



THE STORY BEYOND THE NUMBERS

Discovery Life's 2022 Claims Experience

Every person experiences life differently. We understand the uniqueness of every life. With that in mind, for over 22 years, we have designed products that cater for the ever-changing nature of risk. In this time, thousands of clients have trusted us to protect them as they live their lives. We continue to make people healthier, enhance and protect their lives, paying over R47 billion in claims and over R10.4 billion in PayBacks to date. See how we fulfilled our promise in 2022 and supported our clients and their families.



Contents page

A SNAPSHOT

OF DISCOVERY LIFE'S CLAIMS EXPERIENCE

Discovery Life offers a collection of customisable benefits covering the full range of life-changing events, including death and disability, severe illness, loss of income and much more. Our comprehensive offering makes sure that your clients are financially protected and rewarded, no matter which stage of life they are in.





R9.1 billion

total paid to Individual Life and Group Risk clients in 2022.



9,480

unique Individual Life claim events in 2022.



99%

of claims received were paid out in 2022*.

* Where claims were not valid, this was due to fraud, non-disclosure or misrepresentation.

A snapshot of Discovery Life's Claims Experience

FROM JANUARY TO DECEMBER 2022, WE PAID R6.88 BILLION IN INDIVIDUAL LIFE CLAIMS



Life Cover

R3.4 billion



Health Plan Protector

R122 million



Severe Illness Benefit

R1.4 billion



Global Education Protector

R54 million



Capital Disability Benefit

R1.2 billion



Overhead Expenses Benefit

R38 million



Income Continuation Benefit

R568 million



Funeral Benefit

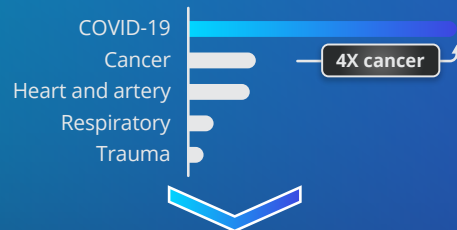
R29 million

KEY INSIGHTS AND TRENDS

COVID-19

The nature of the risk represented by COVID-19 has shifted and consequently, the World Health Organization (WHO) has declared that it is no longer a global health emergency. However, the pandemic permanently changed the risk landscape for life insurers. Discovery Life's data support the evidence that the disease is becoming less of a mortality risk, but the longer term impact of the illness and the pandemic are expected to persist going forward with research from the Economist suggesting that global mortality remains elevated by 5%.

Top five life cover claim causes in 2021



Top five life cover claim causes in 2022



88% of 2022 COVID-19 claims were for illness, disability and income protection benefits.

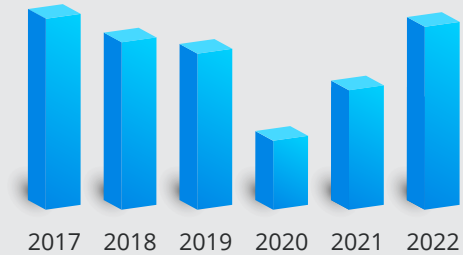
A snapshot of Discovery Life's Claims Experience

Return to pre-pandemic behaviours

As the threat and regulations surrounding COVID-19 have reduced, Discovery clients have returned to pre-pandemic behaviours. This can be seen through driving, spend, travel and exercise data from across the group.

However, this has also resulted in a return to a similar level of unnatural deaths and specifically motor vehicle accidents, compared to before the pandemic.

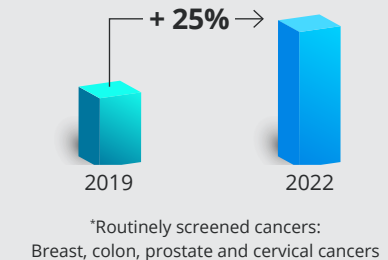
Death claims for motor vehicle accidents (excluding COVID-19)



Increased incidence of routinely screened, higher severity cancer claims

Vitality data shows a significant reduction in levels of screening for cancers such as cervical, colon and breast cancer. While this reduction in screening as a result of the pandemic is not surprising, Discovery Life's Severe Illness Benefit claims for cancer show an increase in the proportion of late-stage Severity A cancers which are recommended to be routinely screened for.

Incidence of Severity A claims for routinely screened cancers



Increasing mental and behavioural challenges

Research has found that the pandemic has affected people's mental health and wellbeing in a variety of ways, including through isolation and loneliness, job loss and financial instability, illness and grief.

Discovery Life data has shown a similar trend, with significant growth in mental and behavioural claims paid in the last 10 years and an acceleration since the onset of COVID-19.



Suicide claims were **13% higher** compared to 2019 to 2021 and **24% higher** compared to 2016 to 2018

KEY SHARED-VALUE

OUTCOMES

Discovery Life's Shared-value model has revolutionised the life insurance industry by rewarding clients for making healthy decisions and controlling their underlying risk. A unique advantage of Discovery's suite of Life Plans is the ability to Integrate with other products in the Discovery ecosystem, rewarding clients throughout their policy term for managing their health and finances.



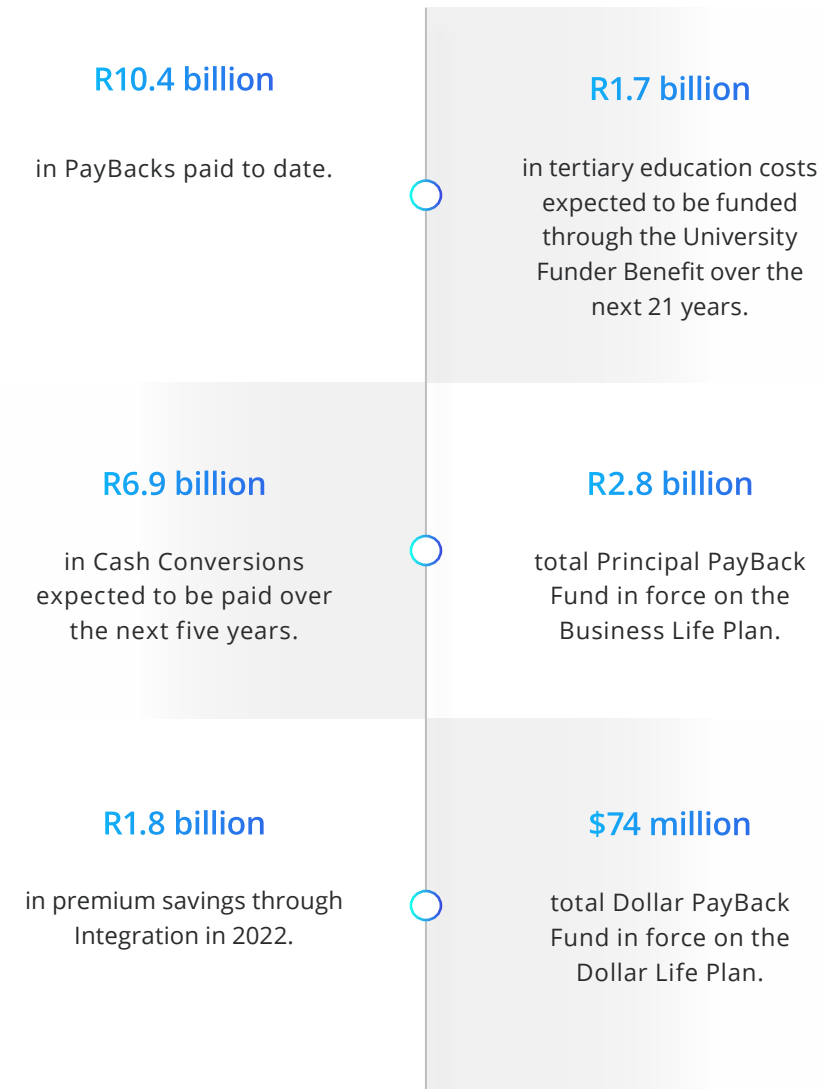


Discovery Life creates shared value by using behavioural economics to improve clients' health and finances. Surplus is created when experience, such as mortality, morbidity and persistency, is better than the underlying pricing assumptions due to the positive behaviour of our clients.

