



FOR PROFESSIONALS

SINCE 1941

CLAIMS
FACT
SHEET
2013

THE REASON WHY PPS EXISTS

Every day, as a graduate professional, you face life-changing events.

However, the negative impact of experiencing such an event can be reduced with the necessary insurance. Sadly, some of you will not be adequately prepared for an event like this. According to a recent survey, clients are underinsured in terms of Sickness and Permanent Incapacity benefits.

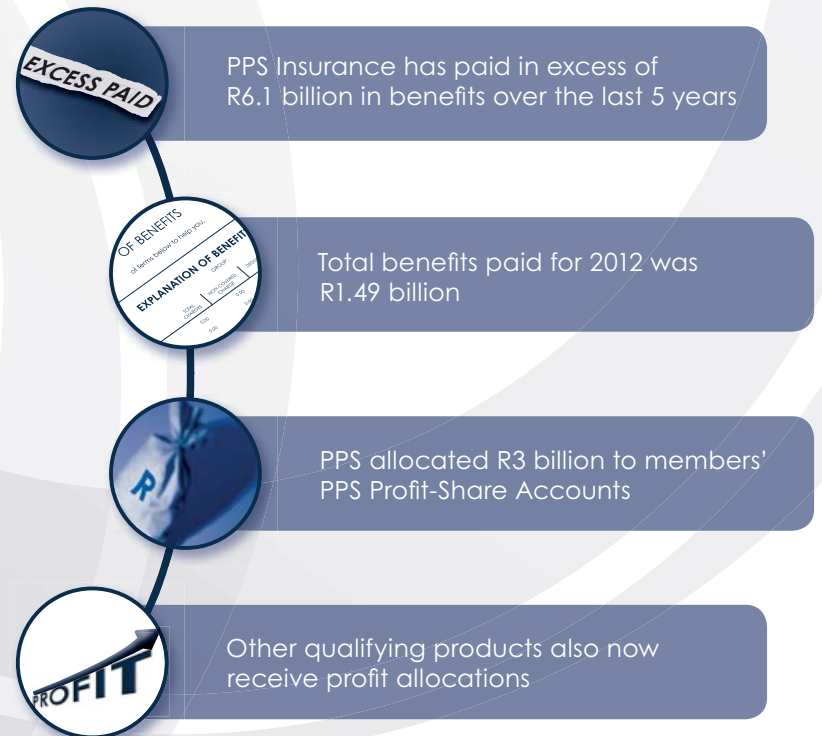
It is well known that PPS is a mutual company and exists solely for the benefit of our members. As a member with PPS benefits, you can ensure that PPS will be there when you need us most.

During 2012, PPS again proved its financial stability and seamless claims process. This provides our PPS members and financial advisers with the security that PPS pays all valid claims. It is the reason PPS was founded over 72 years ago and remains our reason for existence today.

In 2012 we paid a total of R1.49 billion in benefits. Members and advisers alike can therefore use this document as part of the holistic financial planning process to ensure that our graduate professionals are covered appropriately through life's ups and downs.

*"The preferred provider of financial solutions
for professionals since 1941"*

HIGHLIGHTS OF 2012



SICKNESS, HOSPITAL AND PERMANENT INCAPACITY CLAIMS

Hi! I am Greg Starr, qualified professional electrical engineer. I recently had the unpleasant event of being hijacked and assaulted. Due to the extensive injuries I sustained, I was booked off work for 23 days and had to spend a couple of days in hospital.

I unfortunately used up all my sickness days at work, due to a previous medical condition, and therefore had to take unpaid leave. Luckily for me I had PPS. They provided me with a monthly income for the time I was sick and in hospital to match my salary, which I used to live life and settle medical bills.

“PPS paid over 18,500 sickness claims during 2012. This is why we are here”



WHAT IS THE PPS SICKNESS BENEFIT?

It is a benefit that covers any illness or injury lasting for a period of at least seven consecutive days, and that prohibits a professional from practicing his usual professional duties. It is a tax-free benefit and pays irrespective of any other income, including professional fees or a salary.

WHAT IS THE PPS HOSPITAL BENEFIT?

