

SURVEY REVEALS SOUTH AFRICANS ARE RECOGNISING THE NEED FOR DISABILITY COVER

Top takeouts from 2015 research - an update to the 2013 research report

LIFE COVER SOLD 2X MORE THAN DISABILITY COVER



1

DISABILITY COVER SHOULD BE 43% MORE THAN LIFE COVER



Disability lump sum cover

85%

83%

82%

2

Income protection cover

15%

17%

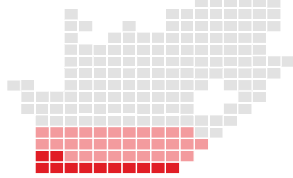
18%

The disability mix: disability lump sum cover versus income protection cover

73-88%

Gap in need for temporary disability cover

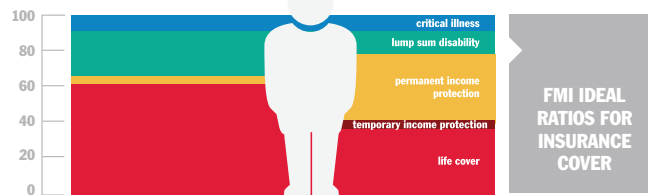
Temporary disability is the thing that most self-employed South Africans will need cover for and yet at worst case 12% of that need is covered by insurance



4

current

ideal



FMI IDEAL RATIOS FOR INSURANCE COVER

6

R24.4t Total need for permanent disability cover

R14.7t Permanent disability cover gap

R9.7t Cover actually in place

R14.7t Permanent disability cover gap

2011

2013

5



Only 18% of permanent disability sold in 2013 was income replacement

3.0

7

2.5

2.0

1.5

1.0

0.5

0.0

2011

2012

2013

3% temporary disability should be 3% of total disability cover sales

RIISING PROPORTION OF TEMPORARY DISABILITY COVER SOLD

8

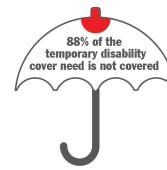
actual cover 2011

7%

actual cover 2013

12%

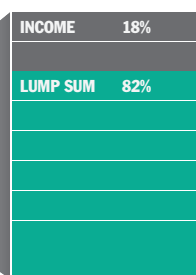
The need for temporary disability cover



88% of the temporary disability cover need is not covered

10

DISABILITY COVER SOLD IN 2013



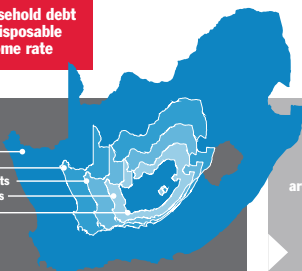
HEAVY SKEW IN FAVOUR OF LUMP SUM BENEFIT IN PERMANENT

76% household debt to disposable income rate

9

50.6M Population
19.1M Credit consumers
15.0M People living on grants
11.3M Registered employees
6.2M Taxpayers

SOUTH AFRICA BY NUMBERS



62% of credit consumers are behind in their debt payments



Research by True South Actuaries and Consultants - commissioned by FMI

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