

# Cancer claims are on the rise, says Liberty

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Liberty Holdings paid R2.7bn in claims last year compared with about R2.3bn in 2012, with cancer contributing the largest sums in the natural causes segment, it said last week.



Cancer rates are climbing in South Africa with Liberty paying out an increasing number of claims related to the disease. Image: Imagerymajestic [Free Digital Photos](#)

Of the R2.7bn paid in claims, R1.86bn was paid for life cover, R414m for critical illness cover and R439m for protection against loss of income.

Liberty's medical officer Phillipa Peil said globally there was a rise in cancer claims, underscoring the need for people to lead different lifestyles and get adequate cover.

Liberty said 39.1% of all natural claims were due to cancer.

Young people often did not think they would suffer an insurance event, Liberty head of risk-product development Ryan Switala said. Its statistics showed 8.4% of all claims were for people under the age of 35 years.

"About half of all claims for young policyholders were due to losing their income and the rest due to death or critical illness," Liberty said.

This meant young people needed to assess if they had adequate cover for critical illness, death and loss of income.

Women were generally under-insured compared with men. Out of all the claims, Liberty said, 67.8% were for men and 32.2% for women. However, Liberty pointed out that for certain types of insurance women could be less likely to make a claim.

Its rival insurer, Momentum Retail, last month showed in its statistics for last year that it had paid just more than R2.6bn in claims. Liberty's concerns on insurance for young people were also underlined by Momentum.

## Younger people affected

Its claims statistics last year had shown that 75% of all income disability claims came from people aged 30 to 50. "These claims were often due to illness and accidents," Momentum said.

Liberty said claims related to unnatural causes were also high among the young, with 30.2% of all unnatural claims due to injury of the skeleton and muscles.

When it came to paying, Liberty said 96.1% valid claims were paid last year and 3% did not meet the claims requirements.

"The fact that policyholders had not disclosed important information at the application stage affected 0.7% of claims," Liberty said.

This underscores the need for consumers to disclose truthfully all matters when the insurance product is underwritten. Failure to do so affects a claim.



Momentum Retail confirm that its payments for illnesses related to cancer in South Africa had also risen in the past year. Image: Dream designs [Free Digital Photos](#)

About 0.1% of claims were deferred because of lack of clarity on whether the claim was valid and the remaining 0.2% was for claims that had been specifically excluded in policy documents.

Momentum said for its Myriad flagship product 1% of claims had been repudiated last year.

Liberty said that over the past eight years it had paid close to R18bn in claims.

Momentum said that in the past 12 years it had paid R31,4bn in risk claims.

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