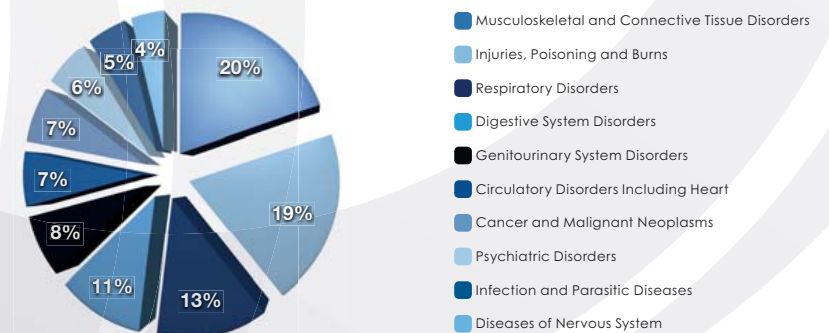
It is a benefit that covers any illness or injury which requires hospitalisation that lasts for a period of at least four consecutive days. It pays irrespective of any other income, including professional fees or a salary. This benefit is payable over and above the sickness benefit claimed for that period.

To claim Sickness or Hospital benefits from PPS, you must submit the required documentation completed by yourself and your treating medical practitioner.



COMMON CAUSE OF SICKNESS CLAIMS

2012 Sickness Claim Conditions



Sickness claims are short in duration but still impact the usual professional duties of the professional client. The vast majority of PPS sickness claims are for short periods of less than 14 days – unlike most income protection products that have a waiting period of at least a month before a claim is considered.



SICKNESS CLAIMS EXAMPLES

Typical short duration claims include sinusitis, colds, influenza, gastritis, where seven days are taken off work but no loss of income can be proven. PPS will pay the claim backdated to day one after a seven day waiting period

A common cause of claims is fractures. In some instances this would lead to time off work because of hospitalisation and recuperation time at home. Depending on nature of claim a claimant could be paid an initial total benefit, then a partial benefit when he returns to work half day or is only able to perform half of his usual professional duties

A claimant who develops cancer would be paid for the initial intermittent stages of surgery, chemotherapy and radiation treatment. Should the cancer recur, further sickness can be claimed up to a maximum of two years for the same condition. The claimant will then be assessed for permanent incapacity and, depending on the degree of impairment, may be awarded a 20%, 60% or 100% award, paid up to the age of 66 years. Any other income earned during this period will not be offset against claimed amount

Respiratory disorders are a common cause of sickness claims. Should a claimant develop pneumonia, he will be paid backdated to day one for his time spent in hospital and time booked off until he resumes his professional duties

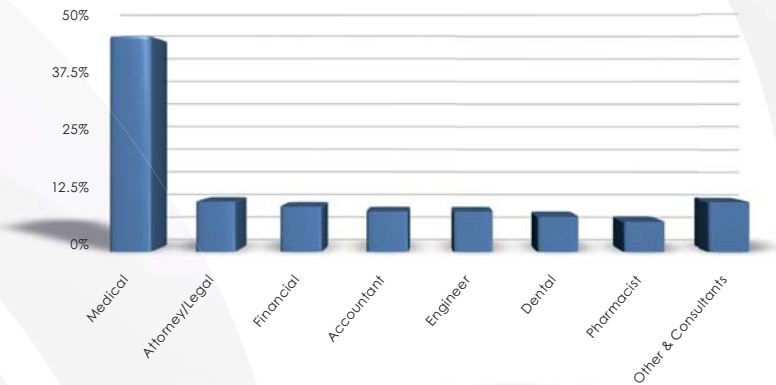
Should a claimant suffer a stroke and be severely impaired, he would be paid a continuous sickness benefit. After a two-year period he would be assessed for permanent incapacity and continue to receive a regular income till age 66

OCCUPATIONS

The distribution of sickness claims by occupation, highlights the fact that PPS is the preferred provider of financial solutions to a wide variety of graduate professionals. Some of these occupations are highly physically demanding and claims are for conditions such as arthritis affecting the large joints and spine.

However, occupations of a sedentary nature such as Attorneys and Chartered Accountants, are also equally represented in PPS Sickness claims.