The surplus is then returned to clients in a range of unique benefits and financial rewards, including Discovery Life's PayBack Benefit, which provides clients with up to 100% of their premiums back, simply for managing their health and wellness.

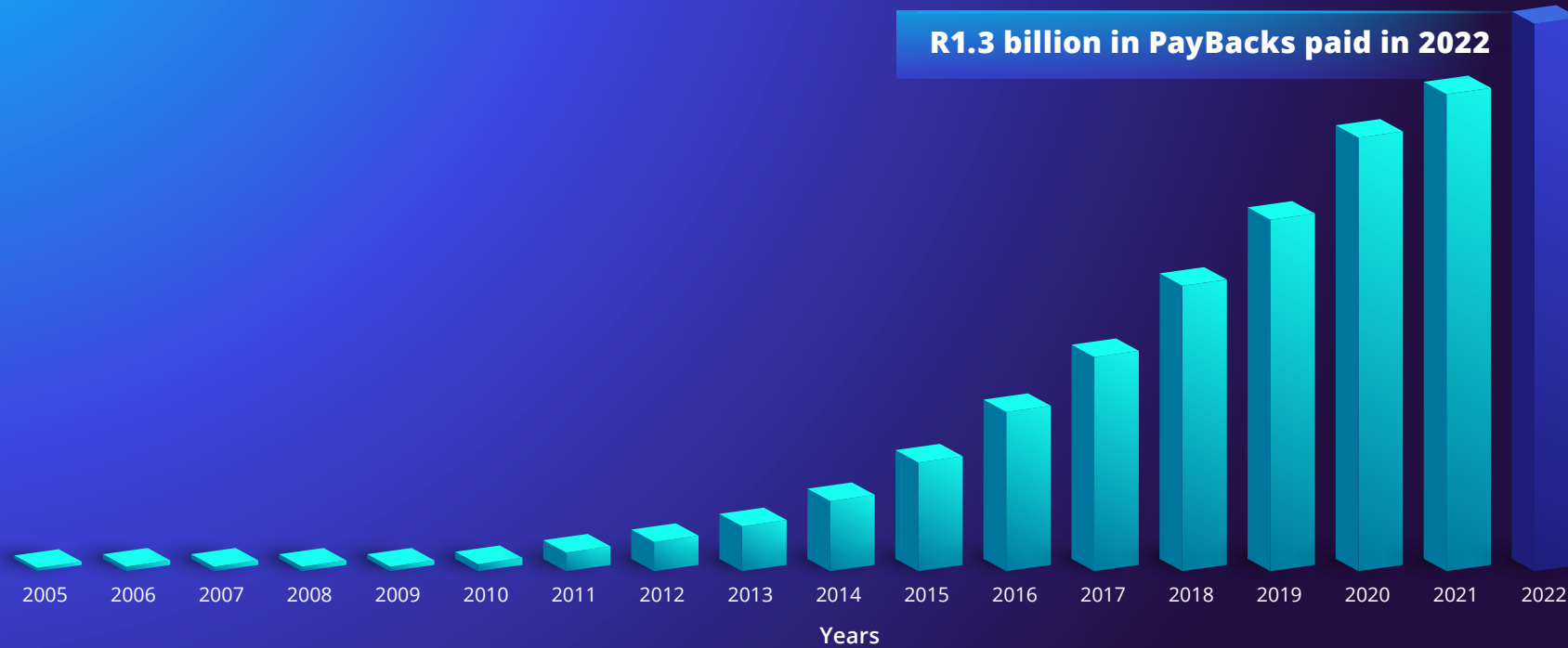
This creates a virtuous cycle where value is created through positive behaviour and shared with our clients, incentivising further positive behaviour. This ultimately leads to improved client health and a healthier society.

SHARED-VALUE GENERATING SIGNIFICANT FINANCIAL REWARDS FOR OUR CLIENTS



CUMULATIVE PAYBACKS PAID TO DATE

Discovery Life's Shared-value Insurance model allows us to return significant value to our clients through the PayBack benefit. In **2022** alone, we paid **R1.3 billion in PayBacks** to our clients. Since launching the benefit, we have returned over **R10.4 billion**.



HIGHEST PAYBACK BY VITALITY STATUS IN 2022

Vitality status	Highest	Second highest	Third highest
Blue	R1,474,000	R1,337,000	R1,125,000
Bronze	R1,031,000	R968,000	R962,000
Silver	R823,000	R746,000	R693,000
Gold	R952,000	R900,000	R780,000
Diamond	R1,772,000	R1,728,000	R1,455,000

PROTECTING THE LIFESTYLE

OF OUR CLIENTS AND THEIR LOVED ONES

Discovery Life offers more than just traditional life cover. We offer clients a range of unique benefits to make sure they have comprehensive cover to meet their financial needs.



BREAKDOWN OF LIFE COVER BENEFIT CLAIMS IN 2022

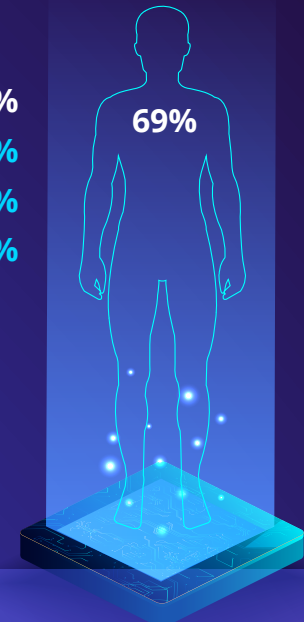
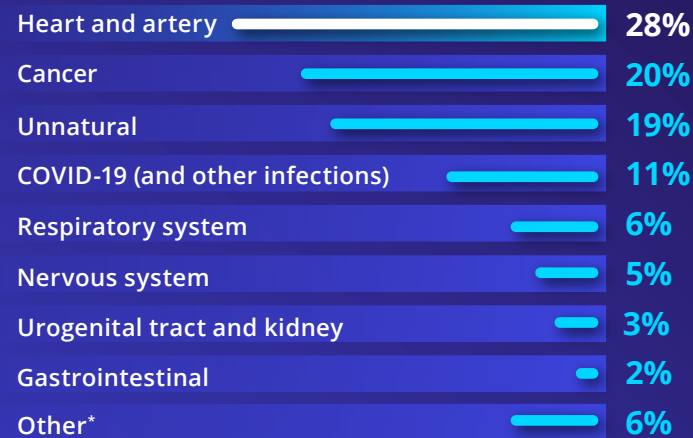
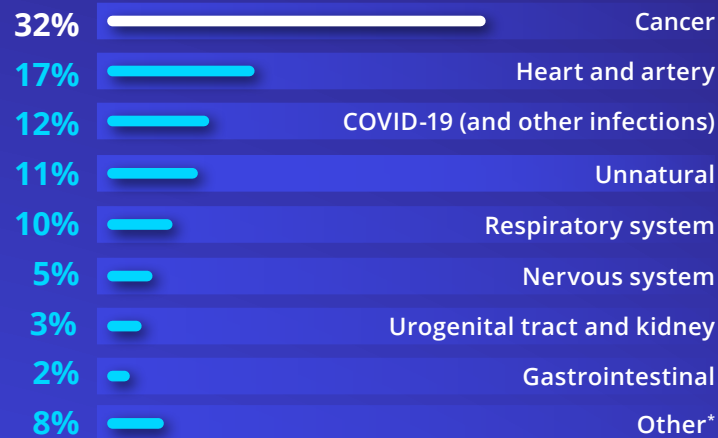
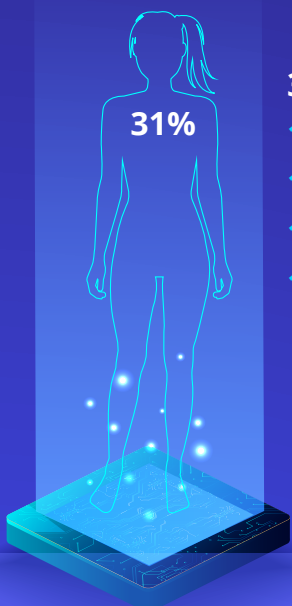
26 | The **youngest woman** died by **suicide**

25 | The **youngest man** died as a result of **heart and artery complications**

92 | The **oldest woman** died as a result of **heart and artery complications**

95 | The **oldest man** died as a result of **heart and artery complications**

In 2022, we saw life cover claims for a variety of different causes. Historically, the highest cause of death for women has been cancer and the highest cause of death for men has been heart and artery conditions. In 2022, we saw a continuation of this trend. This contrasts to 2021 where the highest cause of death for both men and women was COVID-19. This highlights that we are moving into a post-pandemic world, where COVID-19 deaths accounted for only 11% of male deaths and 12% of female deaths. In 2021, 53% of all claims were as a result of COVID-19 deaths. In 2022, this number dropped substantially to 11%, of which over 75% occurred in the first half of the year.



