



**MOONSTONE EXTERNAL INTEGRATED SUMMATIVE
ASSESSMENT- EISA OCCUPATIONAL CERTIFICATE: INSURANCE
CLAIMS ADMINISTRATOR (CLAIMS ASSESSOR)**

SAQA ID: 99668

CREDIT: 131

DATE: 2019

TIME: 3 HOURS

MARKS: 100

PASSMARK: 70%

QUESTION PAPER- LONG TERM INSURANCE

Questions

With reference to the documents supplied in the case study answer the following questions. Your answers should be comprehensive and all calculations must be shown:

Instructions: Go through the documents supplied and answer the questions which follow:

Question 1

- a) Refer to the maturity application in the case study received from James Swarts and explain the process which the claims assessor will follow upon receipt of this form in the process stating all the documentation required.
[6 marks]
- b) Explain why each of the documents identified in question (a) above is required. [10]
[4 marks]

Question 2

- a) With reference to the beneficiary nomination and cession forms in the case study, assuming that the death claim proceeds payable on Holland Scott's policy is R2m, determine how the death claim proceeds will be paid on this policy.
[5 marks]
- b) As a claims assessor, you received the attached surrender application form from your client Jacobus Alexandra on his endowment policy. Explain the steps you will follow in processing this claim. [10]
[5 marks]

Question 3

- a) Refer to the disability claim form in the case study received from your client Hendrik Alexandra. Discuss the process you will follow to register the claim and explain all the factors you have considered in processing this claim.
[6 marks]
- b) In a disability claim, occupation of a claimant is an important consideration. Explain the difference between occupational disability and own occupation disability and mention how the premiums would differ. [10]
[4 marks]

Question 4

Differentiate processing a death claim where death was as a result of natural causes and where death was as a result of unnatural causes. State all the documentation required in both situations and why each document is required. [15]
[15 marks]

Question 5

- a) The sum insured on James Swarts's life policy is R2m. Total bonuses earned on the policy up to maturity amount to R200 000. The disability and accident benefit sum insured attached to this policy are R320 000 and R150 000 respectively. Calculate the amount payable on maturity of James's policy.
[5 marks]
- b) When Alfonzo Arimando took out an endowment policy, he immediately ceded it to the local bank because he had taken out a loan of R400 000. At the time of his death the loan with the bank had reduced to R350 000. Assuming that the death claim amount payable on Alfonzo's policy is R2m, state everyone who is going to be paid on this policy and calculate the amounts payable to each. [10]
[5 marks]

Question 6

a) With reference to the life cover death claim form received from Dion Warren in the case study, explain the importance of the following sections:

- Undertaker details
- Declaration by the claimant.

[5 marks]

b) Refer to the same death claim application form received from Dion Warren and explain the whole process you are going to take in the validation of this claim. Indicate all the documents required and why you need each of the documents.

[25 marks]

[30]

Question 7

Part of the claims validation process involves checking the following

- Premium position
- Beneficiary nominations
- Cessions on the policy
- Reinsurance on the policy
- Insured event

Explain how or where this information is checked and the reason why this information is necessary in a claims validation process.

[10 marks]

[10]

Question 8

Referring to the life maturity application form from the policyholder being James Swarts and assuming that an amount of R2m is payable as maturity proceeds, with reference to the reinsurance agreement form in the case study, explain why insurers reinsure. Calculate the amount recoverable from the reinsurer.

[5 marks]

[5]

TOTAL: 100