

# What's most important in Trauma Cover?

Annually more than \$100 million in trauma claims is paid out in New Zealand, accounting for roughly 20% of risk claims paid out during that period. Quality Product Research (QPR) uses reinsurer claims information to weight our scoring according to the most important items. For example, 80-90% of our trauma weighting is given to high claiming conditions and the remaining is evenly distributed between minor conditions.

## The occurrence of trauma conditions differs dramatically between male and female lives.

According to claims data, cancer in males accounts for just over 40% of recorded claims, compared to 70% of trauma claims for females. Weighting cancer as having the same value as, say, Creutzfeldt-Jakob Disease, does not convey the importance of the condition.

Although cancer is a major claims cause for both male and female, respiratory and circulatory disorders (with a large contribution from heart attacks and strokes) make up a much larger proportion for males.

Advisers recognize the significance of being able to consider these differences during their advice process and this is why at QPR we don't simply rate a product. We score according to the individual client, varying the score weighting depending on biological gender\*, employment status, age, and product options.

To put this into perspective: the difference between the **best** cancer definition and the **worst** is often more significant than the combined value of around 15 minor conditions.

## How does value-based research work?



**Definition** - the quality of the wording



**Incidence** - how likely the benefit is to be claimed



**Amount** - how much is paid for the claim



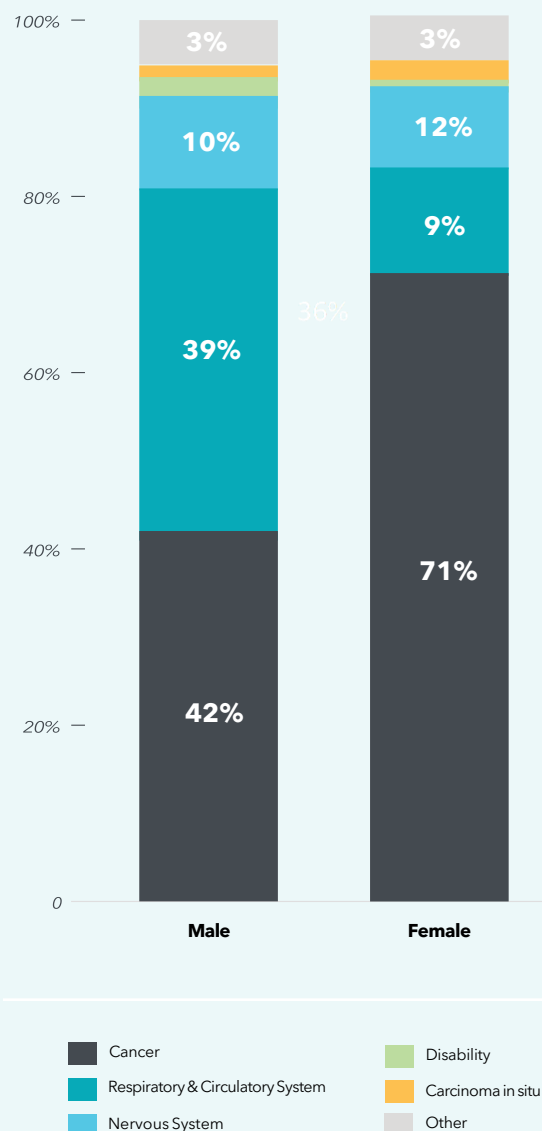
**Frequency** - how often the benefit would be paid

For more information on how we rate a product, please refer to our separate infographic *Why Methodology Matters*

\*We take our commitment to diversity seriously and acknowledge that this binary view excludes people who are intersex or other form of non-binary. Unfortunately, we do not yet have broader data on incidence, but this should in no way exclude you from obtaining cover.

Source: NZ Individual Lump Sum Claims Experience Investigations 2009 - 2014, Gen Re | Life/Health Region Australia/New Zealand.

## Trauma claims: by gender, category, and cause



## Major Conditions

According to reinsurer claims data, these major conditions cause the highest number of trauma claims in individuals aged 40-49. These major conditions contribute 80-90% of the weighting in trauma.

Major Conditions incidence %	Male	Female
<b>Cancer Critical</b>	42.03%	71.29%
<b>Heart Attack</b>	20.46%	2.90%
<b>Stroke</b>	10.46%	11.98%
<b>Coronary Artery Bypass</b>	5.31%	1.20%
<b>Surgery to Aorta</b>	2.90%	0.45%
<b>Angioplasty - Triple Vessel</b>	1.48%	0.45%
<b>Cardiac Arrest</b>	1.81%	0.45%
<b>Benign Brain and Spine Tumour</b>	0.36%	1.50%
<b>Total Incidence (%)</b>	84.81%	90.22%

## Policy Features

In contrast, the incidence for policy features is not an exact science, and trying to assign a percentage to how likely these features are utilized is a difficult task. Therefore, we have assigned scores based on logic of how they will be claimed.