* Other conditions include connective tissue disorders, endocrine and metabolic diseases, mental and behavioural and musculoskeletal conditions

Providing access to life cover following life-changing events

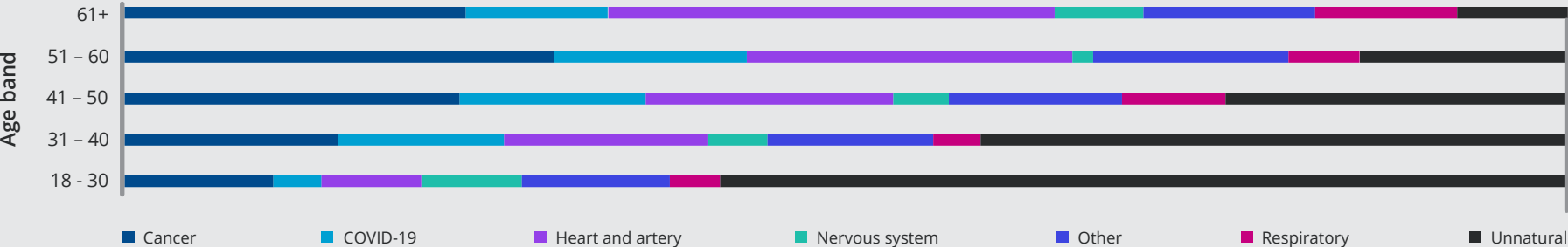
Our AccessCover Benefit allows clients to convert their life cover into cash on a number of qualifying life-changing events, providing financial assistance and the ability of retrospective financial planning for advisers. **44% of AccessCover claimants suffered from cancer and 44% suffered from a nervous system condition resulting in a need to access their life cover.**



On average, **R700,000** was paid out to AccessCover claimants during 2022.

CAUSE OF DEATH BY AGE

Unnatural deaths overshadowed other causes of deaths for the 18 - 30 age group with a decreasing proportion for older age groups, marking a return to pre-pandemic trends. Cancer and heart and artery causes formed a majority proportion of claims in the older age groups starting from age 41. This highlights the importance of proactive and routine screening which can be used as a preventative measure.



Breakdown of unnatural death claims

Almost one in five death claims were due to unnatural causes, which affect clients irrespective of their age or underlying health.

30%
MOTOR VEHICLE ACCIDENTS

24%
SUICIDE

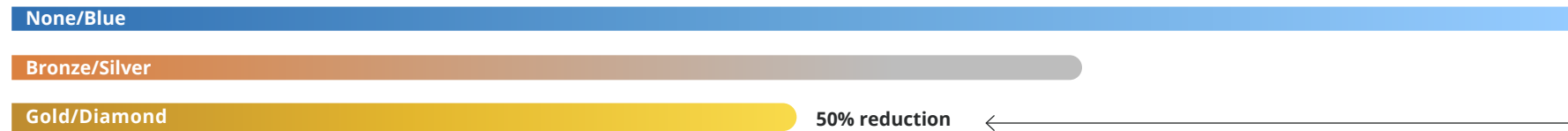
30%
OTHER ACCIDENTS

16%
CRIME

The high proportion of unnatural deaths show the need for life cover, irrespective of health or age. The largest component of unnatural deaths is motor vehicle accidents. This emphasises the importance of Discovery Insure’s Vitality Drive programme which aims to improve road safety by incentivising clients to improve their driving behaviour.

* Other accidents includes aviation, drowning, plane crashes, lightning, dog bites, snake bites, etc.

EFFECT OF VITALITY ENGAGEMENT ON LIFE COVER CLAIMS



Vitality incentivises clients to lead **healthier lifestyles**. Since the start of 2020 when the COVID-19 pandemic began, clients who were engaged with the programme lowered their mortality risk. During that period, clients who reached a Gold or Diamond Vitality status experienced a **50% lower mortality risk** compared to clients who were not part of or did not engage with the Vitality programme. Discovery Life's Shared-value model rewards clients who reduce their risk of claiming by engaging with the Vitality programme, **through premium discounts, PayBacks, Cash Conversions and other financial rewards**.

LIFE FUND IN ACTION DURING 2022



The largest life cover amount paid out was **R70 million** to a male claimant aged 60 who died from COVID-19.



1 day to nearly 22 years is the range of time life cover claimants had their policies in force before they claimed. This highlights the unpredictability of death and the importance of making sure that clients have adequate cover in place.



In 2022, we paid **375** life cover claims to policyholders who have had previous claims under the Severe Illness and Capital Disability Benefits, highlighting the importance of a comprehensive set of ancillary benefits.

FINANCIAL PROTECTION

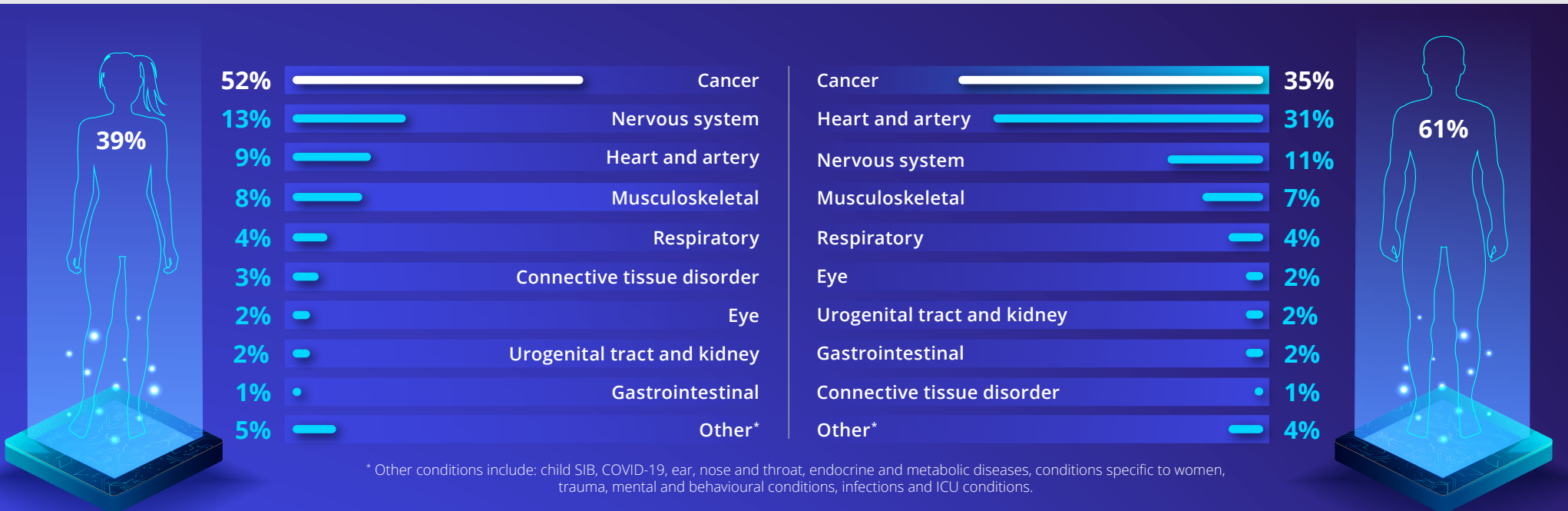
AGAINST SEVERE ILLNESS

The Severe Illness Benefit helps to make sure that clients and their families have financial protection against the impact of a wide range of severe illnesses across all body systems.



