

Learning Unit 14: Bereavement Expenses

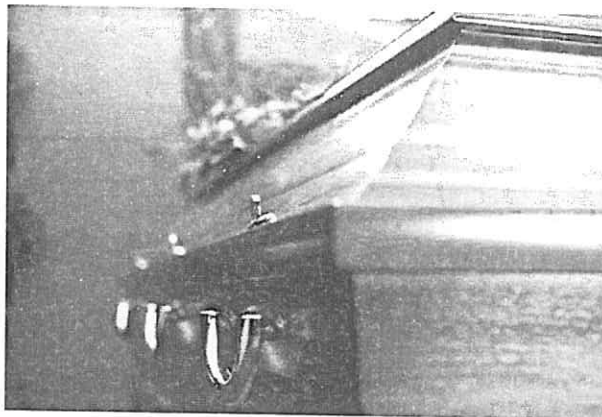


learning outcomes

Learning Outcomes

Upon completion of this learning unit, it is expected that you will be able to:

- Understand and provide definitions for terminology.
- List who we insure for bereavement expenses.
- Describe what we insure under bereavement expenses.
- Identify what we do not insure (exclusions) under bereavement expenses.
- Identify the underwriting rules relevant to the insurance of bereavement expenses.



Introduction

Bereavement means, literally, to be deprived by death. Although no one likes to think about it, the day will eventually arrive when the policyholder (or a family member) needs to make funeral arrangements. Funerals are not cheap and the costs can range from about R3 000 to R10 000 and more, depending on the family's needs and what they can afford.

With this cover an insured party can ensure that funeral costs do not become an unnecessary financial burden to anyone.

14.1 Definitions

Word or phrase used	Definition and description
you, (your, yourself)	The phrase you refers to the policyholder and other people named in the schedule.
we (us, our)	This is Mutual & Federal Insurance Company Ltd. Registration No: 1970/006619/06.
accident	An accident means an event that is external to the body that you could not avoid, that you did not intend and that you could not have expected or foreseen. It usually implies a generally negative outcome which may have been avoided or prevented had circumstances leading up to the accident been recognised, and acted upon, prior to its occurrence. Therefore, an accident must be an unexpected event and not intended or planned.
bereavement	Bereavement signifies a period of emotional pain after a family member, friend or beloved pet dies.
compensation	This means that the insurer will pay the insured the amount stated in the schedule when a claim against an insured event has been made.
beneficiary	The person chosen and whose name appears on the schedule to receive compensation in the case of the death of an insured.
What we do not insure (exclusions)	These are events, loss or damage which is <u>not</u> insured. Exclusions more accurately define the risk accepted by the insurer and exclude liability for loss not intended to be covered. Exclusions in the policy relieve an insurer of liability for those circumstances not intended to be covered.
natural causes	Natural causes means death from causes other than accidents. Coroners commonly use the term when the cause of death is not apparent given medical history or circumstances.
reasonable	Showing reason or sound judgement and not being excessive or extreme.

Word or phrase used	Definition and description
repatriation	<p>Repatriation means to bring the insured's body back to his/her country of residence if this person has died as a result of an accident while in another country.</p> <p>In this case South Africa would be the country of residence.</p>
schedule	<p>This is the document which sets out:</p> <ul style="list-style-type: none"> • The type of insurance bought; • The parties insured; • The period of insurance; • The amounts insured for; • Excesses that apply; • Premium to be paid.
spouse	<p>A spouse can be one of two parties:</p> <ul style="list-style-type: none"> • The partner of a policyholder in marriage, civil union or customary union by South African law • A person who is living with the policyholder in a relationship which is permanent and who is named in the schedule.

14.2 Who we insure

The insurer will only give compensation for Bereavement Expenses for the following people:

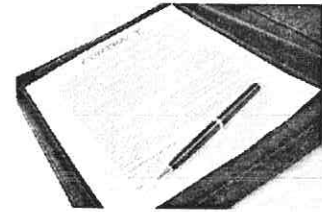
- The policyholder;
- The policyholder's spouse;
- The parents of both the policyholder and the policyholder's spouse;
- The policyholder and policyholder's spouse's unmarried children.
- The policyholder and the policyholder's spouse's fulltime domestic staff;
- Co-policyholder
- To be insured these family members must be named in the schedule



Even though an individual person is named in the policy schedule, the definition under this section of the policy is extended to include the insured's parent(s) if they are named in the schedule.

