

RMB Morgan Stanley Banks and Insurance Showcase

Post Covid-19 Mortality and morbidity



Differences in Approach

	Myriad	Group Protection
Contract duration	Long term, often lifetime	Normally fund year (12m)
Mortality pricing basis	Individual's rating factors (age, gender, smoker, BMI etc)	Based on rating for group, adjusted for experience for large funds
Changes to premiums	Ability to change annually with sum insured changes and with ageing	New price tendered on annual renewal
Medical underwriting	Depending on risk exposure	Highest earners, may limit cover
Lifestyle improvements	Health screening provides benefits	Wellness interventions to enhance employer proposition
Distribution	IFAs, agents, direct	Retirement Funds, EB consultants
Ability to differentiate	Product, client engagement, distribution experience	Price, service

momentum
life insurance



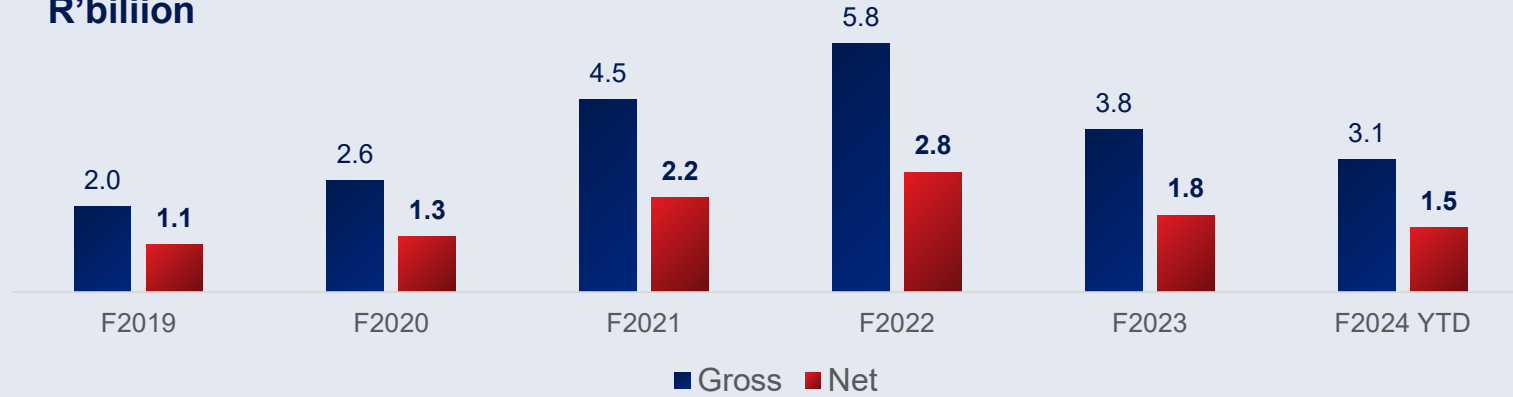
Momentum Retail

Stephen van Niekerk



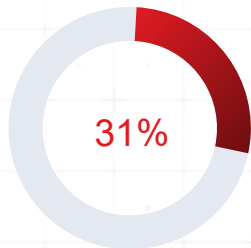
Myriad death claims

R'billion

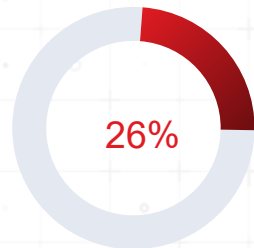


MAIN CAUSES

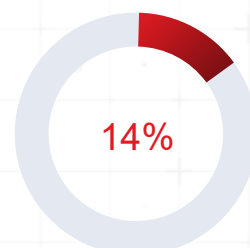
Cardiovascular



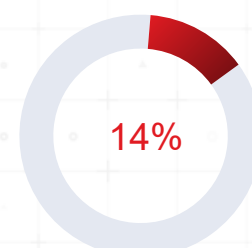
Cancer



Unnatural



Respiratory



Only 6 Covid-19 related claims

- Excess mortality is still observed globally.
- Relative excess mortality is higher on insured lives than the population
- Poorer experience due to larger claims for older lives
- Reinsurer experience therefore worse
- Excess of +/-5% expected in next couple of years and to run off thereafter

