanding of the events being covered. (Available on the Sanlam website.)

**If cancer is covered by the applicable benefit.*

***If these events are covered by the applicable benefit.*

Refer to the sales aids for the Cancer, Cardiovascular and Comprehensive Severe Illness benefits for more information.

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