For example, for *Financial Planning & Legal Advice*, there is a higher likelihood of payment if a policy is managed by an adviser as they can help make clients aware of claim opportunities versus policies that are self-managed. Therefore, we assign a 100% incidence score for this feature.

Policy Features incidence %	Male	Female
<b>Financial Planning &amp; Legal Advice</b>	100%	100%
<b>Upgrade Policy Wording</b>	100%	100%
<b>Diagnosis and Partial Benefits</b>	25%	25%
<b>Trauma Buyback</b>	12%	12%
<b>Instant Buyback</b>	12%	12%
<b>Life Cover Buyback</b>	12%	12%
<b>Inflation Adjusted Benefit</b>	10%	10%
<b>Future Insurability</b>	10%	10%
<b>Survival Definition</b>	10%	10%
<b>Cancer Benefit Booster</b>	5.40%	8.30%
<b>Grief &amp; Support Benefits</b>	8%	8%
<b>Conversion Option</b>	5%	5%
<b>Benefit Payment</b>	4%	4%
<b>Child Trauma</b>	4%	4%
<b>Exclusion</b>	3%	3%
<b>Special Events Increase</b>	3%	3%
<b>Funeral Benefit</b>	2%	2%
<b>Return to Home Benefit</b>	2%	2%
<b>Total and Permanent Disability</b>	2%	2%
<b>Worldwide Coverage</b>	2%	2%
<b>Terminal Illness</b>	0.40%	0.40%

## Minor Conditions

The remaining 10-15% of the weighting in trauma is evenly distributed between minor conditions as these have low rates of occurrence.

Minor Conditions incidence %	Male	Female
<b>Advanced AIDS</b>	0.35%	0.22%
<b>Alzheimer's Disease</b>	0.35%	0.22%
<b>Angioplasty</b>	0.35%	0.22%
<b>Aplastic Anaemia</b>	0.35%	0.22%
<b>Blindness</b>	0.35%	0.22%
<b>Bowel Disease</b>	0.35%	0.22%
<b>Cardiomyopathy</b>	0.35%	0.22%
<b>Cerebral Aneurysm</b>	0.35%	0.22%
<b>Chronic Liver Failure</b>	0.35%	0.22%
<b>Chronic Lung Disease</b>	0.35%	0.22%
<b>Cognitive Impairment</b>	0.35%	0.22%
<b>Coma</b>	0.35%	0.22%
<b>Creutzfeldt - Jakob Disease</b>	0.35%	0.22%
<b>Dementia</b>	0.35%	0.22%
<b>Early Onset Osteoporosis</b>	0.35%	0.22%
<b>Encephalitis</b>	0.35%	0.22%
<b>Female Carcinoma in situ</b>		0.22%
<b>Heart Surgery - Other</b>	0.35%	0.22%
<b>HIV</b>	0.35%	0.22%
<b>Intensive Care Treatment</b>	0.35%	0.22%
<b>Kidney Failure</b>	0.35%	0.22%
<b>Loss of Independence</b>	0.35%	0.22%
<b>Loss of limbs and/or eyes</b>	0.35%	0.22%
<b>Major Burns</b>	0.35%	0.22%
<b>Major Head Trauma</b>	0.35%	0.22%
<b>Major Organ Transplant</b>	0.35%	0.22%
<b>Male Cancer</b>	0.35%	
<b>Meningitis / Meningococcal Disease</b>	0.35%	0.22%
<b>Motor Neurone Disease</b>	0.35%	0.22%
<b>Multiple Sclerosis</b>	0.35%	0.22%
<b>Muscular Dystrophy</b>	0.35%	0.22%
<b>Paralysis</b>	0.35%	0.22%
<b>Parkinson's Disease</b>	0.35%	0.22%
<b>Peripheral Neuropathy</b>	0.35%	0.22%
<b>Permanent Loss of Hearing</b>	0.35%	0.22%
<b>Permanent Loss of Speech</b>	0.35%	0.22%
<b>Pneumonectomy</b>	0.35%	0.22%
<b>Pulmonary Hypertension</b>	0.35%	0.22%
<b>Rheumatoid Arthritis</b>	0.35%	0.22%
<b>Severe Congestive Cardiac Failure</b>	0.35%	0.22%
<b>Severe Diabetes</b>	0.35%	0.22%
<b>Severe Illness or Injury Benefit</b>	0.35%	0.22%
<b>Severe Peripheral Vascular Disease</b>	0.35%	0.22%
<b>Systemic Lupus Erythematosus</b>	0.35%	0.22%
<b>Systemic Sclerosis</b>	0.35%	0.22%
<b>Total Incidence (%)</b>	15.19%	9.78%