Excess mortality: Deaths from all causes compared to average over previous years

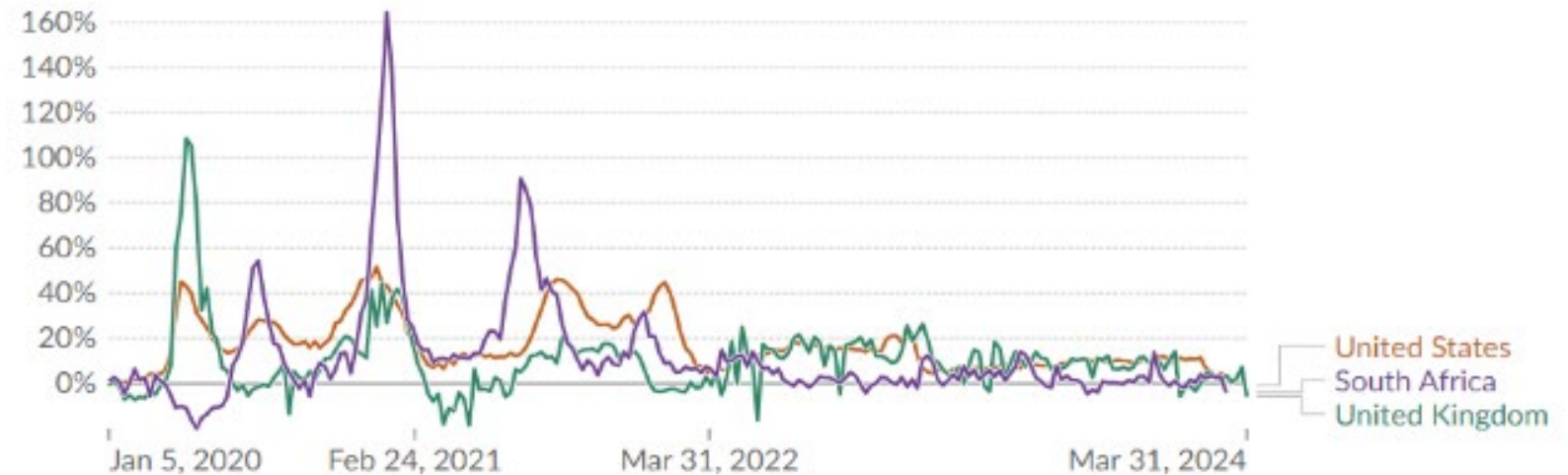
Our World
in Data

Percentage difference between the reported weekly or monthly deaths in 2020–2024 and the average deaths in the same period in 2015–2019.

Table Map Chart

Edit countries and regions

Settings



Data source: Human Mortality Database (2024); World Mortality Dataset (2024) – [Learn more about this data](#)

Note: The reported number of deaths might not count all deaths that occurred due to incomplete coverage and delays in reporting.

