

# The new ASISA standardised critical illness definitions – what difference will they actually make to you?

Paul Lewis

Deputy Managing Director - Gen Re

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# Background

- ❑ Dread Disease “invented” in South Africa
- ❑ Crusader Life
- ❑ First sale - 1983
- ❑ First claim – 1 December 1984
- ❑ First product covered
  - ❖ Heart attack
  - ❖ Cancer
  - ❖ Stroke
  - ❖ CABG
- ❑ These conditions cover(ed) 90% of all claims



# Background

- ❑ Further 8 (“core” definitions)
- ❑ Developed to a further 21 (“extended” definitions)
- ❑ Now differing severity level critical illness coverage
- ❑ Some are not diseases or illnesses but surgeries or states of health
- ❑ Currently 58 (1,000?) conditions covered world wide



# Background

- Initially to payout on very severe event
- Now on “life changing” events
- And on less severe events
- New products sold well – but so have traditional products

# Background

## ☐ Sold in

- UK
- Australia
- China
- Hong Kong
- India
- Korea
- Canada
- Middle East
- Singapore
- Poland
- Japan
- Taiwan
- Russia
- USA
- Israel



# Background

- ❑ It is a complex product
  - different names
  - different diseases covered
  - different definitions
  - tiered vs non-tiered

# So what is SCIDEP?

- ❑ Standardised Critical Illness Development Project
- ❑ Made up of people from:
  - ❖ Medical Underwriting Sub-Committee (MUSC)
  - ❖ Standing Committee on Products (SCOP)
  - ❖ Other interested parties
- ❑ Includes
  - ❖ Doctors (clinical and insurance)
  - ❖ Underwriters
  - ❖ Claims assessors
  - ❖ Actuaries

# Precedents

- ❑ Has happened in
  - ❖ The UK
  - ❖ Singapore
  - ❖ Malaysia
- ❑ Others in the process
  - ❖ China
  - ❖ South Korea
- ❑ BUT – these countries don't have severity based Critical Illness

# Word of caution

- ❑ Standardised definitions  $\neq$  Simple definitions
- ❑ Often the definitions are more detailed

# Positioning

- The new SCIDEP definitions apply to any product that uses any of the four core diseases *except*
  - ❖ functional impairment products
  - ❖ disability products
  - ❖ products that only cover a part of a disease, for example a breast cancer product.

# Positioning

- For clarity the following products are examples of those that need to use the SCIDEP definitions
  - ❖ Individual life Critical Illness products
  - ❖ Group life Critical Illness products
  - ❖ Critical Illness with and without severity based definitions
  - ❖ Life cover with acceleration on the diagnosis of a Critical Illness
  - ❖ Waiver of premium on Critical Illness cover
  - ❖ Mortgage protection Critical Illness cover

# Positioning

- The definitions apply to all ASISA member companies
- The definitions are “mandatory”
- Competition Commission has been consulted
- Project has the support of:
  - ❖ The Long Term Insurance Ombudsman
  - ❖ Treasury
  - ❖ The Financial Services Board
- Definitions are not retrospective
- Start date 1 September 2009

# Details

- ❑ Applies to the four “core” diseases
  - ❖ Heart Attack
  - ❖ Cancer
  - ❖ Stroke
  - ❖ Coronary Artery By-pass Graft (CABG)
  
- ❑ “Main” definition plus four Severities, A to D
- ❑ Therefore 16 standard definitions
- ❑ Insurers can pay between 0% and 100% for each disease

## Details – possible payouts

	Cancer	Heart Attack	Stroke	CABG
Severity A	100%	100%	100%	100%
Severity B	75%	100%	100%	100%
Severity C	50%	100%	50%	0%
Severity D	25%	100%	50%	0%

## Details – possible payouts

	Insurer 1	Insurer 2	Insurer 3	Insurer 4
Severity A	100%	100%	100%	100%
Severity B	75%	0%	100%	100%
Severity C	50%	0%	10%	75%
Severity D	25%	0%	0%	25%

# Details

- You can't pay a higher percentage for a less Severe claim
- Insurers can add more and less severe definitions
- Insurers must state somewhere contractually what they will pay
- Doesn't mean that you will necessarily see any changes in marketing
- Policyholder gets comfort that they *could* get claim assessed according to these definitions

# Example - Stroke

Death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in neurological deficit lasting longer than 24 hours, confirmed by neuro-imaging investigation and appropriate clinical findings by a specialist neurologist.

For the above definition, the following are not covered:

- Transient ischaemic attack;
- Vascular disease affecting the eye or optic nerve;
- Migraine and vestibular disorders;
- Traumatic injury to brain tissue or blood vessels.

Severity levels will be assessed by a full neurological examination by a specialist neurologist any time after three months.

# Example - Stroke

## **Level A: Stroke with severe impairment**

Needs constant assistance, as measured by:

- the inability to do 3 or more basic ADL's, or
- a Whole Person Impairment (WPI) of greater than 35%.

## **Level B: Stroke with moderate impairment**

Cannot function independently, as measured by:

- the inability to do 6 or more advanced ADL's, or
- a WPI of 21% to 35%.

# Example - Stroke

## **Level C: Stroke with mild impairment**

Can function independently, but has impairment as measured by:

- the inability to do 3 or more advanced ADL's, or
- a WPI of 11% to 20%.

