

PENSION LAWYERS ASSOCIATION



LIVING BENEFITS & CLAIMS

The Medical Side

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Product Solutions

Living Benefits and Claims

- Introduction
- Products
- Definitions
- Medical Assessment
- Causes of disability
- Case study
- Questions



Living Benefits and Claims

INTRODUCTION

Where Does It All Start ?

- Advice issues, client needs and client understanding
- Underwriting
- Complexity of products - terminology, exclusions
- Wide choice
- Objective vs. subjective arguments

LIVING BENEFITS: Types of products

Lump sum disability	<ul style="list-style-type: none"> Own occupation Own or reasonable alternative Both these require permanence Waiting periods
Daily tasks	Measures functional impairment in simple easy to understand language
Income replacer	<ul style="list-style-type: none"> Own Occupation Daily Tasks Permanence or temporary Waiting periods
Temporary disability	Covers short-term income loss due to illness, impairment, disability. 100% income cover
Severe Illness	Easy to understand benefits, paying 100%
Physical Impairment	Straightforward loss of use of type benefits

LIVING BENEFITS & CLAIMS

Definitions

■ Impairment

- Medical condition that leads to *disability*.
- Medical doctor expertise

■ Disability

- Lack of ability relative to a personal standard caused by an *impairment*.
- Assessor expertise

Learning and applying knowledge
General tasks and demands
Communication
Mobility
Self-care
Domestic life
Interpersonal interactions and relationships
Major life areas - employment/work/economic activity
Community, social and civic life

LIVING BENEFITS & CLAIMS

Disability Benefits

- Reasonable alternative = education, training experience
 - Reasonable medical treatment - what's reasonable?
 - Adequate treatment.....the Ombudsman's preferred term
 - Maximum medical improvement (MMI)
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- Claims increase with economic downturn...especially disability claims

Claims and the Medical Assessment

The Claimant

- The attendant practitioner's report
- Supporting documentation from employer or other medical practitioners
- The attendant practitioners opinion with regard to
 - History of the medical condition
 - Severity
 - Duration
 - Treatment
 - Effect of treatment
 - Adequate treatment
 - Maximum medical improvement
 - Prognosis
 - Possible assessment of whole person impairment
- Not necessary to pass opinion on disability

Claims and the Medical Assessment

The Insurer

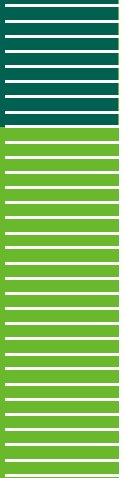
- Claim documents
- Validation of contract
- Assessment of current information
- Second opinions
- Occupational Therapist report
- Decision
 - Panel ?
- Review if necessary
- Can take time.....other requirements look for reasons to admit the claim

Claims and the Medical Assessment

Medical Conditions

- Objective assessments required. Difficult with conditions like Depression
- Often sympathetic treating practitioner
- Published guidelines with regard to common disability claim illnesses. i.e. when has MMI occurred
- Assessment criteria differs from illness to illness
- Some require 2 years duration before prognosis can be determined
- Can be complex and requires multidisciplinary approach
- Support of the medical profession imperative
 - SASOP IS GOOD EXAMPLE

causes of disability:



CAUSES OF DISABILITY

Bones, Back, Joints and Connective Tissue	26.1%
Psychiatric State	24.5%
Brain / Spinal / Nervous System	14.2%
Cardiovascular System	12.2%
Tumours and Growths	10.3%
Ear, Nose, Throat and Eyes	4.1%
Respiratory System	2.6%
Other	2.3%
Endocrine and Metabolic System	1.3%
Gastrointestinal System and Abdomen	1.1%
Urinary System	1.1%
Unknown	0.2%