BREAKDOWN OF THE SEVERE ILLNESS BENEFIT CLAIMS

In 2022, we saw **over 2,500 severe illness claims with a total of R1.44 billion** paid out for these claims. The most common severe illness for both women and men is cancer. Where in previous years, heart and artery events were most prevalent for men, cancer has now overtaken this.



Discovery Life's LifeTime Severe Illness Benefit gives clients a minimum payment of 100% of their insured amount for SCIDEP conditions, while still providing the whole-body cover that is traditionally reserved for tiered severity products. To ensure financial protection following a severe illness, clients can receive a payment of up to 215% of their insured amount based on the expected long-term impact of the illness and the number of dependants that a client has. In addition, the Cancer Relapse Benefit on the LifeTime options will be paid in addition to the normal progressive cancer payouts, allowing clients to receive up to 365% of their insured amount for a sequence of related cancers.

Furthermore, Discovery's 'Plus' Severe Illness Benefit options include cover for **17 in-situ cancers** to assist clients in accessing the care they need to prevent the progression of their cancer.

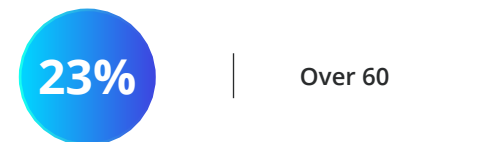
SEVERE ILLNESS BENEFIT CLAIMS BY SEVERITY

Discovery Life's Severe Illness Benefits have been designed so that benefit payments are proportional to the lifestyle impact of the severity of the illness itself. All the Severe Illness Benefit options provide cover for Severity levels A to D. The LifeTime Plus Severe Illness Benefit and the Comprehensive Plus Severe Illness Benefit options provide cover for Severity levels A to G. The below graph shows the severe illness claims by severity, demonstrating the importance of having cover for lower severities.



51% of claims were for Severities D to G, which highlights the need for whole-body severe illness cover at early stages of a disease and for less severe conditions.

Severe illness claims by age group



UNIQUE FEATURES OF DISCOVERY LIFE'S SEVERE ILLNESS BENEFIT



LifeTime upgrades

The LifeTime Severe Illness Benefit provides a minimum 100% payout for heart attacks and qualifying cancers and strokes. It will pay up to 215% of the insured amount based on the long-term impact of the illness and a client's financial dependants.



Comprehensive Multiple Claims facility

The most comprehensive multiple claims facility in the market, with the ability to claim in excess of the benefit amount for multiple related non-progressive claims, regardless of whether a subsequent claim is of a higher, lower or the same severity as the previous claim.



Cancer Relapse Benefit

Pays up to 365% of the sum assured for a sequence of related cancers



Early Cancer Benefit

Provides cover for 17 in-situ cancers and pre-cancerous prostatic lesions



Cancer Exome Sequencing Benefit

Pays R35,000 for the cost of sequencing a tumour on the Purple Life Plan



Global Treatment Benefit

Provides up to 250% of the sum assured where treatment is needed at hospitals in the USA



Automatic cover for children and parents

Automatic severe illness cover is provided for a client's children and parents

Claims paid under unique features



We paid out **R10 million** under the **Automatic Child Severe Illness Benefit** and **ParentCare Benefit**.



28% of Severe Illness Benefit claims we paid out in 2022 were for **second or subsequent Severe Illness Benefit claims**.



We paid **over 250** claims under the Automatic Child Severe Illness and ParentCare Benefits in 2022.



Where we paid out claims for second or subsequent claims for conditions in the same body system, **57%** of those were for **lower or equal severities**.



71% of Automatic Child Severe Illness Claims and ParentCare Claims were for Severity A conditions.

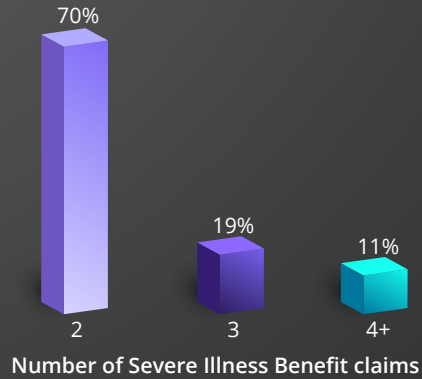


Carcinoma in-situ in the breast is the most common cause of claim under the Early Cancer Benefit.

MULTIPLE CLAIMS UNDER THE SEVERE ILLNESS BENEFIT



We paid out **R298 million** in **Severe Illness Benefit multiple claims** during 2022. The Severe Illness Benefit on Discovery Life's Smart, Classic, Purple and Dollar Life Plans includes the most **comprehensive multiple claims facility** in the South African life insurance market.



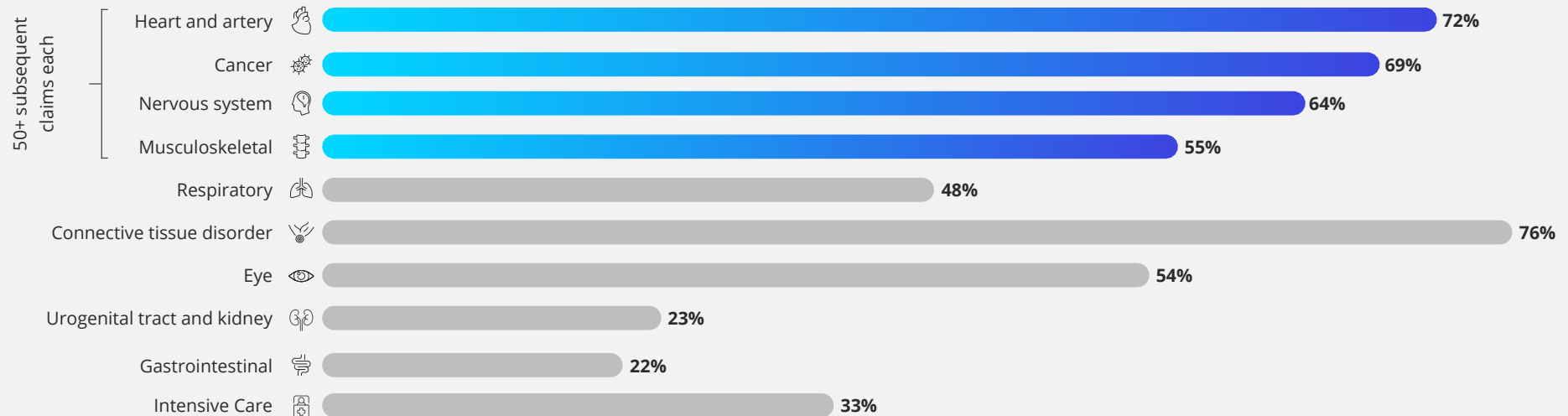
Our market-leading multiple claims facility makes sure that our clients continue to have cover for subsequent health events in the same body system. The graph above shows that where clients have made subsequent Severe Illness Benefit claims in 2022, 30% of those are their third or higher claim on the benefit. Some clients have claimed over 10 times on their benefit.

