

South Africa - Disability Benefits

Provided through Hollard Insurance Group, GEB's Network Partner in South Africa

As South Africa's largest privately-owned insurance company, the Hollard Insurance Group includes the Hollard Insurance Company and Hollard Life Assurance Company. Established in 1980, the group provides disability, life insurance, short-term insurance, and investment products to a diverse customer base, including individual consumers, commercial entities and corporate clients. Headquartered in Parktown, Johannesburg, the Group covers close to 4million policyholders and employs over 3,500 staff across ten countries. Hollard is a recognised leader in the local market, receiving awards for Commercial and Corporate Insurer of the year (2015) and Risk Benefit Underwriter of the year (2015). In 2022, Hollard was named the non-life Corporate Product Supplier of the year. Hollard Group Risk has been one of the fastest growing group risk insurers since 2018.

Causes of Disability

According to the South African Medical Research Council, HIV, mental health, musculoskeletal, neurological and sense organ disorders are the five main contributors to the Years Lived with Disability (YLD) in South Africa. This is according to the South African burden of disease study.

Other significant causes of disability in South Africa include cancer, cardiovascular related illnesses and diabetes. Disabilities can have a significant impact on the psychological, mental, emotional and financial health of those affected. Many causes of disability can be managed through early intervention, education and lifestyle changes. For disorders that progress to disability and eventual absence from work, Hollard offers disability benefits and associated support services.

Disability Products

Hollard Group Risk offers Disability coverage for corporate groups. Following is a description of standard product features:

Disability Income Benefit (monthly income payments)

Definition of Disability: For the initial period from the date of disability, the following definition applies: the insured is incapable because of bodily injury or illness, disease or surgery, of performing with reasonable continuity the material and substantial duties of the insured's own occupation with his own employer. After the initial period from the date of disability, the following definition applies: the insured is incapable because of bodily injury or illness, disease or surgery, of performing with reasonable continuity the material and substantial duties of any occupation for which the insured could reasonably be expected to be educated, trained and experienced, for any employer. The initial period is either 12 or 24 months from date of disability (most common option is 24 months).

Disability Support

Hollard provides dedicated client support throughout the disability determination, rehabilitation and return to work process:

Early intervention and assessment: Early detection of, and timely intervention for a potential claim can be more effective than attempts to rehabilitate an individual who is already in receipt of a benefit. For this reason, Hollard encourages employers to initiate contact with their dedicated disability management team who will determine the appropriate intervention that needs to take place. The range of support Hollard provides to clients demonstrates that they are not only available to pay claims but are also an active partner in managing the ongoing well-being of employees.

Dedicated support for claimants: A dedicated claims assessor is assigned for each Employer group. This assessor coordinates and manages the claim process, as well as rehabilitation and return-to-work planning. Hollard contracts with specialists to provide therapeutic intervention and develop return to work strategies.

Rehabilitation support: Rehabilitation support programmes consist of re-skilling, re-training and/or providing recommendations for medical treatment programmes as appropriate to enable the claimant to perform the duties of their own occupation, or any occupation for which the claimant has, or can reasonably be trained to have, the necessary knowledge, skills or ability to return to work. Hollard will consult with their medical and/or non-medical experts to determine whether a rehabilitation programme will be beneficial to the claimant. A rehabilitation programme can be offered pro-actively to a potential claimant to try prevent a claim and can also be offered to a claimant who is already receiving a disability income benefit. A rehabilitation agreement must be signed by the claimant.

1-South Africa Medical Research Council Burden of Disease Research Unit, May 2017. <https://www.samrc.ac.za/sites/default/files/files/2019-01-25/NBDALYTechnicalReport.pdf> Page 18; 2-Global Burden of Diseases Study, South Africa. http://www.healthdata.org/sites/default/files/files/country_profiles/GBD/ihme_gbd_country_report_south_africa.pdf; 3-Mental Illness and Lost Income Among South Africans, Social Psychiatry and Psychiatric Epidemiology, Sept. 2012 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3627034/> GEBDIS/SouthAfrica_12.01.2024

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Disability Products (continued)

Benefits structure: The employee benefit can either be on a scaled structure or a flat structure based on the insured's monthly salary, subject to a maximum of R230,000. This benefit is paid monthly and is limited to 100% of the employee's net after-tax income at the date of disability. The employer benefit is paid to the employer and covers a portion of the cost the employer incurs in maintaining the employee's participation in a retirement fund and/or associated risk benefit fund. The benefit is paid monthly and is subject to a maximum of R50,000.

Waiting Period: The benefit has Waiting Periods of three, six or twelve months, with the most common options being three or six months.

Duration of cover: There is no standard limit on the Duration of Disability coverage. Ongoing eligibility is determined on a case by case basis and subject to the specific contract terms, e.g. maximum age limit, recovery of insured, death of insured, insured no longer satisfying the conditions for the benefit.

Claims Process: The date of disability is determined by a thorough review of the medical evidence provided by the insured individual and their treating physicians/other providers. This information is used to establish on what date the individual met the required definition of disability for the initial period as outlined above. Notice of disability must be provided to the insurer within three months of the date of initial disability. All documentation must be submitted within three months from date of initial notification.

Lump Sum Benefit (single, one time payment)

Definition of Disability: Under the Lump Sum Benefit, disability is defined as the total and permanent inability to work due to illness or injury. This means that the insured is unable to perform the material and substantial duties of his own occupation, or any occupation for which he is or could reasonably be expected to be educated, trained and experienced, for any employer.

Benefits structure: The lump sum benefit is paid as a one-time single payment up to a maximum of R10 million or 6-times annual salary.

Waiting Period: The benefit has Waiting Periods of six or twelve months, with the most common option being six months.

Claims Process: The date of disability is determined by a thorough review of the medical evidence provided by the insured individual and their treating physicians/other providers. This information is used to establish on what date the individual met the required definition of disability for the initial period as outlined above. Notice of disability must be provided to the insurer within three months of the date of initial disability. All documentation must be submitted within three months from the date of initial notification.

Disability Support (continued)

Return-to-work support: Working closely with employers, claimants and rehabilitation professionals, Hollard's disability assessors help to develop a treatment and return-to-work programme that is both realistic and achievable. Disability assessors are trained occupational therapists or physiotherapists with extensive experience in supporting claimants through the return-to-work process.

Leveraging technology: Hollard has invested in technology to develop a secure online platform for document sharing, claims submission and case management. Electronic billing and reimbursement are also available.

*When moving contracts, past liabilities and associated reserves remain with the prior insurer.

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