

# 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	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	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)
- 
- 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

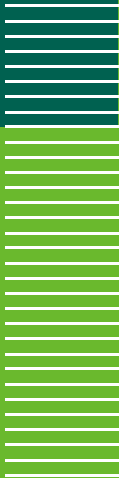


# Claims and the Medical Assessment

## 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%

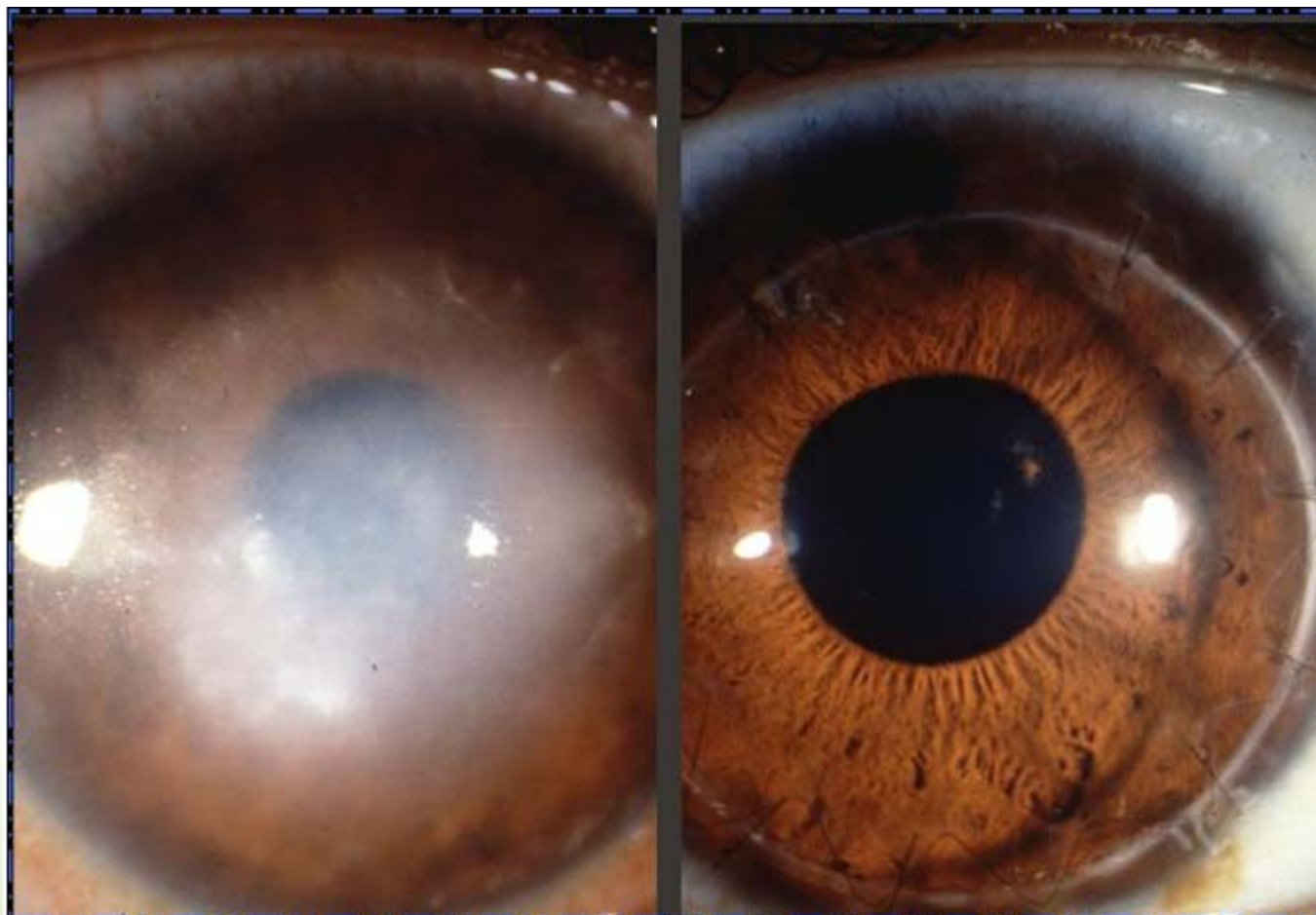


## Case Study

- 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

# LIVING BENEFITS & CLAIMS

## 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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