Breakdown of claims in the same body system



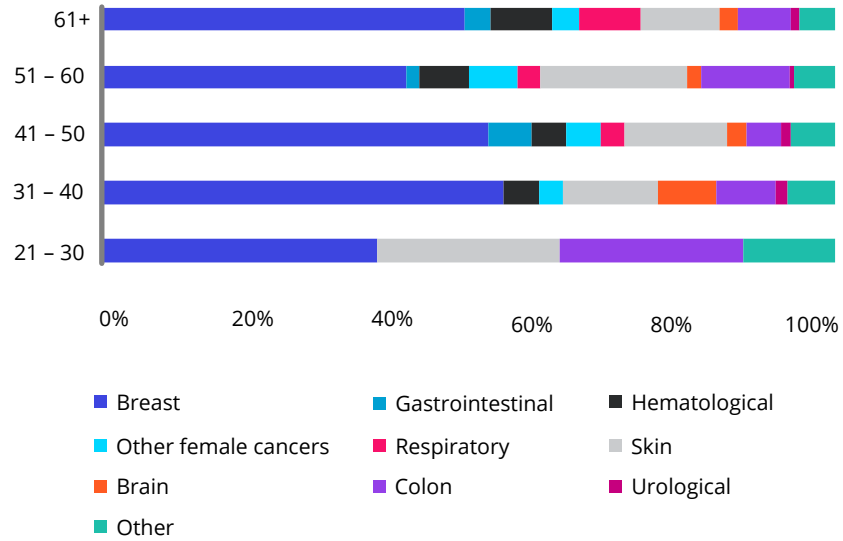
Our multiple claims facility allows us to pay 57% of consequential claims that traditional cover would not typically pay for.

Percentage of multiple claims in the same body system

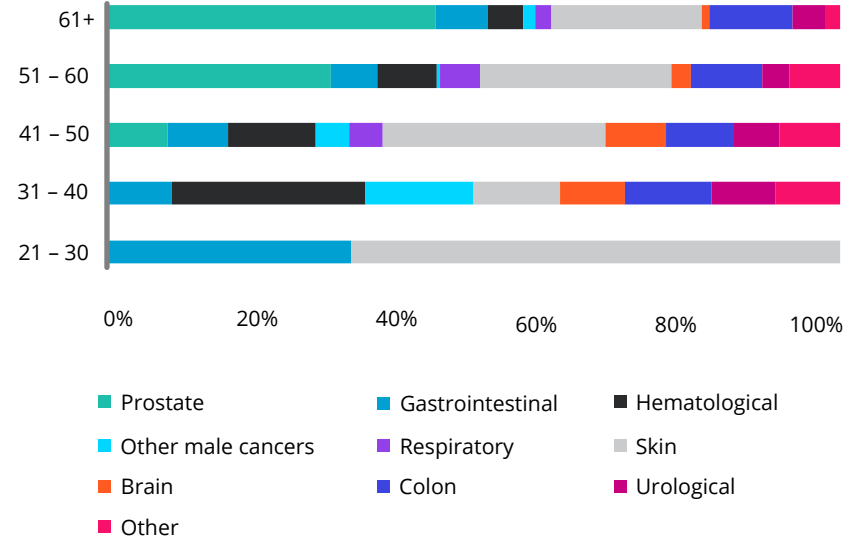




BREAKDOWN OF CANCER CLAIMS FOR WOMEN



BREAKDOWN OF CANCER CLAIMS FOR MEN



Women of all ages are exposed to the risk of **breast cancer**, which accounts for **45%** of cancers among women Discovery Life clients.



Prostate cancer is the most prevalent cancer among men Discovery Life clients, accounting for **27%** of male cancers. Discovery Life's prostate cancer claim incidence rises with age, highlighting the need for preventive screening at older ages.

FINANCIAL PROTECTION

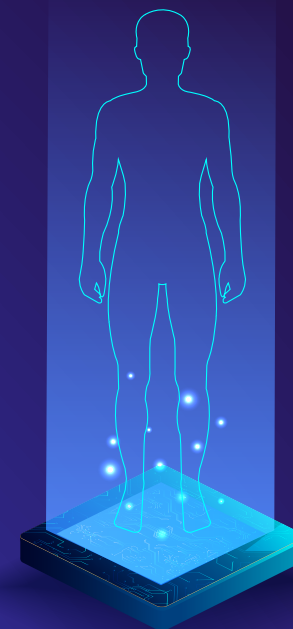
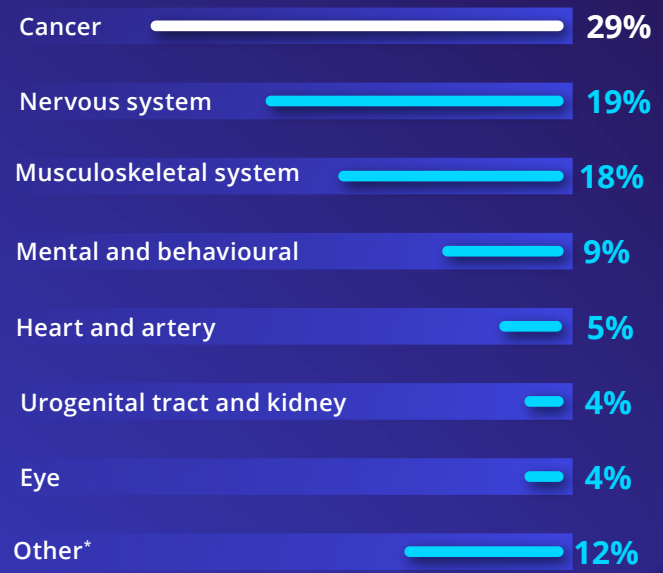
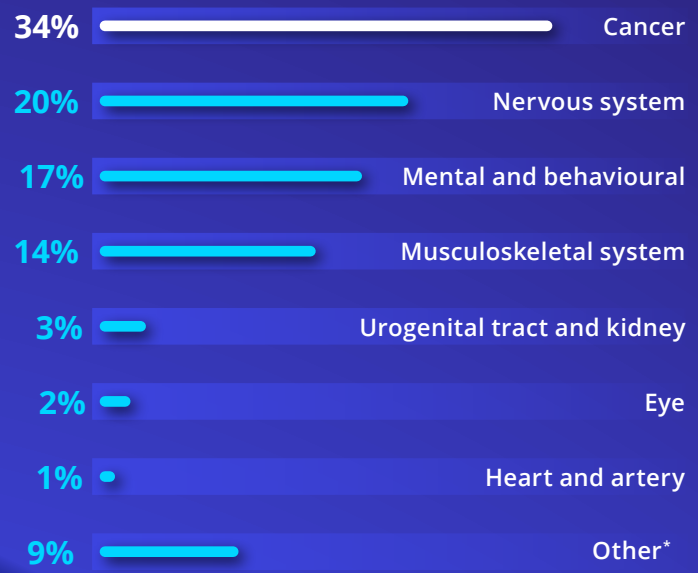
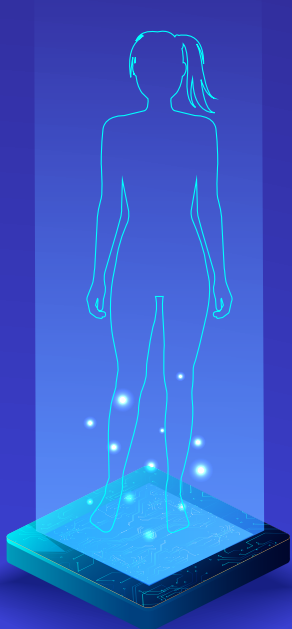
AGAINST DISABILITY

The Discovery Life Capital Disability Benefit pays a lump-sum amount if a client is diagnosed with a disability, using our comprehensive claims assessment filter.



BREAKDOWN OF THE CAPITAL DISABILITY BENEFIT CLAIMS

In 2022, we paid out over **562 capital disability** claims which came to R1.2 billion. The number of disability claims increased by 10% from 2021 to 2022. However, the rand amount paid out increased by 38%. The most common cause of disability among both women and men was **cancer**. The nervous system, musculoskeletal system and mental and behavioural conditions accounted for the second, third and fourth most common disabilities respectively.



* Other conditions include: respiratory, gastrointestinal, COVID-19, connective tissue disorder and ear, nose and throat.



