

THE BLACK STONE VOICE

Monthly Newsletter for Black Stone Capital Members



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A MESSAGE FROM THE MANAGING DIRECTOR

by Trevor Carty

And it is here...hello spring and goodbye winter. The third Wave of covid has been destructive and we encourage all to go get vaccinated, the management team have all been done and I got lucky by having one jab with J&J. September also marks mid-year in the new tax year and allows us to relook and rethink our portfolios. When last did you review your financial planning and look at your beneficiary nominations? Is your Will updated? I had to bury my best hunting and golf mate in August...far too young - Eduard rest in peace my friend. It has inspired me to do a follow up version of my financial planning must know book, "Lessons from my late Father". Coming to Amazon shortly is believe it or not , "Lessons from my late Father & then Ed died". My second ever death claim, after my father who passed 11 years ago and the learnings in the process of winding up an estate from a working married man with children. Lots to be said for life income, gap cover and having your tax affairs up to date.

My mom turns 80 mid-month 80, yes 80... and my business partner, David Brown, turns 65. Best wishes to them both. What a winter it was, between the Olympics, the British Lions tour, Wimbledon and the last Major of the year it is now time to get outdoors and drop a few of these winter kilos. Our ESG shared value integration sustainability model also goes live this season, go brokers - go corporates! Stay safe, get vaccinated, wash hands regularly, social distance and wear that mask. So looking forward to travelling internationally again soon. See you out there

Warm regards
Trevor Carty
Managing Director

VACCINATED PEOPLE COULD PAY LESS FOR LIFE COVER

This week, Discovery Life became the first insurance company to reward clients who are vaccinated and to apply a risk rating to new clients who choose not to get the Covid-19 jab. When it comes to understanding the risks in a society, insurers generally offer the best insights. Insurance companies do not pay out for deaths that did not happen, and they will apply a risk rating on behaviours or the health status of clients they believe would lead to more illness or a higher mortality rate. Therefore, people who smoke or have a chronic condition such as diabetes pay more for insurance cover. Discovery Life's statistics are telling them several things about Covid-19:

- Covid-19 affects younger people
 - Middle-aged clients have the highest relative increase in mortality risk once becoming infected with Covid-19.
 - Vaccines reduce severity of infection: He says they have already seen a 47% reduction in Covid-19 cases among people three weeks after receiving the first dose of the Pfizer vaccine.
 - Vaccines reduce hospitalisation: Discovery Health data further highlights that people infected with the Delta variant of Covid-19 have a 95% lower risk of being hospitalised after receiving both doses of the Pfizer vaccine.
 - Benefits outweigh risks: The risk of becoming infected by Covid-19 far outweighs any possible side effects of the vaccine. It would be counter-intuitive for an insurer to encourage people to do something that would increase their chances of death or illness.
- Discovery Life's deputy CEO, Gareth Friedlander, says there is a misconception that the increased mortality rate is only seen in the elderly.

"Our research reveals that middle-aged clients have the highest relative increase in mortality risk once becoming infected with Covid-19.

"The mortality risk is more than 10 times higher for people in their mid-forties, emphasising that the risks caused by contracting Covid-19 cannot be ignored in any age group," Friedlander says. He also confirms that, in the unlikely event of a client having an adverse reaction to the vaccine, they will be fully covered under their life insurance. Having a vaccine is not considered to be a risk to one's health.

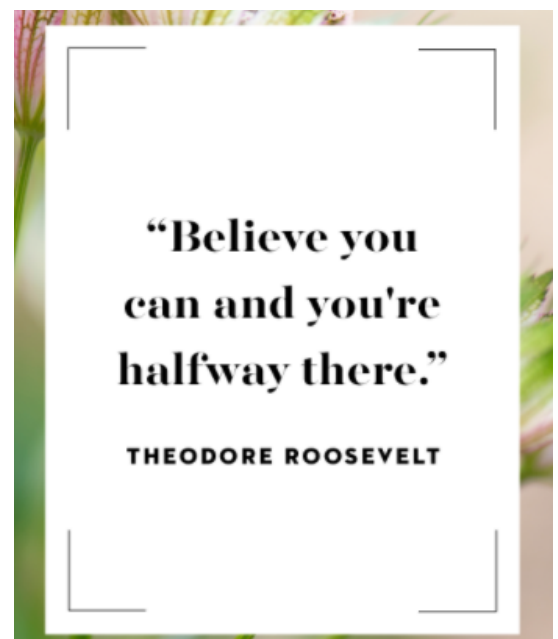
What does this mean for Discovery Life clients?

There are no changes to existing Discovery Life clients' policies as the move will only be applied to new clients. Discovery Life states that being vaccinated against Covid-19 "is now an additional consideration in determining life insurance premiums for new clients, effective from July 29 2021".

The CEO of Discovery Life, Riaan van Reenen, says clients with new policies who indicate that they will not get vaccinated may be subject to higher premiums due to the increased risk to their wellbeing. A refusal to get vaccinated will be treated similarly to smoking or lifestyle diseases such as diabetes, which result in higher premiums. This premium will be adjusted should an unvaccinated client later decide to get inoculated.

It is also offering new clients "maximum possible payback, given their selected payback option and integrator type, for the first year of their new policy", says Van Reenen. Clients are asked upfront if they have already been vaccinated or if they plan to get the jab as soon as circumstances allow. If they answer yes, they will get the offer.

