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Discovery Life clients can now get higher PayBacks if vaccinated against COVID-19

Johannesburg, 29 July 2021 – [Discovery Life](#) has announced a ‘first-of-its-kind’ underwriting determinant for the South African life insurance market, stating that being vaccinated against COVID-19 is now an additional consideration in determining life insurance premiums and benefits for new clients, effective from the 29th of July 2021.

“Through our premium PayBack reward mechanism, we are offering all qualifying new clients their maximum possible PayBack, given their selected PayBack option and Integrator type, for the first year of their new policy,” says CEO of Discovery Life Riaan van Reenen. He adds: “The process is seamless with no additional burden of proof or documentation being required

upfront.”

Clients with new policies who indicate that they are unwilling to be vaccinated may, unfortunately, be subject to higher premiums due to the increased risk. Refusal to be vaccinated is treated similarly to smoking or lifestyle diseases such as diabetes, which receive a higher premium. This premium may be adjusted should an unvaccinated client later decide to get vaccinated.

“COVID-19 has touched every facet of our society, and we have received claims from clients of all profiles. However, clear trends have emerged over the last year. These relate to gender, age, lifestyle choices, co-morbidities and occupation, which influence the number and severity of COVID-19 claims,” says van Reenen.

COVID-19 adds significant risk to the health of life insurance clients across all age groups.

Mortality rates also rise far above the average population mortality rates once a client has tested positive for COVID-19.

“Our research reveals that middle-aged clients have the highest relative increase in mortality risk once becoming infected with COVID-19. The relative mortality risk is highest for people in their mid-40s, emphasising that the risks caused by contracting COVID-19 cannot be ignored in any age group,” van Reenen adds.

He elaborates that risk due to COVID-19 is two-fold – mortality and morbidity risk. While life cover will always be essential, with its value amplified throughout the pandemic, morbidity risks manifest through benefits such as the Income Continuation Benefit and Severe Illness Benefits which are associated with severe cases of COVID-19. By reducing their risks arising from COVID-19, Discovery Life clients create savings which can then be returned to them.

Healthy behaviours are proven to lower a client’s risk. A healthier client exhibits lower mortality, morbidity and lapse rates. When our clients lead a healthy life, it allows us to derive insurance savings over a longer period. Through engagement with Vitality, we can determine a client’s individual

level of risk and pass these insurance savings back to them through rewards such as lower premiums and PayBacks.

This same concept applies to vaccinations, since they result in healthier clients. Van Reenen adds “Our internal data suggests that an average 75-year-old who is fully vaccinated has a similar risk of dying from COVID-19 to a typical 40-year-old who has not been vaccinated.” He continues to explain: “Vaccinations are also extremely effective in preventing hospitalisations. A recent [study](#) showed that even if only 8% of a population does not get fully vaccinated, that 8% is expected to experience more hospitalisations than the other 92%. This follows from the fact that fully vaccinated individuals experience a 94% lower real rate of admission than those who are not vaccinated.”

“If a new Discovery Life client is vaccinated against COVID-19, we’ll return this value to them through the Vaccination Max PayBack Offer. This offer provides clients who are vaccinated, and who qualify for PayBacks, the maximum PayBack percentage available to them for the first year of their policy. This is significant as Discovery Life clients can earn PayBacks of up to 100% depending on their chosen policy options,” says Discovery Life Deputy CEO, Gareth Friedlander.

The vaccination status of the main client on the policy is considered for the offer. This decision comes on the back of clear evidence on the efficacy of vaccinations and South Africa’s acceleration of its vaccination campaign during the remainder of 2021.

Friedlander adds: “Life insurance has never offered better value than over the past year. Our clients have demonstrated the value they place on their life insurance during this time through lower lapses, with January 2021 exhibiting our lowest ever lapse rate.”

Hospitalisation rates depend heavily on risk factors such as age and existing medical conditions. Data analysis shows that individuals with these risk factors can control their elevated COVID-19 mortality risks by adopting healthy behaviours and engaging with the Vitality programme.

“These positive outcomes have manifested for Discovery Life clients. At a high level, Discovery Life has continued to reap the benefits of positive health behaviours and, therefore, improved outcomes during the COVID-19

pandemic,” says van Reenen.

Research data further highlights that people infected with the Delta COVID-19 variants have a 95% lower risk of being hospitalised after having both doses of the Pfizer vaccine, with significant benefits even after a single dose. This research also reveals that clients have a 47 percent lower risk of contracting COVID-19 three weeks after taking their first dose of the Pfizer vaccination.

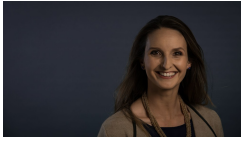
Discovery information

About Discovery

Discovery Limited is a South African-founded financial services organisation that operates in the healthcare, life assurance, short-term insurance, savings and investment and wellness markets. Since inception in 1992, Discovery has been guided by a clear core purpose – to make people healthier and to enhance and protect their lives. This has manifested in its globally recognised Vitality Shared-Value insurance model, active in 27 markets with over 20 million members. The model is exported and scaled through the Global Vitality Network, an alliance of some of the largest insurers across key markets including AIA (Asia), Ping An (China), Generali (Europe), Sumitomo (Japan), John Hancock (US), Manulife (Canada) and Vitality Life & Health (UK, wholly owned). Discovery trades on the Johannesburg Securities Exchange as DSY.

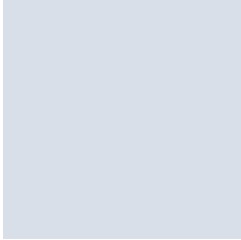
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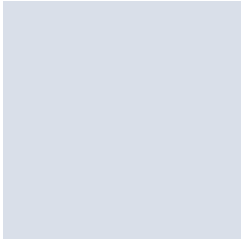
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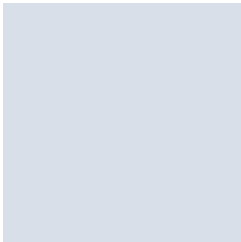
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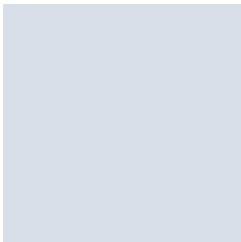
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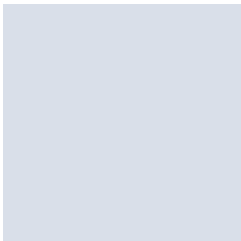
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