Discovery Life's Capital Disability Benefit claims assessment filter **helps make sure that we pay all valid claims by simultaneously assessing claims** against our objective medical criteria, activities of daily living, loss of income underpin and the insured person's ability to perform their nominated occupation. We pay the claim if any of these criteria are satisfied. The LifeTime Capital Disability Benefit allows clients to **receive up to 300%** of their sum assured, through **additional payouts upfront and over time**, to help them access **cutting-edge medical technology** to help minimise the effect of the disability on their lifestyle.

CAPITAL DISABILITY CLAIMS BY AGE GROUP

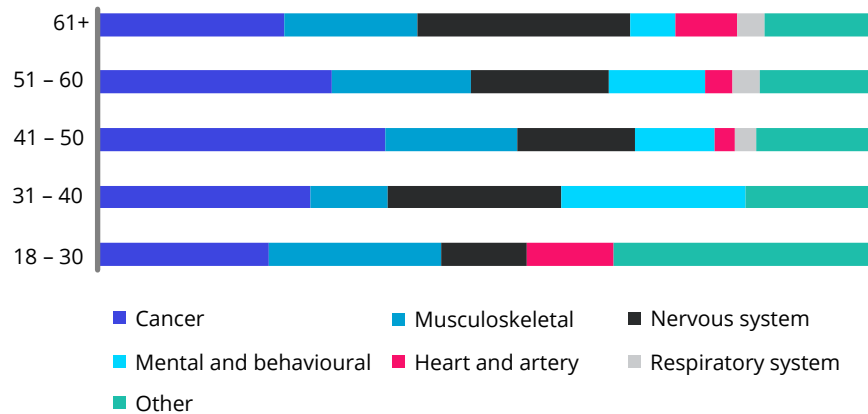


Over the last five years, depression has accounted for **50% of mental and behavioural** claims under the Capital Disability Benefit.



Disability events can affect people of all ages. Almost 50% of our claims were for clients aged 50 or younger and **15%** of disability claims were for clients aged **61 years old or older**. Discovery Life offers clients disability cover **up to age 70** with automatic conversion to severe illness cover for whole of life.

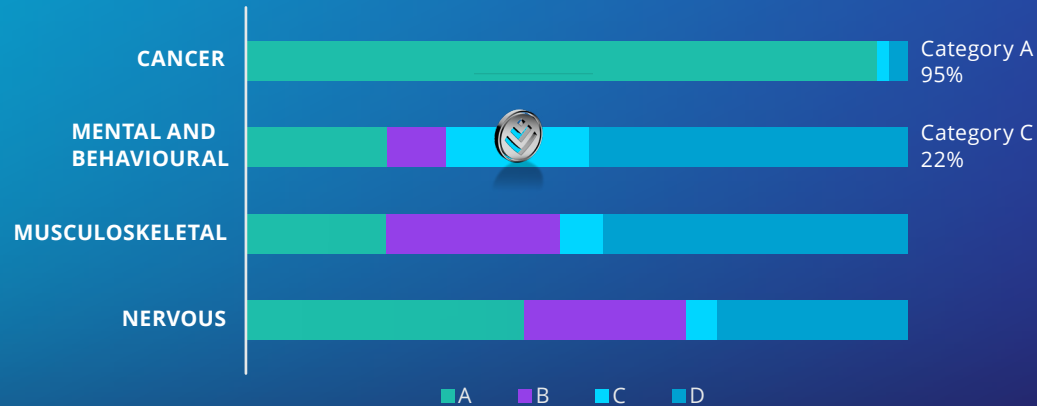
CAUSES OF DISABILITY BY AGE



Cancer was the main cause of disability across all age groups, highlighting the importance of routine screening for people of all ages which can be a preventative measure. Musculoskeletal disability remains a high risk category for ages 18-30 in particular, and the nervous system formed a high proportion of claims amongst older ages.

BREAKDOWN OF CAPITAL DISABILITY BENEFIT CLAIMS BY CATEGORY

Category breakdown for the four largest capital disability claim causes



22% of mental and behavioural claims were for Discovery's unique **Category C loss of income underpin**.

Capital disability categories

Category A Pays out **100%** on meeting **objective medical criteria** or criteria for **activities of daily living**

Category B Pays out **50%** on meeting **objective medical criteria** or criteria for **activities of daily living**

Category C Payouts for **loss of income** while we establish permanence of the condition and the insured is unable to perform their nominated **occupation**

Category D Pays out **100%** based on the inability to perform **nominated occupation**

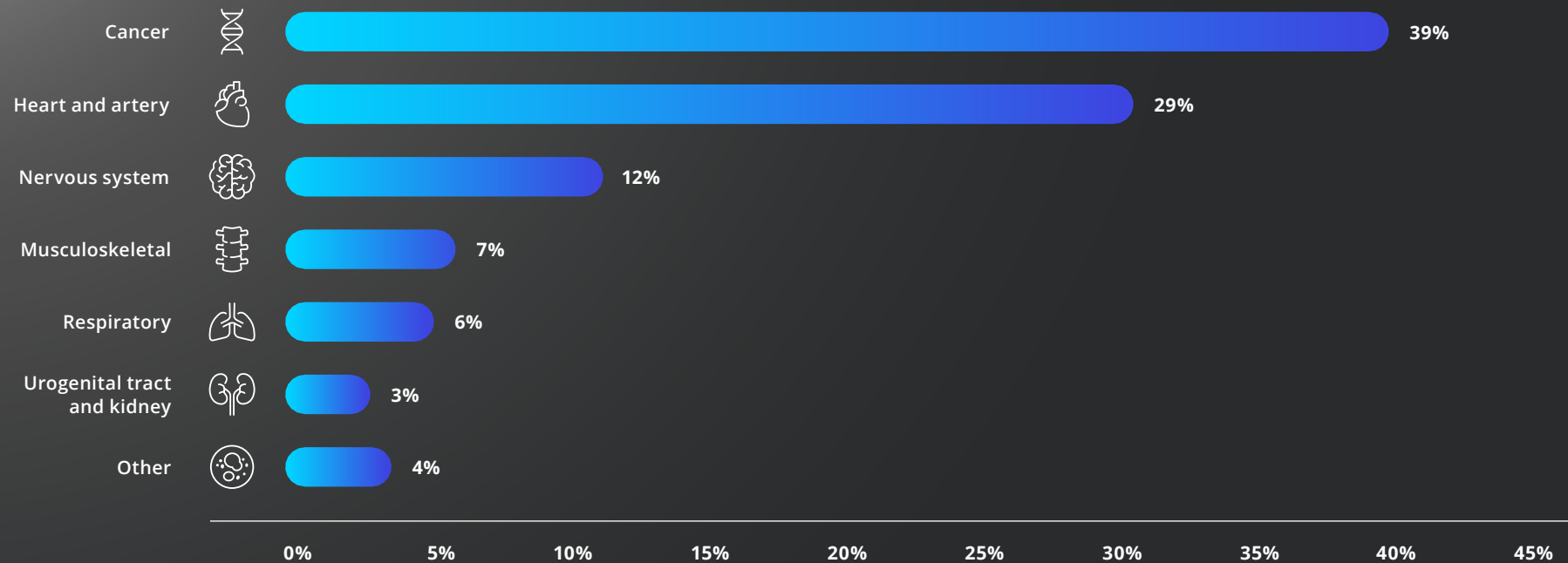


21% of Category C claimants also received payments under the Income Continuation Benefit. **Income Continuation and Capital Disability Benefit payments** are not aggregated against one another.



R212 million of disability claims were paid out under the **LifeTime Capital Disability Benefit**.

CONVERTED SEVERE ILLNESS BENEFIT CLAIMS IN 2022



We paid **R92 million** in **converted Severe Illness Benefit claims** in 2022. This automatic conversion of a client's disability cover to severe illness cover at benefit expiry age makes sure that their cover is in line with their changing needs leading into retirement.



The average age of **converted Severe Illness Benefit claimants in 2022 was 69**, highlighting the immediacy of the need for this type of cover once the client reaches age **65**.



Over R5.3 billion in converted severe illness cover is currently in force.