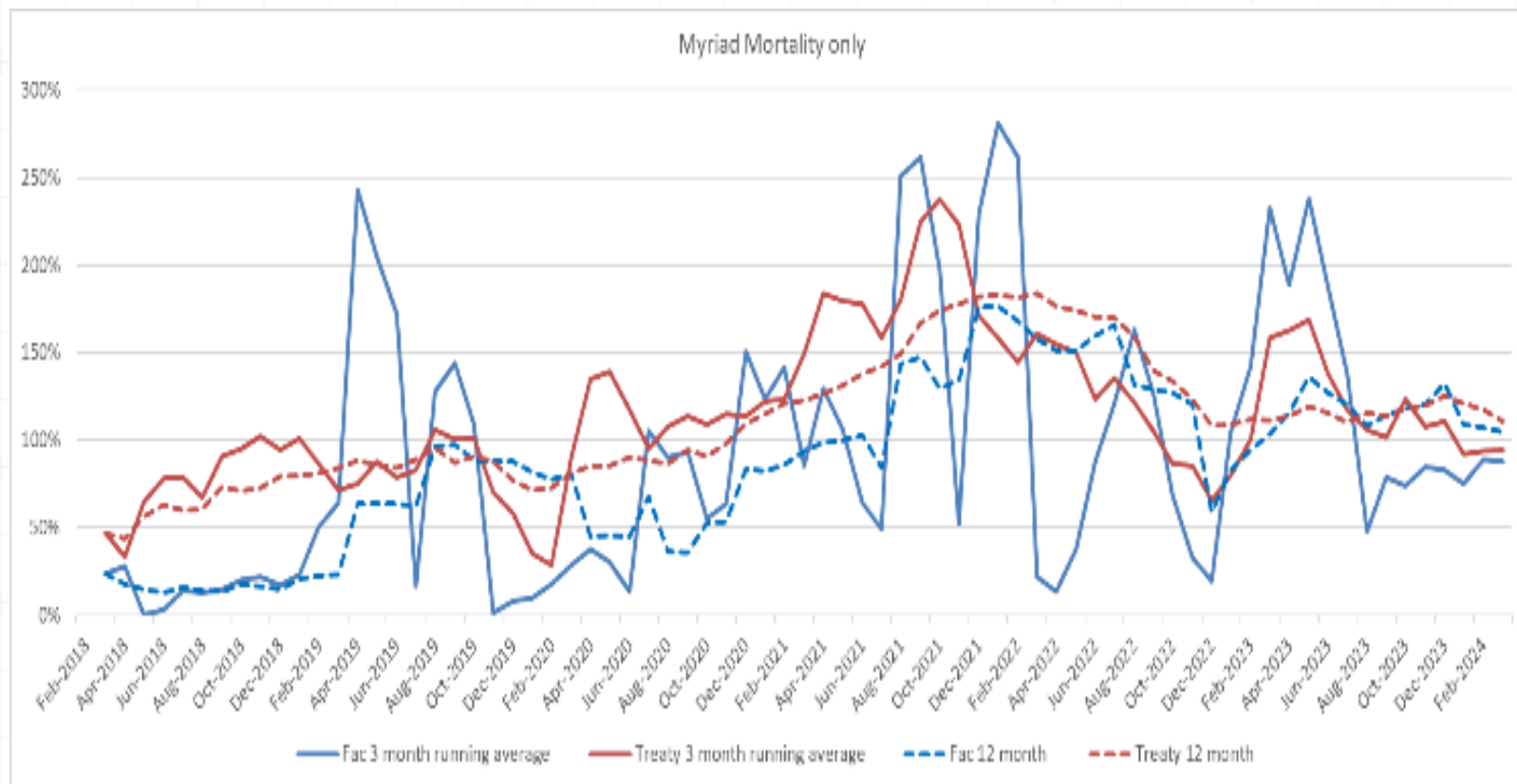
OurWorldInData.org/coronavirus | CC BY



Momentum Retail experience

Volatile experience means trends emerge more slowly

- Excess observed on gross (of reinsurance) basis
- Reinsurance programme impact

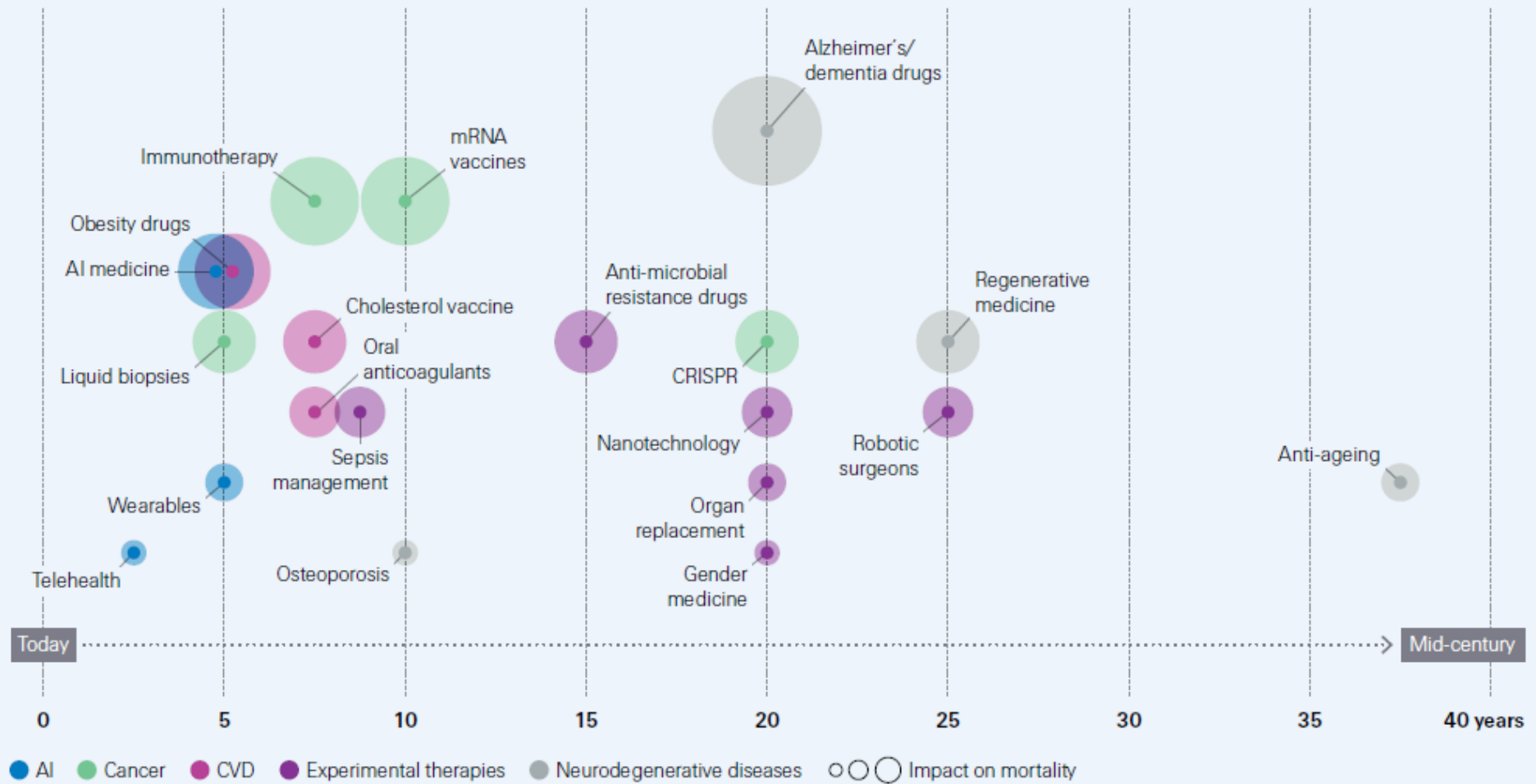


Mortality improvements are expected given likely tailwinds