14.3 What we insure

In this section, the insured is covered for specific events such as:



We compensate for Bereavement expenses

The insurer will compensate for bereavement expenses if the insured person stated on the schedule dies from natural causes or from an accident. The insurer will compensate the insured, his/her estate or beneficiary for the bereavement expenses as shown in the schedule.

Had the policyholder not named any beneficiary under this section of the policy, the settlement amount would be paid into the policyholder's estate and the funds would only become available once the estate has been finalised.

Repatriation costs

The insurer will also compensate for the repatriation costs to bring the policyholder's body back to South Africa if the policyholder dies whilst outside of South Africa.



It is important to note that the policy wording states that the insurer will compensate insured, his/her estate or beneficiary with the reasonable costs up to the limit reflected in the policy schedule, to return the insured's body to South Africa.

14.4 What we do not insure (exclusions)

In terms of the policy wording under this section the following are not compensated for:

Death from suicide



Suicide is the act or an instance of intentionally killing oneself.

The insurer will not compensate for suicide that takes place within 2 years of the date that the person was first added to this section.

Death from pre-existing medical condition

The insurer will not compensate the insured for death from a pre-existing medical condition if the death is within 6 months of the date the person was first added to this section.



Pre-existing can be defined as earlier, before or prior to. A medical condition can be a disease or physical ailment such as a heart condition, or a state of health or physical fitness.



Ailment can be defined as a pathological condition of mind or body, for example, disease, disorder or illness.

14.5 Compensation

Limit of compensation

The policyholder will be compensated up to the limit shown in the schedule.

14.6 Claiming

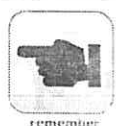
In terms of the policy wording there are certain terms and conditions that the policyholder has to adhere to when claiming under this section of the policy. These are described below.

If necessary, report the death to the police and get a case number.

Contact the insurer immediately after the death so that the insurer can inform the policyholder, beneficiary or the executor of estate regarding the information that is required for the claim to be processed. Examples of the information that might be required are as follows:

- Written details of the claim;
- A death certificate;
- Proof, statements and any other information or documents required by the insurer.

Within three (3) months of the death, the policyholder must provide the insurer with all the information requested.



Should the insurer not receive the required information within three (3) months following the date of death, the insurer may not accept the claim.

Underwriting Rules

Dependant sections

The Bereavement section must be supported by either a Household Goods or Motor section.

Beneficiary

A beneficiary to whom any benefit should be paid may be provided as this will assist in avoiding any undue delays in the event of a claim and during a traumatic event such as death.

Cover options

Options of cover are detailed in the table below.

	Plan 1	Plan 2	Plan 3	Plan 4	Plan 5	Plan 6
	R 5 000	R10 000	R10 000	R20 000	R20 000	R40 000
	R 5 000	R10 000	R10 000	R20 000	R20 000	R40 000
	R 5 000	R10 000	R10 000	R20 000	R20 000	R40 000
	R 1 250	R 2 250	R 2 500	R 3 500	R 5 000	R 6 000
	R 5 000	R 7 500	R 7 500	R10 000	R10 000	R12 500

Only one plan per family may be selected. Persons insured must be named.



ACTIVITIES

Activity 1

George Summers has included Bereavement cover for himself and his family members. The cover he has requested is Plan B. George indicated that his wife, two sons aged 18 and 27, daughter aged 20 and her husband aged 24, must be covered under the section. The family went on holiday and while they were travelling to the coast they were involved in a serious motor collision. Unfortunately George's younger son and daughter were fatally injured in the accident. George lodged a claim under the Bereavement Expenses section of the policy.

Would there be cover in terms of the policy wording, and why or why not?

Activity 2

The insured was on holiday in Spain when he was involved in a motor vehicle accident. He died as a result of the injuries he suffered in the accident. The policyholder's spouse needed to have his body returned to South Africa but decided that the body must first be shipped to New York so that her son and his family living there can say their final farewell to their father. Thereafter, the body was to be flown to England so that her unmarried son in London could also bid farewell to his father. The body would then be transported to South Africa.

Would the expenses of transporting the body be covered in terms of the policy wording, and why or why not?

Learning Unit 15: Hospital Cash Plan



learning outcomes

Learning Outcomes

Upon completion of this learning unit, it is expected that you will be able to:

- Understand and provide definitions for terminology.
- List who we insure for hospital cash plan.
- Describe what we insure under hospital cash plan.
- Identify what we do not insure (exclusions) under hospital cash plan.
- Identify the underwriting rules relevant to the insurance of hospital cash plan.