2012 Sickness Claims Occupations



PREGNANCY COMPLICATIONS

"PPS covers a variety of pregnancy complications with their sickness and hospital benefit"

As part of the continuous enhancement of the PPS Product range, we have enhanced our cover for specific maternal complications during pregnancy. There is no waiting period for these benefits, and female members will have immediate cover for a wide range of conditions. No extra premium is charged.

The conditions will be assessed according to benefit criteria as set out by PPS with a maximum number of days payable for specific conditions. The normal SPPI product rules apply with regard to pregnancy complications where the benefit criteria of the specific conditions are not met.



PREGANACY COMPLICATION CLAIM EXAMPLE

Member Case:	Pregnancy Complications
Name:	Maria E. Cilliers
Age:	29
Profession:	Industrial Engineer
Member since:	2007
Claim:	Member suffered an abruption placentae, which led to excessive bleeding and early labour
PPS payout:	Duration of hospitalisation plus the remainder of the pregnancy
Claims do not affect the allocation to the PPS Profit-Share Account	
Members allocation to Profit Share Account	Allocation to the PPS Profit-Share Account continued

PERMANENT INCAPACITY

"50% of our Permanent Incapacity claimants were younger than 55"

"When the car hit, I immediately knew I had a problem. When I woke up 2 weeks later it was confirmed. I lost my right arm and suffered a lower-back injury. I was 30, in my specialised field of surgery. I thought I had lost everything. I am a passionate doctor who lives for my profession.

PPS was there the whole way, starting with the sickness benefit and now paying me a partial permanent incapacity benefit because I couldn't follow my passion of becoming a surgeon.

I now practice as a radiologist, still helping people and living my second dream. Due to PPS, I had the freedom to continue my duties as a doctor, even though I had to realign my dream a little bit. This is exactly what makes them great."



WHAT IS THE PPS PERMANENT INCAPACITY BENEFIT?

The Permanent Incapacity Benefit starts after you have received a sickness benefit for a period of two years for a specific condition. If you are assessed to be Permanently incapacitated, you will receive a 20%, 60% or a 100% of the benefit depending on the degree of your incapacity and the impact that it has on your ability to perform your usual professional duties.

Any income that the policyholder earns from his usual professional duties or from working in another field, does not reduce the awarded benefit. (i.e. no aggregation of benefits with those of other companies or salary that is earned).

A Policyholder who received a Partial Permanent Incapacity award of 20% or 60%:

- May elect to remain working within his profession. He will still pay premiums and may claim for any sickness unrelated to that for which he is receiving a permanent incapacity award.
- May elect not to work within his profession. He will not pay any further premiums and will not be entitled to make claims for any sickness unrelated to that for which he is receiving a permanent incapacity award. He will be entitled to an upward review of his partial permanent incapacity award.
- A Total Permanent Incapacity award will be 100%. A Policyholder who has been awarded a Total Permanent Incapacity award of 100% will not pay any further premiums and will also not be entitled to file any further sick-pay claims.

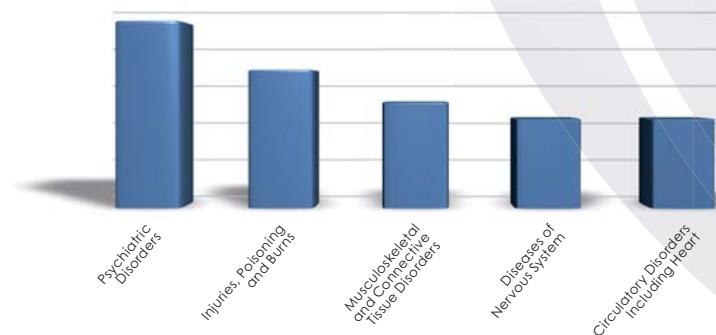
PERMANENT INCAPACITY CLAIMS 2012

Just over 65% of Permanent Incapacity claims paid in 2012 were for 100% incapacity awards. Of these 100% awards, a wide variety of occupations were covered, some of these being sedentary. These claims ensure financial security due to the member's loss of future earning capacity. Due to the specific impact of the illness or impairment, each case was individually assessed and the impact on the usual professional duties ascertained through the PPS Permanent Incapacity process.