Theodore Roosevelt Jr., often referred to as Teddy or his initials T. R., was an American statesman, conservationist, naturalist, historian, and writer, who served as the 26th president of the United States from 1901 to 1909.



FAIS OMBUD SETTLEMENTS 2019/2020

The complainant, a nurse, had resigned from her employment and received her full pension benefit from the GEPF to the value of approximately R1.4 million. The complainant then approached the respondent for assistance on how best to invest the proceeds of her pension and, subsequent to the advice provided, the complainant invested in what she understood to be a 6-month investment. The complainant saw this as a suitable investment to allow her time to plan her business venture for which the funds were ultimately earmarked. Three months after the inception of the policy the complainant began suspecting that something was amiss with the investment as her monthly statement indicated a substantial decrease in the capital amount invested. Upon enquiry, the complainant was advised that it was as a result of fees and charges that she claimed had not been disclosed to her. The complainant also noted that she had been provided with an endowment policy with a term of 5 years and that she would be penalised if she wanted to access her funds. The complaint was duly submitted to

the respondent to provide details as to why the recommendation of the endowment policy was deemed to have been appropriate to the complainant's needs and circumstances, especially considering the complainant's requirement that the funds be used to facilitate a business venture. The respondent was also requested to provide documentation in compliance with the provision of the General Code of Conduct for Authorised Financial Services Providers and Representatives ('the Code') showing that concise details of the material terms of the policy had been disclosed to the complainant to have allowed her to make an informed decision as to the appropriateness of the recommended policy to her needs and circumstances. In response to the complaint, the respondent advised that the matter would be settled. The complainant received her full invested capital back including an amount towards lost interest for the period in question.

GENOA - MED-MAL

In the event that the insured:

- **Retires**

the permanent ceasing to practise and withdrawal from one's position, occupation and/or from one's active working life.

- **Ceases to practice as a Practitioner**

bringing the Insured's Professional Services to an end either due to emigration, having taken up a position overseas, having taken up a medico legal advisory role or by accepting a full-time position as a practitioner in a state hospital (no private sector services being performed) whichever is applicable

- **Becomes permanently Disabled**

having a physical or mental condition that limits the Insured's movements, senses, or activities in a manner that prevents the Insured from carrying out the duties that would ordinarily be expected of them

- **Dies (the Executor acting on his/her behalf)**

They will be granted an additional period of up to sixty (60) months (subject to the terms and conditions of the policy wording applicable) in which to make and report in writing any claims or notifications to the Insurer that

THIS DAY IN HISTORY 1 SEPTEMBER 1853 - FIRST POSTAGE STAMP IN AFRICA

On 1 September 1853, the first adhesive postage stamp in Africa was issued in the Cape of Good Hope, a British colony at the time. The triangular shaped stamp became known as the 'Cape Triangular'. The stamp was designed by Charles Davidson Bell, who was the Surveyor General of the Cape Colony at the time. The stamps depicted the reclining figure of Hope, in homage to the Cape of Good Hope. The triangular shape of the stamp was a unique design for a stamp during this period. Sir George Cathcart, Governor at the Cape at the time, had proudly commented on how the stamps looked completely different to the British stamps.

The Cape Triangular stamps appeared in two values, the "four pence blue" and the "one penny red", and could be used to pay inland post only. The first adhesive stamp ever to be issued in the world was the British "Penny Black" in 1840, which depicted Queen Victoria's head against a black background and had a denomination of one penny. A centenary edition of the Cape Triangular stamp was later issued on 1 September 1953, which included the original design on a rectangular stamp in sepia and vermilion. Related: Colonial Post and Telegraph Diary of the Cape of Good Hope



REMINDERS

- Don't forget to send your compliance to service@blackstonecapital.co.za
- For service related queries, please email to service@blackstonecapital.co.za
- Please send your new business register to service@blackstonecapital.co.za

EXPIRED LICENCE? SEE WHAT THE INSURANCE INDUSTRY SAYS

The South African Insurance Association (SAIA) has received new enquiries from concerned motorists about how insurers would treat motor vehicle claims where the insured person's driver's licence has expired after 31 August 2021. In short, drivers can take comfort in the fact that an insurer will not automatically reject a claim where a licence has expired. This matter is particularly relevant when there are backlogs or delays in getting appointments at Drivers Licence Testing Centres (DLTCs). Insurers follow the guidance provided by the Ombudsman for Short-term Insurance (OSTI) who has from as far back as May 2007 ruled that insurers should not refuse to entertain the claim if the driver's licence or licence disc has expired. To determine an equitable outcome, the insurer would need to demonstrate prejudice because of the failure to be in possession of a valid licence, therefore materiality is a critical factor for consideration.

The OSTI stated that the insurer should consider the full merits of each claim before making a decision and not reject claims solely because a driver's licence had expired.

Therefore, as each individual claim is judged according to its own merits, in some cases, after examining the particulars of a claim, an insurer may determine that not having a valid licence was material and therefore directly relevant to the claim. In such a case, a claim might be denied.

SAIA advises the policyholder to proactively contact their respective insurer or broker to make them aware of difficulties being experienced in getting a licence renewed, as well as provide evidence that the renewal application has been made or at least that attempts have been made in this regard. Insurers would make the necessary concession(s) for valid claims in consideration of this.



**Are you a member of FPI?
If not join today
contact membership@fpi.co.za or
phone 011 470 6000**