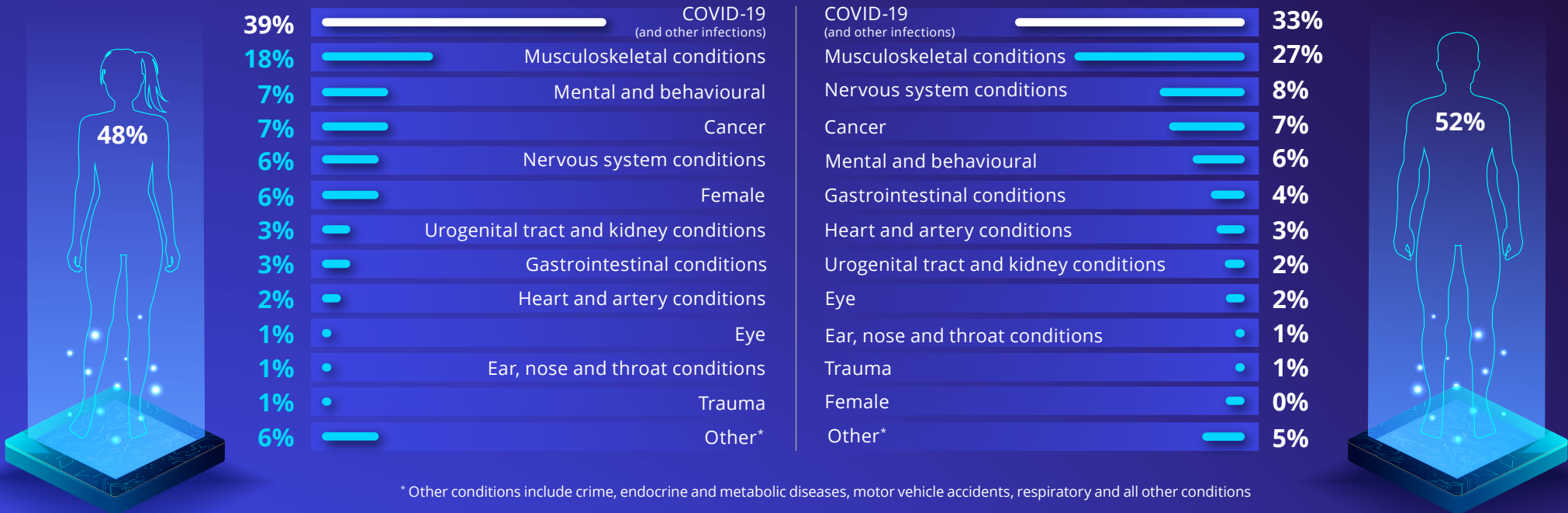
PROTECTING

OUR CLIENTS' INCOME

Discovery's Income Continuation Benefit is a market-leading product that pays your client's monthly income if they cannot work due to sickness or injury. It can provide them with protection for whole of life, all while allowing them to build up a significant fund to get extra income in retirement by leading a healthy lifestyle.

BREAKDOWN OF THE INCOME CONTINUATION BENEFIT CLAIMS

There were **2,674 Income Continuation Benefit** claims in 2022, which resulted in a total of R568 million of income protected during the year. The most common cause of claim was due to **COVID-19 (and other infections)**, for both women and men in 2022. This reinforces the trend we have seen whereby COVID-19 has shifted from mortality towards morbidity-related claims.



Income Continuation Benefit claims by age group



Almost 50% of ICB claims paid in 2022 were to clients aged 40 or younger. This is particularly important protection since the potential loss in earnings of these clients is the greatest. 15% of this age group were claiming for permanent conditions which accounted for 63% of the payments made to the group.

OCCUPATIONAL SPLIT OF INCOME CONTINUATION BENEFIT CLAIMANTS



46%

Healthcare professional



11%

Business owner



27%

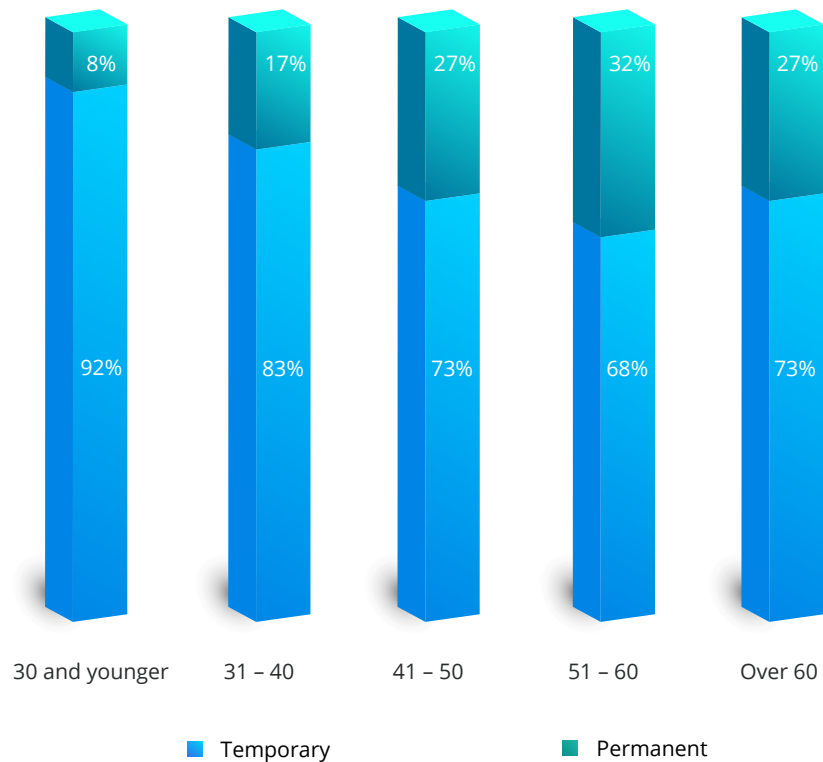
General professional



16%

Other occupation

BREAKDOWN OF INCOME CONTINUATION BENEFIT CLAIMS BY AGE AND PERMANENCE



While Discovery Life's **100%** upgrade allows clients to get their full net-of-tax income on permanent disability, traditional income protection products may not.



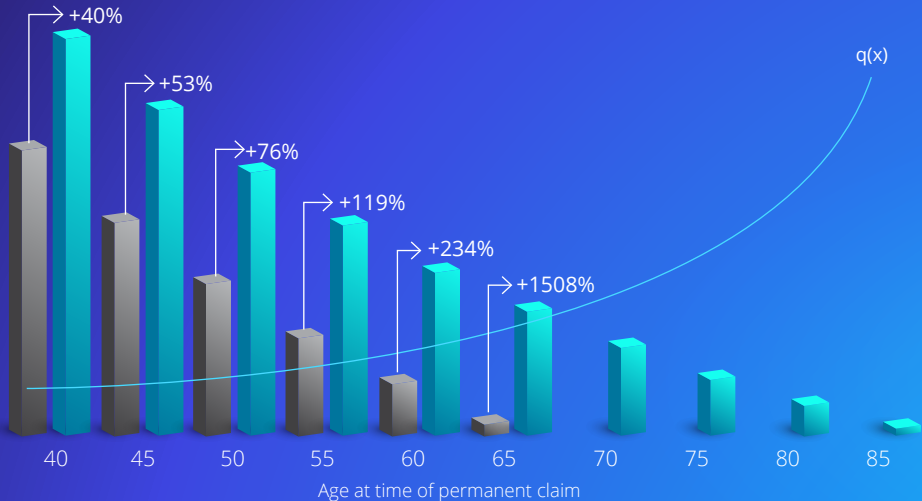
22% of claimants were receiving payments for permanent disabilities.



This represents **68%** of the total amount paid from the Income Continuation Benefit in 2022.

BENEFITS THAT COMPREHENSIVELY PROTECT OUR CLIENTS' LIFESTYLES

Better protecting your clients with automatic whole-of-life protection



Clients in-claim with traditional insurance products can face a significant reduction in their standard of living leading up to their retirement and beyond.