Graduate professionals' knowledge and skills are a sought-after commodity. They work in highly stressful environments for long continuous periods. This can lead to claims relating to psychiatric disorders, which include depression, stress, burnout and often other more severe psychiatric issues.

The majority of PPS Permanent Incapacity claims awarded in 2012 were as a result of psychiatric disorders. PPS covers these disorders, providing comprehensive cover to our professionals in their time of need.

Top 5 causes of Permanent Incapacity claims

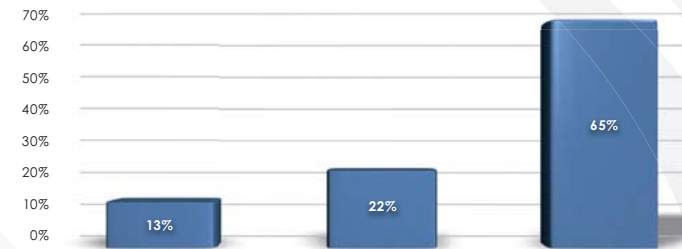


Having a purely professional client base, we are in a unique position to assess all claims with an intimate knowledge of the occupational requirements of each profession.

20% and 60% awards are made when a graduate professional is still able to generate a professional income. PPS during the year of 2012, has made various awards for permanent incapacity. A majority of these claims were for a 100% benefit where the members were totally unable to perform their usual professional duties.

The conditions under which these benefits were payable included a variety of conditions, from cancer related events to injuries sustained in motor vehicle accidents which impacted the members' usual professional duties and potential future earning capacity.

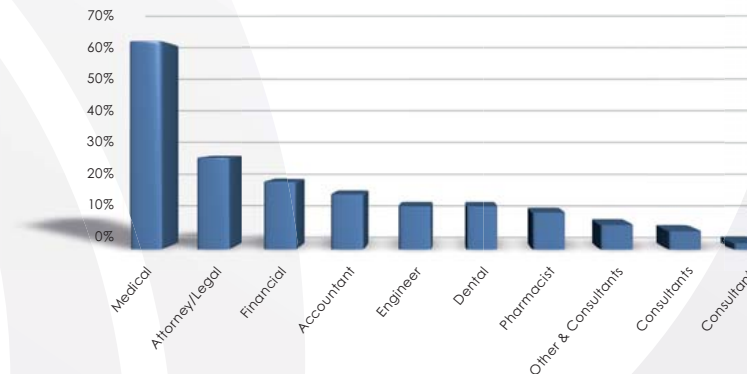
Permanent Incapacity



The professions covered also included a range of occupations, from the medical fraternity to more administrative occupations like attorneys, accountants and town and regional planners.

Due to the specific impact of their illness or impairment, each case was individually assessed and the impact on their usual professional duties ascertained through the PPS Permanent Incapacity process.

Permanent Incapacity Occupations



Member Case:	Cycling accident
Name:	Dr. Samuel Ngoro
Age:	48
Profession:	Dentist
Member since:	1989
Claim and PPS payout:	The member was involved in a cycling accident in January 2009. He sustained injuries to his back and neck, resulting in loss of muscle strength in his upper and lower limbs. His hand and upper limb function were significantly affected and he had difficulty walking. Because of these injuries to the hand, upper limb and difficulty with walking, his function was affected. He qualifies for a 100% Permanent Incapacity benefit in view of the fact that it is unlikely that he would be able to work as a dentist again. The member has started a new career as a researcher and continues to use his knowledge and skills
Members allocation to Profit Share Account in 2012	R136,258

OCCUPATION SPECIFIC PERMANENT INCAPACITY

"Mr. Mackay, I am sorry but you have cancer, and in my honest professional opinion, we have to start treatment immediately". Daunting words if you are fit and you've completed five Iron Man races, two Comrades and a bunch of triathlons.

It is two years later and PPS have just awarded me a Permanent Incapacity claim. The cancer has subsided for a while, and because I was able to work half day, PPS granted me a 60% award. My financial adviser informed me that I had the Occupation Specific Rider Benefit, which upgrades an award of 20% or 60% to a 100%.

This benefit gave me the freedom to decide if I wanted to continue with my practice or spend time with my family. With cancer you never know, PPS gave me the choice. I now enjoy the time I have left with my family."

