



LONDON RIOTS, NUCLEAR FISSION, AND YOUR LIFE INSURANCE POLICY

Watching the London Riots on TV recently one could only shake one's head in amazement at the lawlessness unfolding across that great city. It later emerged that amongst those rioting were a sprinkling of young professionals, teachers, and students. Not exactly the stereotypical feral teens bunking class...

No doubt those youngsters apprehended have damaged their prospects but what if any of them been injured or killed; would insurance cover have paid out given the nature of the acts they were involved in? Clearly this is an extreme example but it's one that came to mind given the language in the fine print of life insurance contracts that pass through our office-

"...(we) reserve the right to refuse claims when the disability, severe illness or family illness claim was a result of wilful and deliberate breaking of any law or *wilful involvement in any riot, insurrection, usurpation of power, martial law or war....*" *Discovery Life Plan Guide 2011*

These indemnifications seem amusing given our presumably slim chances of becoming caught up in such events! Yet given the serious consequences of a death, disability or illness claim rejection, it's worthwhile taking a closer look at our policies. Claims and exclusions are regulated by the Long Term Insurance Ombudsman but wordings do vary. In general, the only exclusion that applies to death cover (all causes) is the two-year suicide clause.

Below are the general claims exclusions set out by three well-known South African Life insurance providers; Discovery Life, Momentum Life, and Liberty Life. We're sure you'll agree that there are some surprises upon close inspection. **PLEASE NOTE THESE DO NOT CONSTITUTE THE PROVIDERS' FULL TERMS AND CONDITIONS; CONTACT US OR THE PRODUCT PROVIDERS FOR MORE INFORMATION.**

DISCOVERY LIFE

When may I not claim?

Discovery Life reserves the right to refuse claims when:

1. your death or the death of any of your dependants is due to suicide and occurs within two years of cover commencing or reinstatement of your policy;
2. your disability, severe illness, or family illness – or that of any of your dependants – was deliberately self-inflicted;
3. you fail to disclose information about physical disabilities or medical conditions that affect you, or any of your dependants, at the time that cover starts;
4. you fail to notify Discovery Life of your correct occupation at policy inception, or of a change in occupation from that nominated at policy inception, where the new occupation is classified by Discovery Life as falling into a risk category for which the relevant benefit would not have been granted to the claimant;
5. Discovery Life is unable to obtain sufficient medical or financial (if applicable) evidence from the assured lives, your dependants or treating medical practitioner to fulfil our criteria for making a benefit payment;
6. the disability, severe illness or family illness claim was as a result of:
 - willful and deliberate breaking of any law or willful involvement in any riot, insurrection, usurpation of power, martial law or war
 - regular participation in any hazardous sport or pursuit which was not disclosed to Discovery Life at any point in time before the claim
 - intentional and negligent consumption of poisons, drugs and narcotics unless prescribed by a registered medical practitioner (neither you nor your dependants may perform the role of registered medical practitioner in such a case)
 - consumption of alcohol above the legal limit.



LIBERTY LIFE

General exclusions for all benefits except life, renewable life and funeral cover

It is not the intention of Liberty Life to rely on any exclusion to avoid payment of claims which, at Liberty Life's sole discretion, were not caused, accelerated or made more likely by conditions which gave rise to the exclusion or which existed before the start of the risk.

In addition to any Specific Exclusions set out in the applicable Benefit Terms and Conditions, no benefits will be paid if a claim arose directly or indirectly from the Life Assured or Policyholder's:

- Wilful and material violation of any criminal law;
- Exposure to atomic energy, nuclear fission or reaction, biological or chemical hazards and warfare agents;
- Refusal to seek or follow medical advice;
- Attempted suicide or deliberate self-inflicted injury or illness

Further, regular participation in hazardous or risky hobbies, sports or activities will also be excluded. Regular participation is defined as participating in an activity more than once a year.

MOMENTUM MYRIAD

Death Benefit; Last Survivor Death Benefit; Funeral Benefit; Premium Waiver - Death; Education Protector - Death; Education Protector - Death and Disability; Education Protector - Death and Impairment

The following exclusions apply to these benefits and any alterations to them:

- Momentum will not admit a claim if the insured life commits suicide within two years of the starting date of the benefit.
- When restarting the benefit, a new two-year period will apply. If the insured life increases the benefit amount, a new two-year period will apply to the increased portion from the date of the increase.

Modified Death Benefit; Unnatural Death Benefit; Education Protector - Death and Disability; Education Protector - Death and Impairment; Disability/ Impairment benefits; Income disability/ impairment benefits; Critical illness benefits; Accidental HIV Benefit; Living Benefits; Premium Waiver - Comprehensive Disability; Premium Waiver - Functional Impairment

- The claim will not be admitted if it arose, directly or indirectly, as a result of:
 - The insured life or policyholder's participation in any terrorist activity, riot, civil commotion, rebellion or war,
 - The insured life or policyholder's wilful and deliberate breaking of any criminal law that accelerates or increases the risk,
 - The insured life or policyholder's intentional or grossly negligent self-inflicted injury, and/or
 - Radioactivity and nuclear explosion.

Ultimately we at Consequence follow three golden rules to ensure that our clients will never be disappointed at claims stage:

1. Full disclosure when applying for cover is non-negotiable. It is better to include information at application stage than omit it because you believe it to be irrelevant or no longer important. A cover exclusion or premium loading is preferable to a rejected claim.
2. Keep communications open. If you're concerned that your ascent of the Himalayas may not be covered, phone us.
3. Obey the letter of the law as far as possible!