

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 3392 [NW4071E]

DATE OF PUBLICATION: 4 NOVEMBER 2011

Dr D T George (DA) to ask the Minister of Finance:

Whether the Financial Services Board retains statistics on the (a) number of death claims submitted for processing by insurance companies and (b) reasons why these claims are (aa) outstanding and (bb) outstanding pending receipt of pathology reports and (ii) what are the (aa) reasons for these claims being outstanding and (bb) further relevant details in each case?

NW4071E

REPLY:

- (a) In terms of the Long-term Insurance Act, 1998 (Act No. 52 of 1998) all registered long-term insurance companies are required to submit unaudited prescribed quarterly returns and audited prescribed annual statutory returns.

In respect of the unaudited quarterly returns the long-term insurers are required to provide the Financial Services Board ("FSB") with the total amount of claims paid and the total amount of outstanding claims for the reporting period. The quarterly returns do not contain details of paid and outstanding claims relating to death claims specifically.

In terms of the audited annual statutory returns the long-term insurers are required to provide the FSB with the total amount of claims paid and outstanding in respect of death for different types of business i.e investments, risk, annuities and universal life on both a gross and net of reinsurance basis for individual and group policies. Long-term insurers are further required to provide information on the movement in the number of in-force policies on their books from one period to the next. Within that number they are required to indicate the number of policies that ended and are no longer in-force due to death benefits that were paid.

- (b) The returns do not call for any further details on the outstanding death claims nor the reasons as to why these death claims have not been paid or settled.
- (aa) See (a) and (b) above.
- (bb) See (a) and (b) above.
- (ii) (aa) See (a) and (b) above.
- (bb) See (a) and (b) above.