"A truly unique benefit in the SA insurance market, it ensures that awards of 20%, or 60%* will be automatically increased to a 100% benefit"*



THE OCCUPATION SPECIFIC RIDER BENEFIT

The Occupation Specific Rider benefit (OSRB) is an additional add-on or rider benefit to the Sickness and Permanent Incapacity Benefit. This is a unique benefit in the South African insurance market. This benefit ensures that any award of 20%* or higher under the Permanent Incapacity Benefit, will automatically be increased to a non-reviewable 100% benefit.

Once an OSRB claim has been awarded, the monthly premium will stop and no further payment will be made for any related or unrelated sickness or permanent incapacity claims. However, the member will still receive their profit allocations to their PPS Profit-Share Account.

Unique features of the Occupation Specific Rider Benefit.

- Once awarded, this benefit is never reviewed.
- Any income earned from your own profession or any other profession will not be offset against the PPS payment.
- Annual increases in benefits continue.
- Benefit payable until the member turns 66.

THE OCCUPATION SPECIFIC RIDER BENEFIT CLAIM EXAMPLE

Member Case:	Motorcycle accident
Name:	Dr. Meyer
Age:	29
Profession:	Veterinarian
Member since:	2011
Claim and PPS payout:	The member was involved in a motorcycle accident. He sustained injuries to his back and neck. Dr. Meyer claimed his sickness benefits for a period of 2 years, and was assessed for Permanent Incapacity benefits. Due to the nature of his injuries he was awarded a 20% Permanent Incapacity Benefit. He qualified for a 100% benefit in view of the fact that he had the Occupation Specific Rider Benefit on his policy. His claim thus will not be reviewed again
Members allocation to Profit Share Account in 2012	Allocation to the PPS Profit-Share Account will continue until the age of 66

*Specific exclusions apply on OSRB: Mental & behavioural disorders, Fibromyalgia, Chronic fatigue syndrome. The life insured will still be assessed on the standard permanent incapacity benefit and can qualify for a payment there. These conditions are excluded from the OSRB benefit because of the uniqueness of the benefit since, once granted, it is never reviewed, even if an individual fully recovers and returns to full-time employment. With the advancements being made in treatment of mental disorders, for example, this is not a guarantee that can be made, so whilst an individual will receive a permanent incapacity benefit, it will be reviewable and, in case of recovery, the benefit will be reduced or cease.



LIFE COVER

"Realistically we will die and we need to cater for our loved ones. By having my cover with PPS, I am giving them something extra through my share in the profits"

"Matt, I accept the fact that you have this great proposal, but to be honest I just cannot afford the life cover you proposed. The last words I heard from my client, Dr. Nambiti. As we all know, life cover is a difficult sell, as it is a non-tangible asset. I walked out there with the signature.

A month after the cover was issued, Dr. Nambiti passed away. He was 45, was married and had three children. He suffered a massive heart attack, there was nothing they could do to save him.

You know, looking back, it was my best decision to propose and sell the life cover to him. Today his family can live financially secure from the benefits of the life policy which has been invested on their behalf.



PPS LIFE COVER

The PPS Professional Life Provider™ is just one of the risk products offered as part of the PPS Provider™ range of products. Designed to protect and provide for your loved ones in the unfortunate event of your death, the PPS Professional Life Provider™ will assist with cash to:

- Cover outstanding debts, be it your car, home or even your student loan or marriage debts.
- Provide for your surviving dependents by leaving a lump-sum to supplement their income or cover education costs and debts owed by them.
- Cover death taxes and ensuring your estate is liquid so that your executor does not need to sell property you bequeathed to others.

As from the 1st of January 2012, the PPS Professional Life Provider™ benefit with differentiated rates enjoys direct profit allocations to the PPS member's Profit-Share Account. In 2012 members received 15% of total premiums paid from 1 January 2012 to 31 December 2012, back through allocations to their Profit-Share Accounts.