## **Level D: Stroke with almost full recovery**

Almost full recovery, with little residual symptoms or signs, as measured by:

- the ability to do all basic and advanced ADL's, or
- a WPI of 10% or less.

# Example - 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) occurs when the blood supply is momentarily interrupted, but restored before any permanent damage can occur. It usually results in one of 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.

# Example - CABG

The undergoing of surgery to correct the narrowing of, or blockage to, one or more coronary artery(ies) by means of a by-pass graft.

## **Level A**

The undergoing of surgery to correct the narrowing of, or blockage to, three or more coronary arteries by means of a by-pass graft.

## **Level B**

The undergoing of surgery to correct the narrowing of, or blockage to, two coronary arteries by means of a by-pass graft.

## **Level C**

The undergoing of surgery to correct the narrowing of, or blockage to, the left main or proximal left anterior descending coronary artery by means of a by-pass graft.

## **Level D**

The undergoing of surgery to correct the narrowing of, or blockage to, any one coronary artery by means of a by-pass graft.

# Example - Cancer

A malignant tumour positively diagnosed with histological confirmation and characterised by the uncontrolled growth of malignant cells and invasion of tissue. The term malignant tumour includes leukaemia, lymphoma and sarcoma.

The following conditions are excluded from this definition:

- All cancers in situ and all pre-malignant conditions.
- All tumours of the prostate unless histologically classified as having a Gleason score greater than 6 or having progressed to at least clinical TNM classification T2N0M0.
- All skin cancers, other than malignant melanoma that has been histologically classified as having caused invasion beyond the epidermis (outer layer of skin).

# Example - Cancer

## **Tiering of all Cancers except prostate, leukemia and lymphoma**

**The levels are correlated to the general classification used by the American Joint Committee for Cancer for the type of cancer involved:**

Level A – Stage 4 cancer

Level B – Stage 3 cancer

Level C – Stage 2 cancer

Level D – Stage 1 cancer

# Example - Cancer

Stage 1	T1a, N0, M0, G1	Excluded
Stage 2	T1a, N0, M0, G2 to G4	Excluded
	T1b, T1c, N0, M0 any G	Excluded
	T2, N0, M0 any G	Level D
Stage 3	T3, N0, M0 any G	Level C
Stage 4	T4, N0, M0 any G	Level B
	Any T, N1 – 3, M0 any G	Level A

# Example – Heart Attack

## Level D: Mild heart attack of specified severity

This is defined as the death of heart muscle, due to inadequate blood supply, as evidenced by all three of the following criteria:

1. Compatible clinical symptoms and
2. Characteristic ECG changes, e.g. ST-segment and T-wave changes indicative of myocardial ischaemia or myocardial infarction, and
3. Raised cardiac markers:
  - Trop T > 0,5 ng/ml or Trop I > 0,25 ng/ml, or
  - Raised CK-MB mass
  - Total CPK elevation of up to 2x normal values, with at least 6% being CK-MB.

The evidence must show a definite acute myocardial infarction. Other acute coronary syndromes, including but not limited to angina, are not covered by this definition.

# Example – Heart Attack

## Level C: Moderate heart attack of specified severity

This is defined as the death of heart muscle, due to inadequate blood supply, as evidenced by two of the following three criteria:

1. Compatible clinical symptoms
2. Characteristic ECG changes, which can be either of the following:
  - a. New pathological Q-waves as defined in Annexure A, or
  - b. ST-segment and T-wave changes indicative of myocardial injury, as defined in Annexure A, but only when accompanied by raised cardiac markers as described hereafter.
3. Raised cardiac markers:
  - Troponin T > 1,0 ng/ml or Troponin I > 0,5 ng/ml, or
  - Raised CK-MB mass
    - Up to 2 times normal values in acute presentation phase, or
    - Up to 4 times normal values post-intervention.
  - Total CPK elevation of up to 2x normal values, with at least 6% being CK-MB.

# Example – Heart Attack

## Level B: Heart attack with mild permanent impairment in function

A heart attack that meets the criteria as defined under Level C, with permanent impairment in one or more of the following functional criteria, as measured 6 weeks post-infarction:

Criterion	Value
NYHA classification	Class 2 or 3
METS	2-7
LVEF	30%-50%
LVEDD	59-72
Ultrasound FS in %	16%-25%

# Example – Heart Attack

## Level A: Heart attack with severe permanent impairment in function

A Heart attack that meets the criteria as defined under Level C, with permanent impairment in one or more of the following functional criteria, as measured 6 weeks post-infarction:

Criterion	Value
NYHA classification	Class 4
METS	1 or less
LVEF	< 30%
LVEDD	> 72
Ultrasound FS in %	< 16%

# Example – Heart Attack

## Definitions of ECG changes

- a. ECG changes indicative of Myocardial Ischaemia that may progress to Myocardial Infarction:
- Patients with ST-segment elevation:
    - New or presumed new ST segment elevation at the J point in two or more contiguous leads with the cut-off points greater than or equal to 0.2mV in leads V1, V2, or V3, and greater than or equal to 0.1mV in other leads.
    - Contiguity in the frontal plane is defined by the lead sequence AVL, I and II, AVF, III. (Ref. 1)
  - Patients without ST-segment elevation:
    - ST-segment depression of at least 0.1 mV;
    - T-wave abnormalities only.

# Conclusion

- Consistency of definitions
- Companies must state what they pay
- Agreement with clinical doctors
- Still allows for innovation and competition