Impact of potential medical advancements

Figure 7

Future medical innovations likely to drive mortality improvements



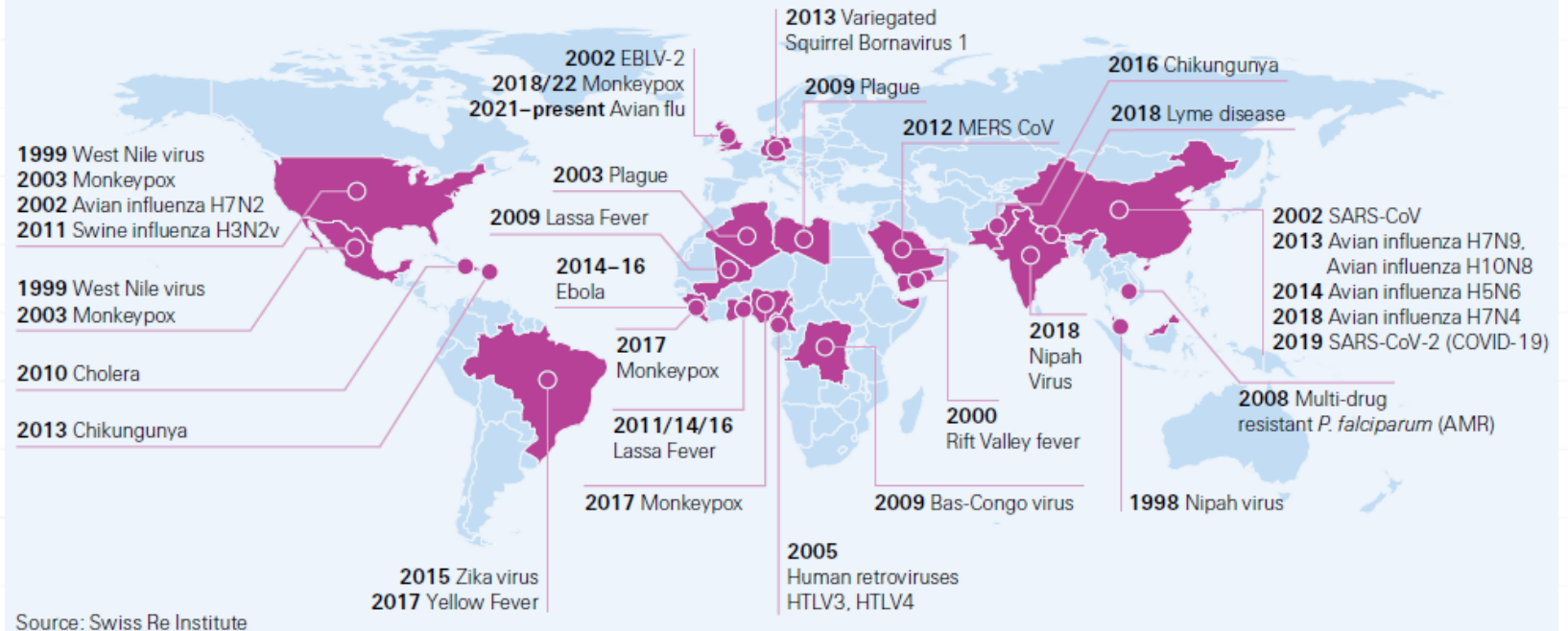
Source: Swiss Re Institute

But uncertainty will always remain

- Lifestyle impact (Obesity, physical activity)
- Metabolic health
- Smoking and vaping
- Climate risk
- AI
- Pandemics and Zoonotic diseases