PPS LIFE COVER CLAIMS EXAMPLES

Member Case:	Adventure Race
Name:	Mr P. Heymans
Age:	49
Profession:	Architect
Member since:	1988
Award made:	R7,710,600
Claim:	Member participated in an adventure race. He was discovered lying next his canoe on the side of the river by event organisers suffering a major trauma. After numerous attempts to resuscitate him, he passed away on the scene
PPS Profit-Share payout	R145,545

Member Case:	Critical illness
Name:	Mr Ntokozolo Khumalo
Age:	39
Profession:	Lawyer
Member since:	2003
Award made:	R4,376,830 including an immediate needs benefit of R50,000
Claim:	The member lived in a rural area where he practised as an attorney. He suffered an aortic rupture which requires emergency surgery. Due to his locality the member could not get to a doctor on time, and passed away
PPS Profit-Share payout	R43,994

Member Case:	Brain Tumour
Name:	Mr Frik Lups
Age:	29
Profession:	Businessman
Member since:	2007
Award made:	R2,7 million
Claim:	The member, a young businessman, started having severe headaches in October 2012. His medical practitioner diagnosed him with a brain tumour. After chemotherapy and various other treatments, the member unfortunately passed away in December 2012
PPS Profit-Share payout	R30,929

ACCIDENTAL DEATH

“Crime as we know, is a major issue in South Africa. Having a product that will pay out an additional amount if this should happen to me is comforting”

The PPS Accidental Death Product is a benefit that pays out an amount if death is a result of an accident, for example a motor vehicle accident, being a victim of crime or accidental drowning. Only financial and not health underwriting is done as this product is also suitable for those people who are not insurable for health reasons.

As from the 1st of January 2012, the PPS Accidental Death Product (stand-alone benefit) enjoys direct profit allocations to a member's PPS Profit-Share Account. In 2012 members received 5% of their total premiums paid from 1 January 2012 to 31 December 2012, into their Profit Share Accounts.

Many accidental death claims are of an accidental nature and for members under the age of 30, highlighting the importance of providing Life Cover and Accidental Death Cover as part of the financial planning process at younger ages. Below are some of the causes of Accidental Death Claims received by our claims department.

- Crime
- Drowning
- Falling
- Flying
- Motor Vehicle Accident
- Skydiving
- Paragliding



PPS ACCIDENTAL DEATH CLAIM EXAMPLE

Member Case:	Crime against member
Name:	Mrs Lealtitia Papendorp
Age:	38
Profession:	Civil Engineer
Member since:	2009
Award made:	PPS paid a total claim of R6,328,731 including Life cover of R3.8 million and Accidental Death of R2,529
Claim:	The member was attacked in her home, and passed away due to extensive external injuries
PPS Profit-Share payout	R22,358 paid out additionally to the estate

DISABILITY LUMP SUM

“When disability happens, you need the finances to make lifestyle adjustments that will suit you”

“Come on Judy, this will never happen to me. Disability never able to work - you must be joking! The probability of this happening to me, is less than 5%.

Famous last words, I am a Chartered Accountant. Something that I wanted to be my whole life. Today I am still a Chartered Accountant. The problem is I am a paraplegic. I was paralysed in a motor vehicle accident, and I was only 33.

Let me tell you now, everything has changed, my future opportunities and promotions will never be the same. My accessibility to everything has changed, and the costs to maintain a standard of living with paraplegia, enormous. If it wasn't for my financial adviser, changing my mind about disability, I wouldn't be in the position I am today. Due to the payout I receive from PPS, I am today able to live without huge financial strain. I can still look after my family's needs.

*“To PPS, I as a member, want to say: PPS ya sebetsa ka nnete”
(It is true, PPS works for real)*



WHAT IS DISABILITY?

Designed to provide a lump-sum benefit in case of disability. It can help cover the costs of making any necessary lifestyle adjustments that a disability may require.

Sudden disability can result in exorbitant expenses and a partial or substantial reduction in family income. An individual needs to be sure that his/her family are well provided for financially, in such an event.