In **2022**, the average age of Income Continuation Benefit claimants was **42**.



Clients receive significantly more income through Discovery's automatic whole-of-life protection



We paid out **R19 million** through Discovery Life's **Contribution Protector**. This represents an extra **12% payout** on average. This demonstrates the substantial extra value clients received through Discovery Life's Contribution Protector which provides automatic cover for qualifying Discovery product premiums for up to 24 months on temporary disability.



We paid an average of **over R150,000** to claimants through the **Family Protector**. These payments helped our clients support their families during immensely difficult times, with up to six times the Income Continuation Benefit sum assured paid for qualifying spouse and child conditions.



We paid **R38 million** through the **Overhead Expenses Benefit**, which provides monthly payments for business expenses. This benefit covers **up to 100%** of your client's share of business expenses.

THE GLOBAL EDUCATION PROTECTOR

The Global Education Protector covers the actual costs of your clients' children's education, from crèche to tertiary education, if a client or their spouse passes away or suffers a severe illness or disability. Through the University Funder Benefit, clients can fund up to 100% of their children's tertiary tuition, simply by managing their health and wellness.



PROTECTION FOR CHILDREN'S EDUCATION

The Global Education Protector pays for a child's education costs if a client or their spouse passes away, becomes severely ill or disabled, depending on the option selected. This risk benefit provides cover for a child's tuition and residence fees as well as discretionary lump sums each year, from crèche through to university.



35,673 children

are currently covered through the Global Education Protector on Individual Life policies.



524 children

currently have their education paid for through the Global Education Protector on individual policies.



R54 million

paid in total from the Global Education Protector in 2022.

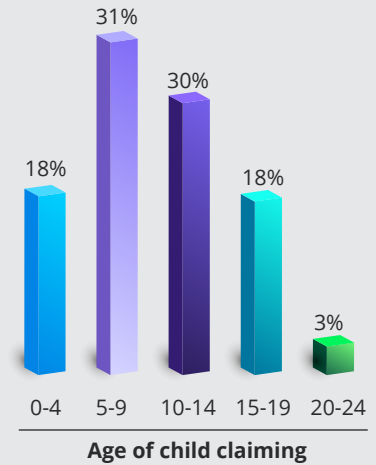


R438 million

expected to be paid out in education costs for those currently claiming.

Payments towards a child's educational costs range across the age spectrum

The Global Education Protector covers a child's education costs across the age and education spectrum. This is demonstrated in the following graph which shows the split of Global Education Protector claims in 2022 across the ages of the child.

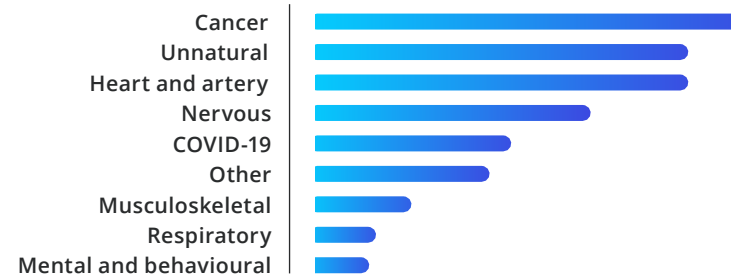


Over 50%

of Global Education Protector claims in 2022 were for children aged nine or younger. These children's education costs will be funded for the next 15 to 20 years approximately.

A wide variety of body systems account for Global Education Protector claims

The Global Education Protector covers death, disability and illness, depending on the trigger events selected when taking out the benefit. As a result, a wide variety of conditions may qualify for a claim.

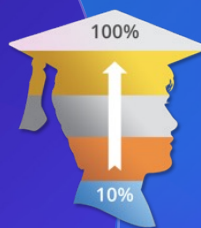


UNIVERSITY FUNDER BENEFIT CASE STUDY

Highlighting this unique Shared-value benefit under the Global Education Protector (GEP).

Dec
2017

In 2017, Yusuf, a 55-year-old manager, added the **Private GEP** to cover his daughter's education against him suffering a severe illness, a disability or death. His GEP automatically included the **University Funder Benefit (UFB)**.



The **Private GEP** accumulates an automatic **10%** to the **UFB**. Yusuf maintained **Diamond Vitality status** for five years. For each of these years he accumulated **5%** to the UFB.

Sara is now 18 years old and the final UFB accumulation was **40% payable for one year of her tertiary education fees**.

2023

In 2023, Sara started a **studying for a law degree at a top South African University**. Based on the **40% accumulation**, the UFB paid out over **R22,500** to help Yusuf pay for her first year at university.

Based on the accumulated amount, Yusuf is expected to receive 100% of his premiums paid back through the UFB.

CLAIMS WEBSITE



We are proud to showcase our Claims Experience to demonstrate the importance of comprehensive life insurance and we hope that this helps you to reach more lives.

We have updated the Discovery Life Claims website to illustrate our claims experience up to December 2022. You will also find some new testimonials of recent claimants.

EXPLORE MORE ABOUT THE LIVES BEHIND THE NUMBERS



Select the profile you'd like to explore and click **Start**. Filter the claims experience by age, sex and occupation.



Click on the benefit you'd like to explore deeper.



Then click on the category of claim to see the breakdown of claims.



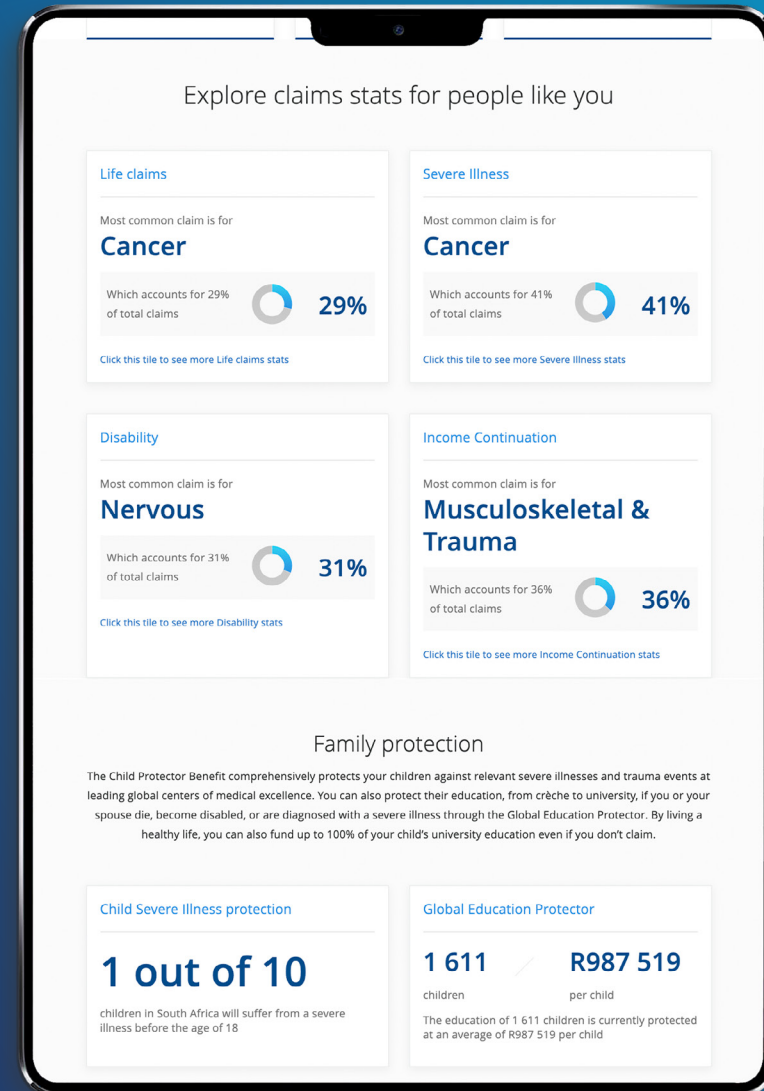
At every level, explore articles and videos for that type of claim.



See an indication of the monthly premium that people like you or your clients would pay for cover.



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