

# Life, Critical Illness and Disability Claims Examination

5<sup>th</sup> September 2021

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## Instructions to candidates

Read the instructions below before answering any questions

**Three hours are allowed for this paper which carries a total of 160 marks, as follows:**

### **Part I**

1 compulsory question (case study) 80 marks

### **Part II**

2 questions selected from 3 (scenarios) 40 marks each for a total of 80marks

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- You should answer the question in Part I, and two out of the three questions in Part II.
- You are advised to spend no more than 90 minutes on Part I and 45 minutes on each question selected in Part II.
- It is recommended that you spend 15 minutes reading and planning your answer to the case study and 75 minutes answering it, and that you spend 10 minutes reading and planning your answer to each scenario and 35 minutes answering it.
- A case study tests extensively across syllabus learning outcomes, whilst a scenario will be more focused on specific learning outcomes.
- Read carefully all questions and information provided before starting to answer. Your answer will be marked strictly in accordance with the question set.
- You may find it helpful in some places to make rough notes in the answer booklet. If you do this, you should cross through these notes before you hand in the booklet.
- Answer each question on a new page. If a question has more than one part, leave six lines blank after each part.

## **PART I**

### **Case study**

**This question is worth 80 marks**

**You should include relevant examples and further reading in your answer where applicable**

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### **QUESTION 1**

#### **CASE STUDY**

XYZ is a local Life Assurance company established in 1981 and has since, sold Life Assurance on a protection basis. 90% of the policyholders are customers seeking a simple protection term policy to secure a bank loan using the life policy as a guarantee. After so many years in the business and following the success enjoyed through excellent reputation and services, the Board of Directors has decided to develop its existing life product to widen its cover. In this respect, they wish to start providing terminal illness benefits and critical illness cover as extensions under the current Life Assurance Term policy.

#### **QUESTION**

From a claims perspective, discuss the impact of these product extensions on the resources and operations of the organisation, detailing the technical, financial, medical and legal matters that need to be provided for.

Detail your observations.

(80 marks)

## **PART II Scenarios**

**Answer TWO of the following THREE questions.**

**Each question is worth 40 marks**

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### **QUESTION 2**

#### **SCENARIO**

The widow of a life assured aged 72, who died in a traffic accident whilst abroad, approaches the life office where her husband was insured however is oblivious to what she needs to do to lodge and substantiate the corresponding life assurance claim.

#### **QUESTION**

As the claims handler dealing with the request by the widow, you are assigned to guide her through the claim process informing her of the corresponding process.

Explain to the widow, the applicable life assurance claim conditions, exclusions or limits that need to be considered and the various documents that need to be produced by the claimant in this circumstance.

Detail your advices.

(40 marks)

### QUESTION 3

#### SCENARIO

- a) Jane participated in the Tokyo 2020 Olympics during which she injured her ankle and is now unable to resume her work as a postwoman.
- b) Bert suffers a heart attack while shovelling terrain as part of his handyman job. Doctors advise that he refrains from strenuous work in the future.
- c) Petra suffered from asthma as a teenager. At the age of 45 years, this condition has now resurfaced, as she works in dusty environments as a maid.
- d) Paul who works as a self-employed doctor, is now wheelchair-bound, 5 years short of his retirement age. He has developed a disease which is causing his muscles to deteriorate.

#### QUESTION

For each of the above scenarios, comment on the assessment of income protection claims and the management of the rehabilitation process where applicable.

(40 marks)

## **QUESTION 4**

### **SCENARIO**

Dealing with life disability and illness claims can be a delicate matter especially in view of the sensitivity of the claim information and the vulnerability of the claimant. There have been several Acts and Charters that have been released on confidentiality and fair treatment of customers.

### **QUESTION**

If you are assigned to present a speech on the rights of customers to have the data handled appropriately and the rights related to fair treatment in relation to claims, what aspects would form part of your presentation?

(40 marks)

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