DISABILITY CLAIMS EXAMPLES

Member Case:	Loss of vision
Name:	Mr Pottinger Greyling
Age:	65
Profession:	Pharmacist
Member since:	1971
Award made:	R1,9 million
Claim:	Total loss of vision in both eyes
PPS Profit-Share:	Profit allocations during this claim continued

Member Case:	Dementia
Name:	Mrs Shamiela Hussain
Age:	43
Profession:	Industrial Psychologist
Member since:	2000
Award made:	R3,7 million
Claim:	Member suffered extensive brain injuries during a motor vehicle accident
PPS Profit-Share:	Profit allocations during this claim continued

SEVERE ILLNESS, TRAUMA AND PHYSICAL IMPAIRMENT

"Insurance products like the PPS critical illness benefit, ensures that you are financially covered if disaster strikes. This should be part of any graduate professional's financial plan"

"You know, it happened so quickly. My wife Lynn, a qualified orthopaedic surgeon, but somehow in her busy schedule, had the time to see a financial adviser, and had PPS severe illness benefit. She was fine the one day, and then she found the lump in her breast. The oncologist said it was a Stage II cancer. Her PPS critical illness benefit paid out a lump-sum amount. This helped immensely, as the cost of having cancer is unimaginable.

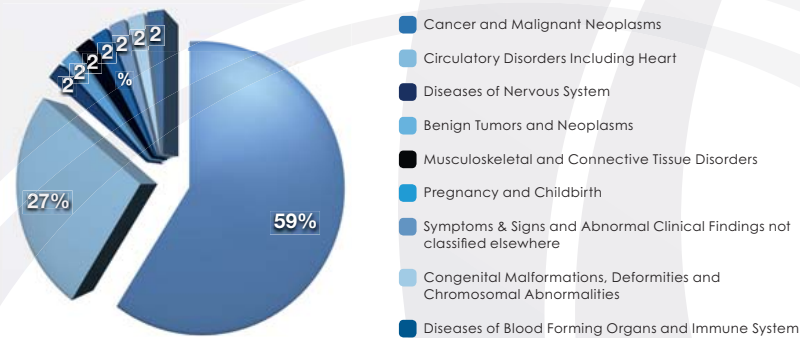
Lynn is fine today, and continues to practise. Luckily she still has her PPS for any other event that will influence our lives."



WHAT IS CRITICAL ILLNESS COVER?

The PPS Professional Health Provider™ benefit is a lump-sum benefit that pays out according to specific criteria. The assessment is not related to the ability of a member to work or not. The lump-sum can be used to offset the lifestyle or medical expenses that the diagnosis of a major health event can bring about. The product was created with the graduate professional in mind and provides unique cover for conditions such as gunshot wounds and reconstructive facial injury. This benefit allows for multiple claims ensuring that you are covered for future unrelated events.

2012 Critical Illness Claim Conditions

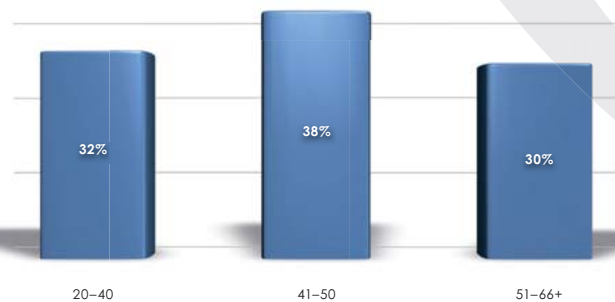


The graph depicts the importance of critical illness cover, and the overlap of these conditions with the PPS Sickness and Permanent Incapacity benefit.

The two leading causes of claims include cancers and cardiovascular benefits, conditions typically covered under the SCIDEP definitions. Cancer is a leading cause of critical illness across the industry but the effect on a professional and his practice can be detrimental.

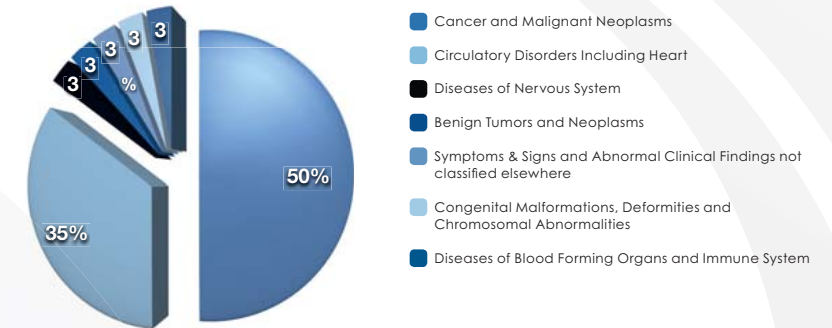
Young male professionals are not immune to critical illness events, and often have to face the reality of these events. 32% of the claims received were for member between the ages of 20-40.