Figure 16

Global significant zoonotic disease outbreaks since 1998



Consider some of the factors we explore with LifeReturns® screening



Blood Pressure



Heart Rate



SPO2



Respiration



BMI



Stress



Fitness*



Blood Sugar*

*Future innovation



momentum
corporate

Momentum Corporate

Rigitte van Zyl



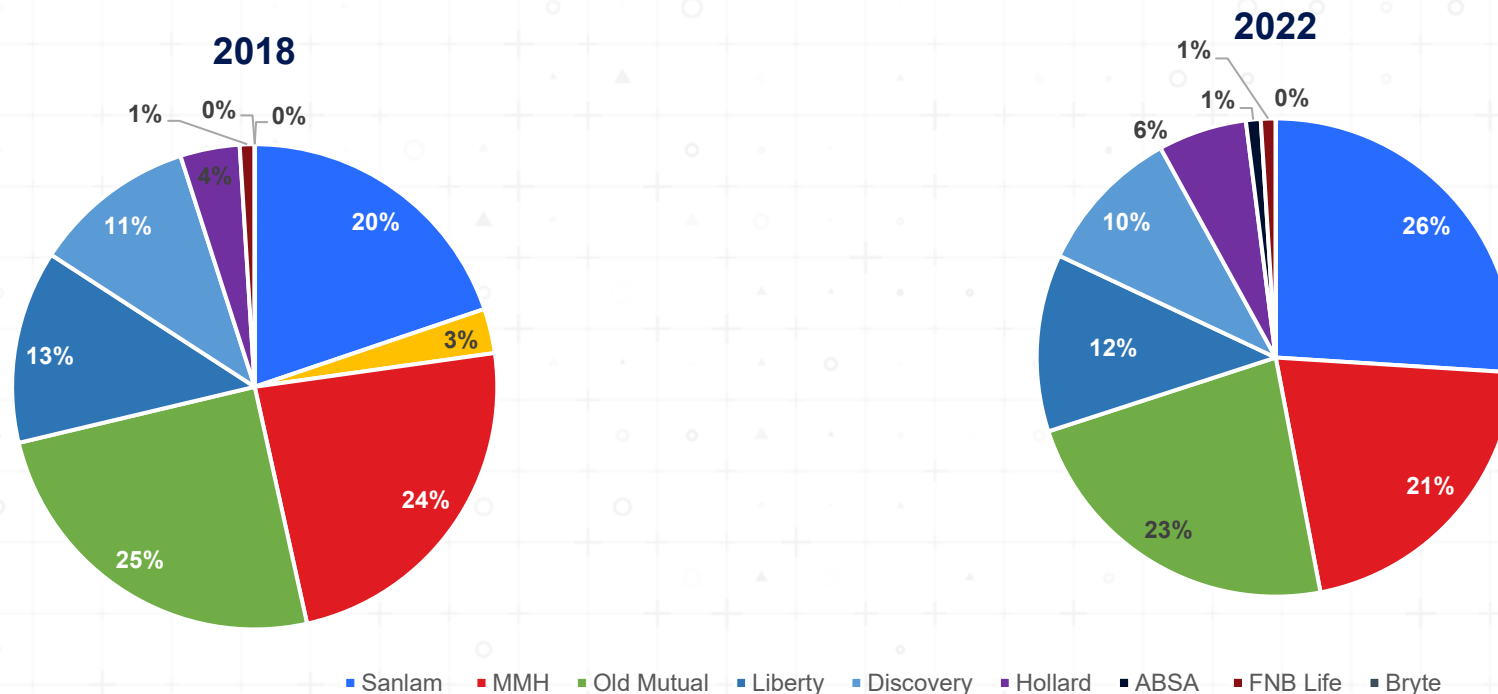
Agenda

- 1 Our purpose
- 2 Market share overview
- 3 Claims paid during Covid-19
- 4 Latest trends and insights
- 5 Looking ahead