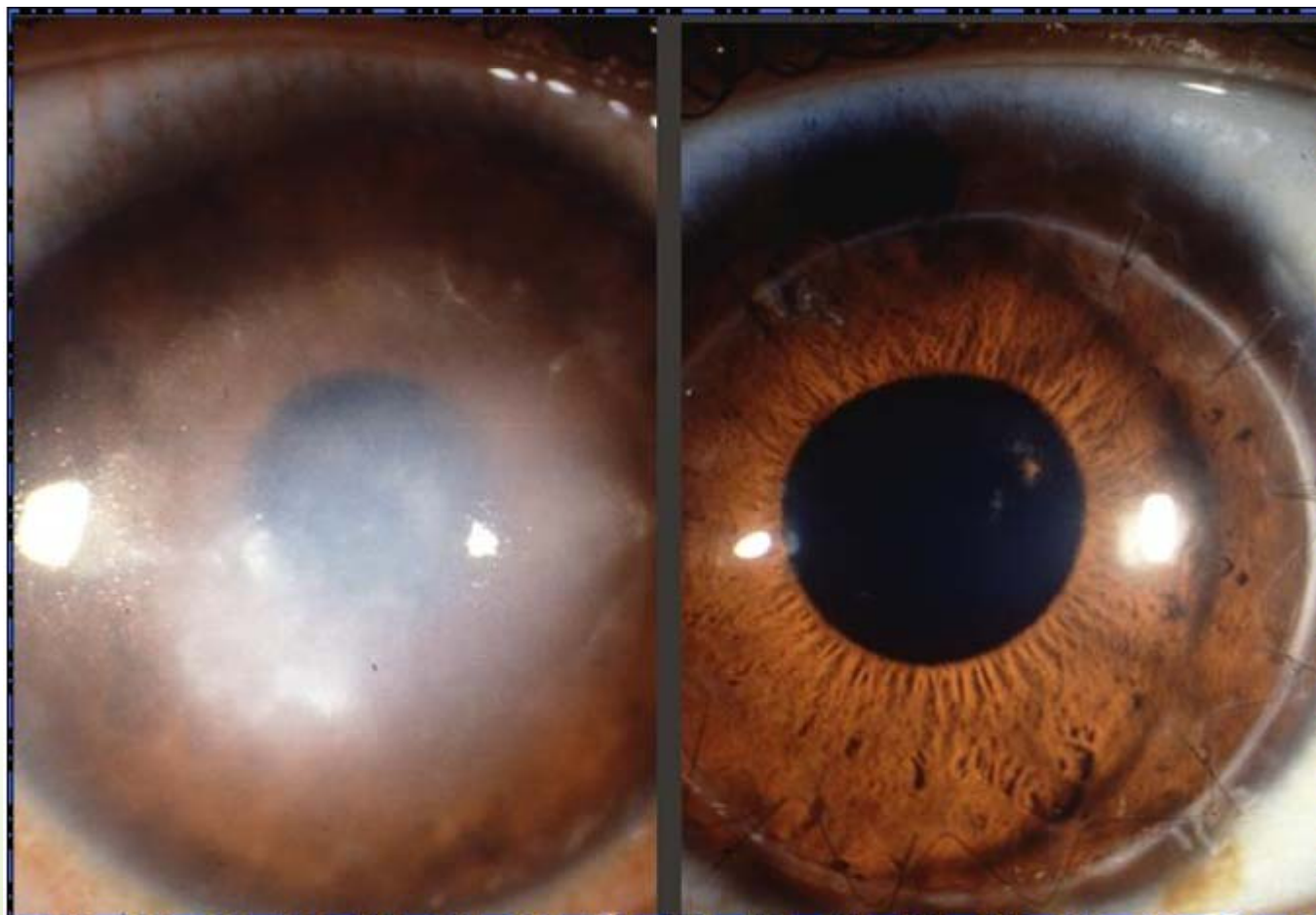


Case Study

- 37 year old company owner - eyes exposed to a toxic material
- Impairment = Toxic Keratopathy
- Date of event = January 2008
- Claim received 4 months after event i.e. within the waiting period
- Treating doctor stated in report of April 2008 that prognosis for recovery can only be determined in 6 months time
- Second doctors report June 2008 states clients vision will not improve and functionally blind
- Visual acuity <20/200
- Therefore condition is permanent and requires future corneal transplant

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Case Study 1



SOME QUESTIONS

- Is the condition permanent?
- Has maximum medical improvement occurred?
- Is it reasonable to expect client to undergo a corneal transplant?
- What chance of success with a corneal transplant?
- What is the waiting time for a corneal transplant?
- What is the outcome of the court of public opinion.
- What would you expect the decision to be?



THANK YOU!

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