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Momentum Financial Planning recruitment initiative

A career in financial planning is about wanting to help others succeed

The future of workplace disabilities

The COVID-19 pandemic has had a far-reaching impact, and while we grapple with the consequences of this unprecedented era, we are beginning to see just how permanent these effects are.

Much is still unknown, especially when it comes to understanding what the physical and mental long-term health implications will be for those who have survived this health crisis. We will, however, inevitably see an increase in disability claims.

The lack of data available

In some cases, the virus has left recovered patients with permanent health implications, which have compromised their immunity against other illnesses, while individuals with less serious cases are still battling to regain their previous vitality.

Perhaps most concerning, is the lack of data available for insurers to truly understand what this health crisis will mean for future disability claims. The industry has a big task ahead of them, as they collect and analyse data to prepare for this future.

The lack of medical attention the global population has received over the last year, might also create further health implications. Since the beginning of the spread, we have known that people with certain pre-existing conditions are at higher risk of contracting COVID-19, and these individuals may have avoided seeking medical help due to the risks of contracting the virus, while many 'non-essential' surgeries have also been postponed.

This can have a greater impact on the health of claimants, as these delays may result in more serious cases that will require long-term treatment and management, the effects of which are already seen in the current number of disability claims.

Unaffordability of these benefits

Perhaps the only true certainty will be the price of premiums increasing. Insurance cover is priced on the expected claims for a certain period, based on the risks involved.

Therefore, an increase in disability claims during this unprecedented period will influence the price of these benefits. And so, yet another lasting effect of the pandemic may be the unaffordability of these types of benefits for certain employees. While risk mitigation through cover reductions and exclusions might decrease these prices, it is certainly not ideal.

It is fair to say that disability is not fixed, and the causes can be unpredictable. This pandemic has the potential to increase both physical and mental illness rates. When we look at mental illness coming out of this pandemic, we realise there is still a lot we do not understand. What are the implications, for example, not only of recovering from the virus but also adapting to new aspects such as working from home, increased uncertainty, and coping with isolation caused by physical distancing?

Long-COVID is a phrase that has been coined to describe patients who suffer from these long-term effects. Whether mentally or physically, they will continue to feel the effects of this period long after the pandemic has passed. And because there are currently no comprehensive prognoses for Long-COVID factors, the insurance industry is just as much in the dark, as there are no precedents at this stage for these types of disabilities.

However, we will be looking for answers and ways to support our clients as the case history increases.

Still some unanswered questions

There is still a lot of learning that needs to be done to understand the true impact of this past year. From the post-vaccine era, to the way in which this period has permanently changed our lives, there are many things we need to understand before any certainty truly comes to the fore.

However, I think it is important to remember that things will never return to the way they were before. And even though there are still some unanswered questions, the sooner we accept our current reality as the norm, the sooner we can embrace these difficulties, prepare for new challenges, and overcome the uncertainties. ●



Walter van der Merwe
CEO
Fedgroup Life

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