Critical illness claims for men by age



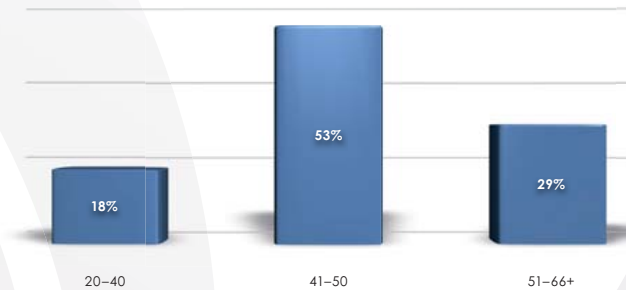
The biggest risk for males were for cancers and circulatory disorders, 85% of claims payable were for these conditions.

Male – Top conditions for claims



Female professionals are often undersold in terms of insurance benefits. Even for the younger professionals it is important to provide them with critical illness benefits. 71% of the claims that we paid were in respect of members between the ages of 20-40.

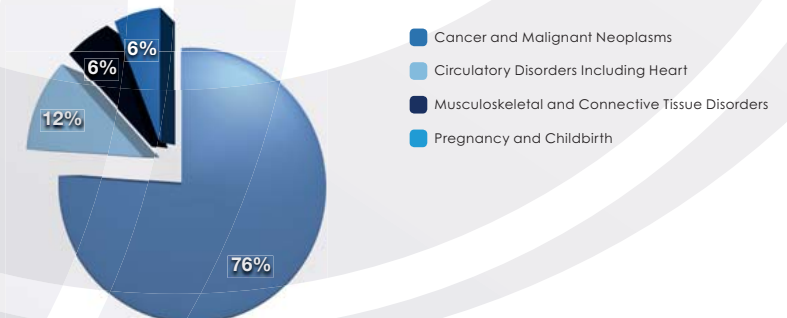
Critical illness claims for women by age



The top conditions for female professionals include cancers, circulatory disorders, musculoskeletal disorders and pregnancy complications. 88% of claims were attributed to cancers and circulatory disorders.

Cancers included breast to ovarian cancers. Musculoskeletal disorders included Systemic Lupus Erythematosus and Rheumatoid Arthritis, a condition that is seen in especially our younger female members.

Female – Top conditions for claims



PPS CRITICAL ILLNESS CLAIMS EXAMPLES

Member Case:	Gunshot Wounds
Name:	Dr James Longland
Age:	26
Profession:	Medical Doctor
Member since:	2011
Award made:	100% payout of R989,000
Claim:	Member has been doing his residency year in a rural area. He was shot through the stomach in an attempted hijacking. Due to his extensive injuries he required surgical intervention.
PPS Profit-Share:	Profit allocations during this claim continued and the member received a total of R6,589 in his PPS Profit-Share account for 2012.

Member Case:	Transplant
Name:	Mrs Janine Mckinsey
Age:	41
Profession:	Microbiologist
Member since:	1999
Award made:	100% payout of R1,100,000
Claim:	The member suffered from polycystic kidney syndrome, a genetic disorder of the kidneys that she was not aware of. The member was placed on the transplant list and in 2012 received a new kidney from an organ donor.
PPS Profit-Share Payout:	Profit allocations during this claim continued and the member received a total of R26,589 in her PPS Profit-Share account for 2012.

Member Case:	Multiple Sclerosis
Name:	Mrs Kenilwa Moselwa
Age:	55
Profession:	Director
Member since:	1990
Award made:	100% for a total claim of R3,589,000
Claim:	The member was diagnosed with multiple sclerosis in 2006 for the first time, for which the member initially received a 25% claim due to the mild symptoms. In 2012 her condition deteriorated to such an extent that she was awarded a 100% benefit. As a result of the annual benefit increases growth, she received a higher amount.
PPS Profit-Share:	Profit allocations during this claim continued and the member received a total of R96,589 in her PPS Profit-Share account for 2012.

*All claim examples are based on actual PPS claims.
 The names of our policyholders have been altered, to protect their identity.

NOTES:



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