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Strokes ain't Strokes Sol

There are 13 plus retail life companies in the Australian market offering products, where a benefit payable, depends upon the life insured, after having suffered a stroke and then meeting the definition in the policy on the basis of medical evidence. We are of the view that many of you do not look at Trauma definitions and if you do, probably pay attention to the probability of cancer or heart attack definitions because they're sexy. We would even go to the extent and say that most of you either look at your expensive quotation program and recommend the cheapest product, or alternatively, look at your expensive rating program and justify the lack of research that needs to be done by yourself, and recommend the "A" rated policy.

Before continuing any further with this article, there was an article in Money Management Magazine on the 3rd July 2009 written by Mr. Liam Egan titled Researchers fear ASIC survey fallout. If you have not read it, simply click on the following link www.smartcomparator.com.au/articles/Researchers_fear_ASIC_survey_fallout.pdf.

Even though the Money Management article is more aimed at the Investments research programs, we believe that it won't be long before the risk raters / premium quoters are targeted.

We mentioned before that some definitions are sexy, and what we mean by that is: your male clients ask you about heart attack whilst your female clients are more concerned about cancer. At 9% of Trauma claims in Australia, Stroke is the last of the BIG 3.

We believe many advisers do not discuss stroke as an important issue because they believe that stroke is a disease for the over 55's. We all know very few clients, of that age, can afford to pay premiums if the adviser had not used a level premium structure when putting the policy in place. The average age of people cancelling policies because of premiums is 45, whilst the average age of a Trauma claim is 52.

Strokes can be associated with numerous other activities other than straight neurological incidents.

Stroke can be the reaction of severe contaminants ingested by your client – reactions to anesthetics – choking – drugs, both prescribed and illegal and even peanuts.

Strokes often occur as a result of surgical misadventure and blood clots, where the patient has been taken off blood thinners for the duration of the operation. They are also an obvious result of road trauma.

Since the introduction of Trauma policies in 1987 in South Africa, Trauma definitions have gone from being very tight (requiring a 25% Whole Person Function permanent impairment) out to generous definitions of the mid 90's. However many companies having slowly tightened up since the late 90's, to keep premiums affordable.

Stroke means a cerebrovascular accident or incident producing neurological sequelae. Infarction of brain tissue, intracranial and/or subarachnoid haemorrhage and embolisation from an extra-cranial source will be included.

Transient ischaemic attacks, reversible ischaemic neurological deficits and cerebral symptoms due to migraine are excluded.

Actuaries around the world have for some years, been arguing that Trauma definitions, stroke in particular, in some Trauma markets have not been properly costed (priced). Insurers have taken the opportunity on actuarial advice to introduce "severity", an actuarial concept of tightening the definition to reduce the incidents of claims. In other words since the 90's the following measures of severity have been introduced so that claims can be kept in check without the need to increase the premiums, thus not upsetting those of you who sell on price.

- 24 hour time frame
- exclusions for strokes arising from trauma
- exclusions for strokes arising from head trauma
- exclusions for reactions to drugs (both legal and illegal)
- exclusions for hypoxia
- exclusions for hypoxemia
- exclusions based on the wordings "**objective neurological deficit**"??????
- vascular disease affecting the eyes
- exclusions for optic nerve or vestibular function
- etc, etc, etc

Do you know what the stroke definition is for your preferred or favourite company / contract?

Here are 4 different stroke definitions picked at random:

Definition 1:

Cerebrovascular Accident (Stroke) means a cerebrovascular accident or event producing a neurological deficit lasting more than 24 hours.

There must be clear evidence:

- * of the onset of objective neurological deficit,
- * on act, MRI or similar scan that a stroke has occurred, and
- * of infarction of brain tissue, intracranial or subarachnoid haemorrhage or embolisation from an extracranial source.

Transient ischaemic attacks, cerebral events due to reversible neurological deficits, migraine, hypoxia or trauma, and vascular disease affecting the eye, optic nerve or vestibular functions are excluded.

Definition 2:

Stroke means the damage of brain tissue as a result of a cerebrovascular incident caused by hemorrhage, embolism, or thrombosis, associated with the sudden onset of objective neurological deficit.

The incident must be demonstrated by Magnetic Resonance Imaging, Computerised Tomography, or other reliable imaging techniques approved by us.

Excluded:

- * transient ischaemic attack
- * cerebral symptoms associated with reversible neurological deficit
- * cerebrovascular disorder of the eye or optic nerve
- * symptoms due to migraine or headache, and
- * brain tissue damage caused by head injury.

Definition 3:

Stroke means any cerebrovascular accident or incident producing neurological sequelae lasting more than 24 hours.

This includes infarction of brain tissue, intracranial or subarachnoid haemorrhage, embolisation from an extracranial source, but excludes transient ischaemic attacks and cerebral events and symptoms due to reversible neurological deficits and migraine.

Definition 4:

A cerebrovascular accident or incident producing neurological sequelae.

This includes infarction of brain tissue, intracranial and/or subarachnoid haemorrhage, or embolisation from an extracranial source.

The following are excluded:

- * Cerebral symptoms due to:
 - transient ischaemic attacks
 - reversible ischaemic neurological deficit
 - migraine
- * Cerebral injury resulting from:
 - trauma
 - hypoxemia
 - vascular disease affecting the eye, optic nerve or vestibular function.

Now for a small quiz - anyone that can correctly name the 4 companies and contracts that these definitions have come from and tell us which one you think gives your client the best chance of a claim will receive a bottle of red wine to the value of \$50.00 (first correct answer only).

Please note that answers like XYZ rating house rates it as an "A" will not be accepted, as well as "it's the cheapest premium" or it pays the most commission will neither be acceptable responses.

PPS: Most of us assume (we never should assume) that all of any company's products which contain stroke definition for the foundation of it for the payment of benefits would be identical across that company's stable of products. **NOT SO!!!!!!**

In addition to the bottle of wine we will give away 2 Greater Union tickets if you can email us stating which company has 2 different stroke definitions within its product range (first correct answer only).

By responding to either quiz question 1 or 2 above, you are also giving us permission to publish your name, phone number, suburb and state in the next issue. This is just to make sure that no one can accuse us of doing anything dishonest.

We will publish all responses in our next issue, as well as the winners' names.

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