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Standard Industry Policy Definitions for Certain Dread Disease Conditions

From 1 September 2009 Momentum will be following an industry standard of assessing certain dread disease (critical illness) events, to ensure that consistent and objective claims decisions are made.

The former Life Offices Association (LOA), whose members are now part of ASISA (Association for Savings & Investment SA), set up SCIDEP (Standardised Critical Illness Definitions Project) to derive a set of standard industry definitions.

The standard definitions apply to the following four "core" diseases, which make up between 70% and 90% of all dread disease claims:

- heart attack
- cancer
- stroke
- coronary artery bypass graft (CABG).

All other conditions not listed above will be assessed in terms of Momentum's standard policy definitions and terms.

In order to provide greater transparency in terms of how the above dread disease events will be assessed, ASISA has provided a set of 'Layman's' definitions to be provided to policyholders at quotation stage, and a Disclosure Grid setting out the percentages which an insurer will pay out, depending on the severity levels of the dread disease event. The Layman's definitions and the Disclosure Grid are set out below. Please note that the definitions are more comprehensively defined in the policy, and should there be any discrepancy between the Layman's definitions and the policy conditions, the provisions of the policy will apply.

Heart attack - Layman's description

Four levels of severity of heart attacks are defined:

- Level D is the mildest and Level A the most severe.
- In both levels C and D the patient recovers fully and the heart function returns to normal.
- In levels A and B, more permanent damage has resulted, which means the heart function is less than 100% after recovery.

- The effect of the heart attack on heart function should be measured 6 weeks after the heart attack.

Level A: Heart attack severe impairment in function

These are heart attacks where a significant proportion of the heart muscle was damaged. The same tests are used to measure the damage as under Level B but the results would show a more serious level of impaired function.

This person will have difficulty coping with normal activities of daily living, and will most likely not be able to work.

Level B: Heart attack with mild permanent impairment in function

This is usually a heart attack that does not recover 100% of normal function. The degree of permanent damage can be measured by a heart sonar, an exercise tolerance test or a measurement of physical abilities. These measurements should be performed 6 weeks after the heart attack.

A person with this level of heart damage should still be able to manage normal daily activities and even their occupation, if the occupation does not involve strenuous physical work. However, this person's insurability will be adversely affected, and the future risk for a repeat cardiac event is high. Significant lifestyle adaptation and risk factor modification are indicated.

Level C: Moderate heart attack of specified severity

In this case damage to the heart muscle is more than in Level D. In some cases a cardiologist will intervene early and reverse the potential damage. This intervention may include administration of drugs to dissolve the blood clot in the coronary artery/ies, balloon stretching of the coronary artery, with or without a stent.

Because the clinical methods of diagnosing this level of heart attack are unambiguous, only two of the three criteria are required:

- Typical chest pain or other symptoms typically associated with a heart attack.
- Certain defined ECG changes. At this level the changes are more marked and more specific to a heart attack.
- Elevated blood test results greater than required for Level D.

Level D: Mild heart attack with full recovery

This is a heart attack where the ECG changes and blood test results are mildly abnormal. Therefore, all three criteria are required, ie:

- Typical chest pain or other symptoms associated with a heart attack.
- Certain defined ECG changes.
- An elevation in certain blood test results.

Cancer - Layman's description

Cancer is an uncontrolled growth that spreads into the normal tissue surrounding the organ where the cancer originates. The diagnosis must be supported by tests where a pathologist confirms the presence of cancer cells using a microscope. Some cancers have been specifically excluded because:

- The long term outcome is good and the effect on quality of life is minimal; and
- Treatment is neither expensive nor extensive.

There are specific exclusions to this definition that include:

- Cancerous cells that have not invaded the surrounding or underlying tissue.
- Early cancer of the prostate gland and breast.
- All cancers of the skin except cancerous moles that have invaded underlying tissue.

Staging of cancer

As a general rule there are four stages of cancer. Stage 1 cancer is defined by an invasive cancer confined to the tissue or organ of origin. Stage 2 cancer is defined by the involvement of adjacent structures or organs. Stage 3 cancer involves spreading to regional lymph nodes. Stage 4 cancer is characterised by distant metastasis.

However, each type of cancer is staged specifically by the American Joint Committee For Cancer (AJCC). This staging is based on the outcome of the specific cancer and does not always follow the general rule as stated above. In order to standardise staging, ASISA used the AJCC system which is the same system used in clinical practice by specialists who treat cancer.

Stroke - Layman's Definition

A stroke occurs when the blood supply to a portion of the brain is obstructed and this part of the brain tissue dies. It can also happen when there is bleeding into the brain tissue due to a weakening or abnormality of the blood vessel wall. A common cause of the rupture of a brain blood vessel is longstanding uncontrolled high blood pressure.

The result of a stroke is usually paralysis of an arm and leg, sometimes with one half of the face affected as well. In some cases people also lose their ability to speak. The paralysis can recover to varying degrees. Some recover fully, whereas others may retain permanent weakness of a limb/s.

A Transient Ischaemic Attack (TIA) does not cause a stroke. It occurs when the blood supply is momentarily interrupted, but restored before any permanent damage can occur. It usually results in one or more of the following symptoms:

- a loss of sensation
- dizziness
- lameness of a limb

- loss of speech

which only occur for a few minutes to hours and recovery is quick and spontaneous.

Coronary artery bypass graft (CABG) - Layman’s definition

Coronary artery bypass graft surgery, also called heart bypass or bypass surgery, is a surgical procedure performed to relieve chest pain and reduce the risk of death from heart disease.

Arteries or veins from elsewhere in the patient's body (most commonly the leg) are joined to the coronary arteries of the heart to bypass the narrowing of the affected or diseased arteries. This improves the blood supply and circulation to the heart muscle. The terms “single bypass”, “double bypass”, “triple bypass”, “quadruple bypass” and “quintuple bypass” refer to the number of coronary arteries bypassed in the procedure.

This surgery is usually performed with the heart stopped, necessitating the usage of highly specialised theatre equipment to keep the heart and the lungs working during the course of the operation.

The grid below specifies Momentum’s percentage payouts for each of the defined illnesses:

Dread disease benefit Disclosure Grid as measured against ASISA critical illness definitions (severity level payments)

DEFINED ILLNESSES	SEVERITY LEVEL			
	A Most severe	B Moderate impairment	C Mild impairment	D Almost full recovery
Heart attack	100%	75%	50%	50%
Coronary artery bypass graft (CABG)	100%	50%	50%	50%
Stroke	100%	50%	50%	10%
Cancer	100%	100%	100%	50%

For further information please contact your marketing adviser or specialist marketing adviser.

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