

# How to have a positive claims experience

Liberty Risk Services

Risk cover is there to protect you when the unexpected happens. It is the cornerstone of any financial plan, but what if your policy does not pay out when you need it most?

It is important to disclose certain information about your health and lifestyle when you take out a policy. Full, accurate disclosure will ensure a fair underwriting decision and a good claims experience.

Non-disclosure, even if unintentional, is one of the main reasons claims are rejected or not paid in full. If you don't tell your insurance company what they need to know, your claim may not be paid the way you expect. This defeats the purpose of taking out cover in the first place.

## What is full disclosure?

When you apply for an insurance policy, you are asked to give information about your current and previous health status. This includes any illnesses or diagnosis you may have received. The information is then used to calculate your premiums based on your personal level of risk of becoming a claimant.

If you don't disclose a medical condition, that condition cannot be underwritten, which means it is not considered when calculating your premium. As your premiums do not cover any claims resulting directly or indirectly from that condition, these claims will not be paid.

For example, if you have or had diabetes and do not declare this on your policy application form, and you lose a foot as a result of poor circulation (a known complication of diabetes), your claim may not be paid.

## Pricing for risk

When calculating a risk premium, Liberty is fair to all policyholders by ensuring that policyholders pay only for their own risk. If an individual's health was not taken into consideration then premiums would be substantially higher for healthier individuals or people who live a healthier lifestyle.

## Liberty's approach to non-disclosure

If the non-disclosure...

- ...would not have changed the underwriting decision, it is not taken into account at claims stage.  
*For example, not disclosing a common cold that does not affect your overall health status.*
- ...would have changed the underwriting decision but is not relevant to the cause of the claim, the entire policy is re-rated. A penalty is deducted and the claim is assessed using the revised cover amount. This is because you would have still enjoyed cover for other conditions that could have been related to the non-disclosure.  
*For example, not disclosing a family history of cardiovascular disease, but claiming as a result of a motor vehicle accident.*

- ...is relevant to the cause of the claim, we will consider the policy to be null and void from the start and the claim will be turned down. Liberty will, however, refund premiums paid after making allowance for any costs associated with the contract, e.g. expenses and commissions paid.  
*For example, not disclosing a previous heart attack and claiming for a heart attack.*

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