

## Discovery *Your Money Matters* Podcast Series

### EP 8 – Life Insurance for Women with Kashmeera Kanji and Dr Maritha van der Walt

#### Overall Intro

[00:00:00] **Bruce:** Managing money and knowing what is good for your financial wellbeing at every stage of life is a skill. It's a skill every person needs. Managing money well means having an adequate level of protection, more savings than debt, and knowing how the choices we make can either make us or break us. Of course, we're all human. So, in *Your Money Matters*, a podcast brought to you by Discovery, I unpack practical aspects on banking, life insurance, investments and more in discussion with experts. Join me for these interesting conversations and hear how small things we do can take us to greater levels of financial security and more of life's rewards.

#### **Episode intro**

[00:00:43] **Bruce:** Now, there are mixed ideas and perceptions when it comes to whom should have life insurance cover and who in society, and who might not need it all. Well, today, life insurance is open to anyone of a legally acceptable age. In previous generations, women weren't necessarily the primary target market.

[00:01:01] **Bruce:** You would think that everybody in the 21st century would need equal cover for equal risk in an equally scary world. Dr Maritha van der Walt is the Chief Medical Officer at Discovery Life and Kashmeera Kanji is Discovery Life's Senior Risk Specialist. Kashmeera, let's start with you. This idea that men and women should be insured differently is bizarre to me. But I think it's a widely held belief.

[00:01:30] **Kashmeera:** Absolutely Bruce. I think even in my lifetime I've seen so many of these discrepancies in the way women are treated when it comes to financial planning that it's frightening. And in fact, there is absolutely no need to think of financial planning differently when you speak to a woman. It should be exactly the same level of astuteness that is used to plan for any female adversities that might exist as you would for a male.

[00:01:54] **Bruce:** I mean this idea that there is an insurance gap, explain this to me, would you?

[00:02:59] **Kashmeera:** Yes, so the World Economic Forum – and I find these gap studies fascinating because you know coming from an all-girls school and being almost indoctrinated to believe that everything should be equal, as it should be, you know, I read these studies on an annual basis, quite the nerd that way, but the World Economic Forum found that of everyone in the world that does not have access to a financial product – that could be a bank account or an insurance policy or anything related to the financial world – the largest chunk of those people is made up of women. That is 55% of people who have no access are females – and that is worrying because that really means that we've got a large number of women who are retiring without any adequate financial planning in place and also living their lives without any financial planning in place.

[00:02:47] **Bruce:** We talk about financial planning, broadly speaking that's fine, but we're talking specifically about insurance. Take me through this from your perspective Dr Maritha van der Walt, this idea that women don't insure themselves or are not adequately insured during their lifetimes.

[00:03:04] **Maritha:** Yes Bruce, that is actually a scary idea because women today, and it may be changing, but they've always been partners and today they are really equal partners whether they are working full-time or half-time or staying at home to look after the children. It's an equal partnership. So, you don't just look at a payslip, you look at the contribution. You look at the contribution - money and everything else you do. If you are incapacitated or you have a life-changing condition, or in the very unfortunate event of dying too early, what will happen? What will it cost to replace everything you're doing? And once you start doing the sums, you can see how important it is. Critical illness, for example, what would happen if you get cancer – and we know women - breast cancer is very, very high on the list – and young women today in their 30s in their 40s when you still have dependent children and so many responsibilities, what would happen if you need extra care, if you need to go somewhere for treatment, maybe you're not in a big centre, maybe there are additional expenses over and above what the medical aid would cover. There are so many scenarios that could impact on a woman's life and therefore on the family's life, the children, the spouse and any other dependents, maybe you're looking after elderly parents. So, I don't think one can overestimate the role of women today. They're multitasking, they are doing so much and to replace income to replace whatever they're doing needs careful planning. What if I died too young? What if there's a life-changing event? What if I have a condition but I can recover? What if I live very long? So you have to think of all the what-if scenarios.

[00:05:20] **Bruce:** I'm operating on the basis that men and women are equals in a financial relationship. You seem to be working on the basis that in many cases men fulfil the traditional role of doing work and many women stay at home or they compromise on their career in order to be at home more than perhaps the male partner is and perhaps that is where we get this gender gap, Kashmeera, in terms of well, you only contribute 30 per cent of the household income or you don't contribute anything to the household income. So why should we commit money to covering your contribution? Because you don't make a contribution, at least not in cash terms and I think that's where the problem comes in Kashmeera?