Top 3 in the market

Market share by premium volume

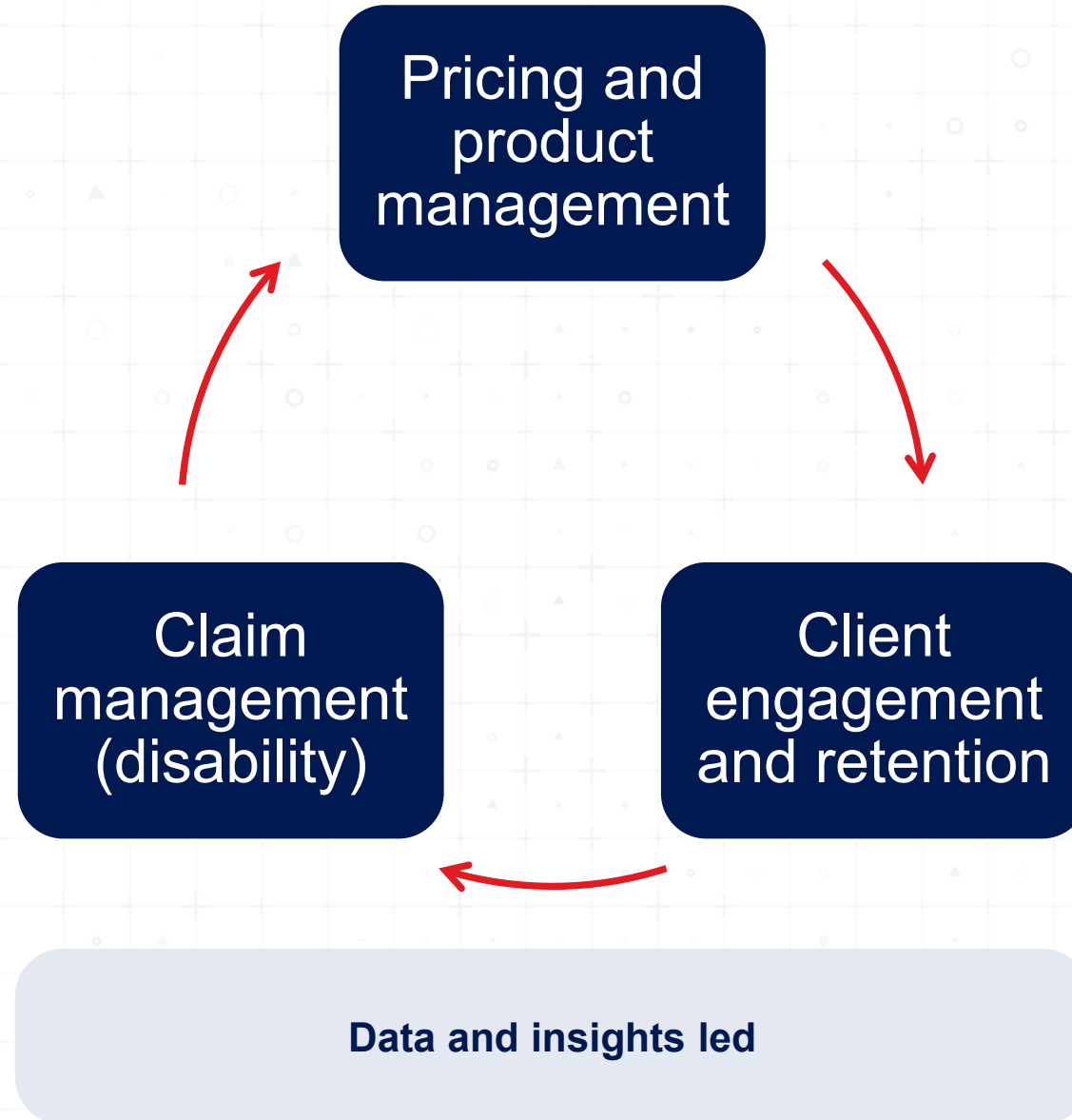


- **Significant player in the group insurance market**
- MMH is the market leader in offering Disability Income benefits
- Sanlam has the biggest portion of the Lump Sum Death, followed by Old Mutual

**Trends in company market share (average market share greater than 10%), 2018 to 2022*

Source: Swiss Re Group Volume Survey 2022

Risk selection and management a key differentiator



Key drivers of improved profitability



Income disability turn around

- Loss-making income disability benefit product profitable from 2020
 - Pricing focus as well as prudent risk selection
-



Disability management

- Technical expertise
 - Client engagement and support
 - Member focused on rehabilitation and reskilling
-



Innovation

- Continuous focus

Gross claims paid

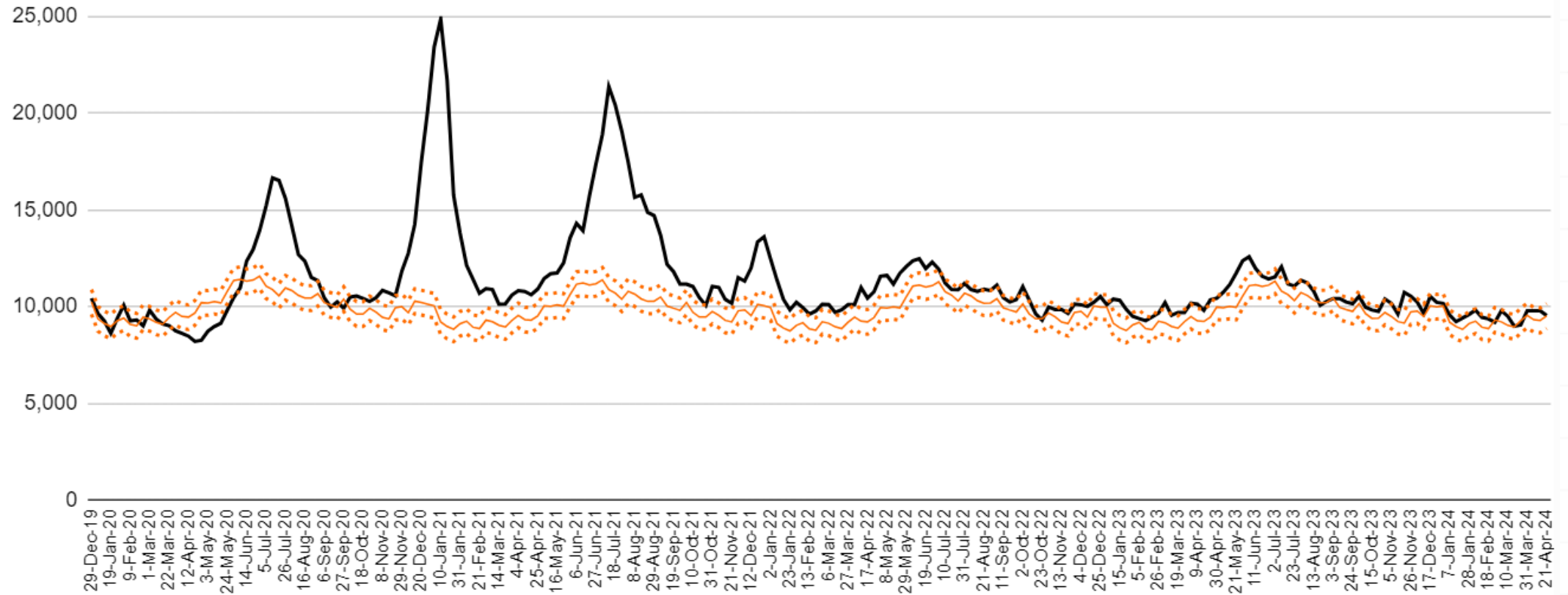
Claims paid during Covid-19



Mortality trends

South African Weekly Deaths from all causes : 29 Dec 2019 - 27 Apr 2024

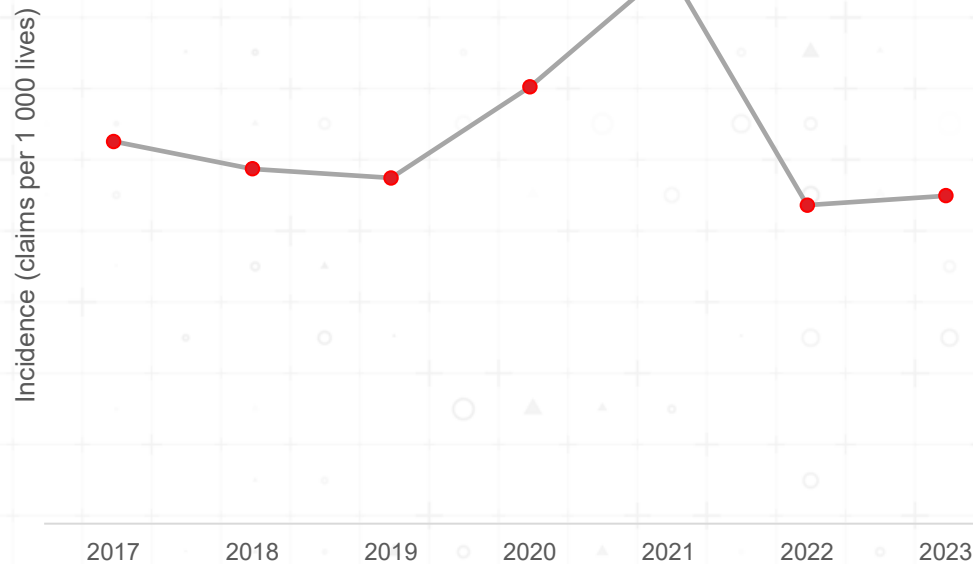
Caution - numbers for the past few weeks may be revised



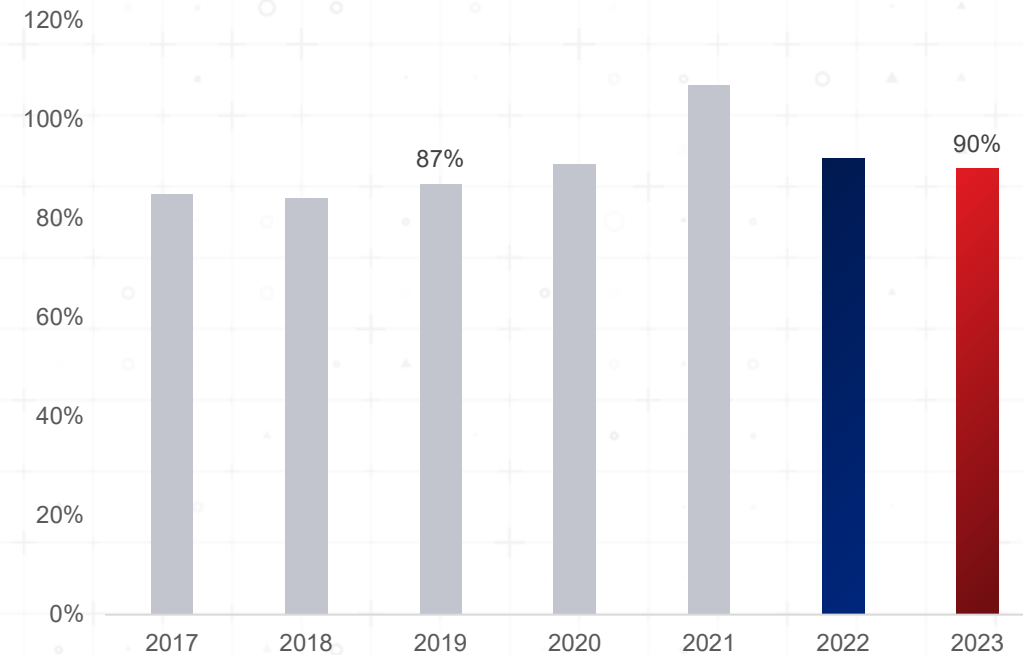
SAMRC

Mortality trends - Group insurance

Lump sum death benefit incidence



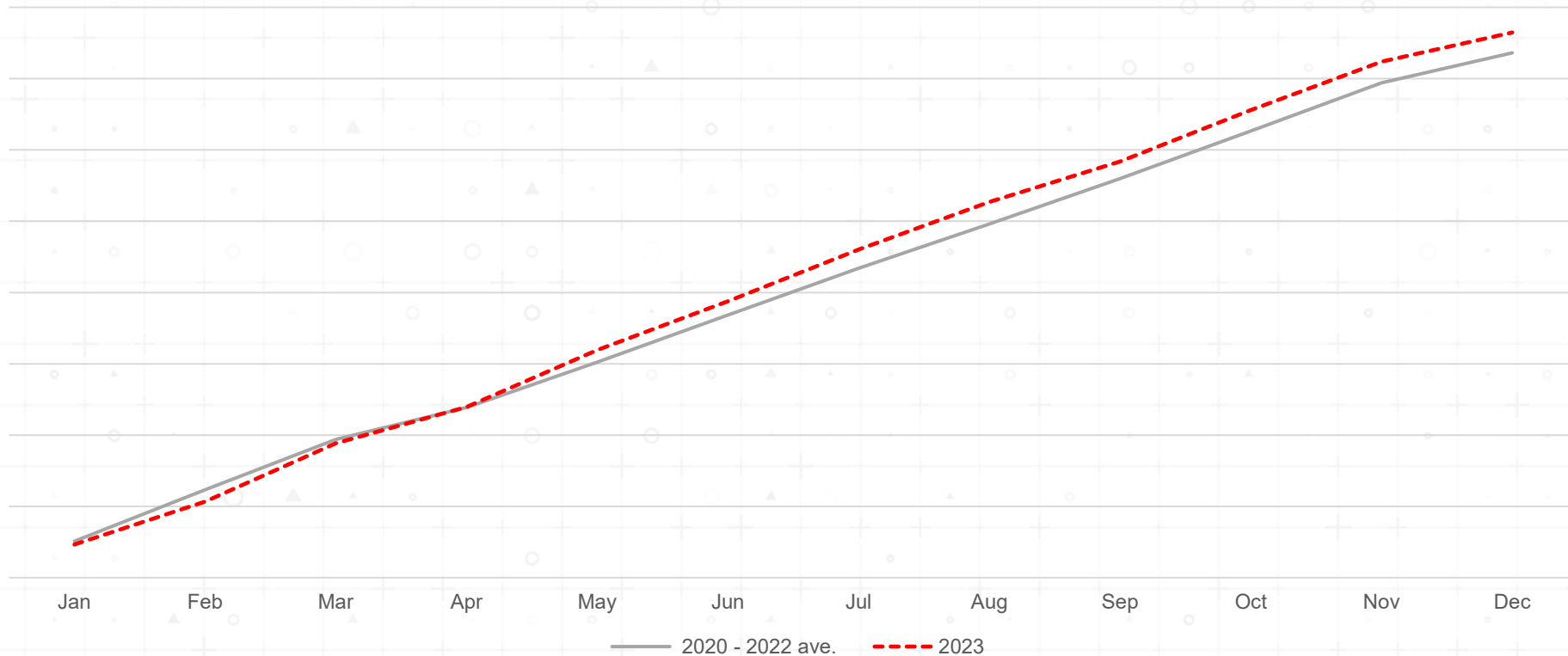
Average claim size compared to average sum assured



- Mortality incidence seems stable but uncertainty continues
- Average claim size still persistently higher than 2019
- Likely driven by persistently higher claim sizes in the older, higher earning age bands

Disability trends

Cumulative income disability notification volumes, per year



- Cumulative notifications continue to be higher than the pre-2020 levels which remains a concern
- Tough economic environment: weak economic growth, unemployment and job availability is limited
- We are also observing persistently longer claim durations

Increase in proportion of psychiatric and musculoskeletal claims vs all claim causes relative to 2019



Psychiatric:
+19%



Musculoskeletal:
+8%

- Noticeable uptick in psychiatric and musculoskeletal related claims, likely driven by the difficult economic environment (these are most difficult to objectively assess)
- May also be driven by the fact that screenings were delayed, and elective surgeries postponed during lockdowns – the effects of which are still coming through

Multi Faceted Approach required

Employers

Employees

Board of
Trustees

Advisers

Reinsurers

Pricing

- Forward-looking exercise based on expected cost of claims over the next 12 months
 - Size of employers (Above and below 400 employees)
 - Reinsurers view and global trends
 - Economic impact on claims behaviour
 - Competitive landscape and pricing pressure

Claims management

- Continued disciplined approach

Pandemic is the most likely catastrophic event in the next five years.

(Source: UK National Risk Register)

¹ WHO standard reporting for outbreaks that could spread internationally or disrupt international travel or trade

² Rebranded Ginkgo Bioworks in 2022 (Cheney, devex, 31 July 2021)

³ London-based disease forecasting company (Fortune, Apr 18, 2023 and Bloomberg, Apr 14, 2023)

momentum
METROPOLITAN



Questions