[00:06:06] **Kashmeera:** Yes. Absolutely. And if I think about all the women in my lifetime and around me and at work, who would be the first to stay at home if a child is ill. Of the couple, it's the woman who generally takes time out of her day to care for an ailing family member. It's the woman who generally spends a lot more of her time caring for any extra mural activity that might need to be done by a child. It's the woman that takes the most part of her career out in order to raise the child in the first few years and all of that contributes to 10 years less in the workforce. Okay, and that's what these gap studies have found, which means that if you couple that with how much longer we live, so 10 years less to work, coupled with the fact that we live about eight years longer than men, we've got a significant gap in how much of time we have to make up for the income that we lose in that time. And so, financial planning to ensure that you are adequately protected if you take time out to raise a family, your family is adequately protected in the event that you are ill and you cannot take time out to care for your family. Those things aren't really analysed by financial people very closely because they don't understand what value to put to that time.

[00:07:25] **Bruce:** Why is that so difficult, Kashmeera? Why is it so difficult to say that here is somebody who is making the family work, making the family function without whom the main breadwinner, in this case the male – because this is the conversation that we're having – would not be able to fulfil their function. They would become responsible then for the day-to-day running of the family and all of the stuff that they might take for granted on a daily basis.

[00:07:52] **Kashmeera:** Absolutely and it is taken for granted. You know, if you think about the world in general, not just the first world countries. We probably need to speak a little bit more about developing countries. These developing countries, where women are generally on the back foot in terms of equality, so how easily they can access a job market and then secondly how easily they can access that job market if something is to happen to them. So, we find that women are in an even worse position after an event that puts this financial

burden on a family to recover from it than their male counterparts are. And that gap that's created has not been quantified. We can't put a number on how much income a household loses because a woman is unable to work or contribute to the household during that time and that has been the main difficulty when it comes to financial advisers and their ability to assess the risk that's placed on a family if the female isn't able to do her job in that family and her job is not necessarily the work that she does to earn an income, but her job is also this holistic, caring for the family, the day to day trips, the laundry that might need to be done. And the sad reality is that even today, "the domesticated female" that term still exists. [**Bruce:** Laughter] And it's true Bruce... You laugh...

[00:09:11] **Bruce:** We've got domesticated cattle, we've got domesticated cats and we've got domesticated women. I mean I am not laughing at that fact I'm just laughing at the fact that we still use that sort of terminology. It's astonishing.

[00:09:23] **Kashmeera:** Absolutely and I refer to this study often, but the World Economic Forum found that nowhere in the world do – except in my household in case my dad is listening – but nowhere in the world do men do as much of the household chores as women do. So, work that's not paid for. There isn't a single place in the world, again, besides my household, Dad, where that's a reality. So, the domesticated female, sadly, as I said is still a thing.

[00:09:49] **Bruce:** Maritha, I think statistics show that women do tend to live longer than men whether it's genetics, whether it's good common sense during their lives or whether they are just relieved when men die younger, that they seem to get this new lease on life.

[00:10:04] **Maritha:** Yeah, Bruce, we know the statistics - women do live longer and the chances of a woman later in life being suddenly single, I actually called it the "Suddenly Single Syndrome" through either death or divorce - you've found that you are now single and I would urge every woman from early on to be an equal partner in the financial planning of the family. Know who is insured for what. Know where the wills are, know which accounts need to be paid. Know where the policies are. Be hands-on with all the admin. Nobody enjoys administration, I know that but it is so important - just get these things in place, know what's going on and be involved so that on the unfortunate event of either death or divorce that you can cope and that you are financially secure. It's bad enough losing a spouse whether it's through death or divorce. Those are the two life-changing events highest on the list of stressful events. Death of your spouse and divorce and to be in financial difficulty at that very, very difficult stage of your life is really very hard. So, make sure that you know what's going on; that you're equal partner, that you are joint decision-maker and that you are insured

and that you know that if anything happens that at least financially you can cope.

[00:11:43] **Bruce:** It goes to Nikki Bush's file, the file of all the important stuff in your life – the stuff that you hadn't even considered – the passwords, the policies, the investments, the money... the pin numbers... all of those important details in life... and being actively involved in that process. It's a critical point, Maritha. Absolutely critical. Talk to me then, Maritha, I mean the examples that you see as the Chief Medical Officer at Discovery Life. The sorts of examples that play out when things do go wrong in families, and you know, tragically stuff does go wrong. Hopefully people recover from illnesses, but sometimes somebody ends up under a bus and somebody dies or somebody's disabled and that I mean, a disability creates a whole new level of complications for families and can ruin families, can destroy families because of inadequate preparation.

[00:12:35] **Maritha:** That is very true Bruce. If we just look at disability, you've touched on disability. It could either be temporary and temporary can be a long time, like three months or six months... It can take a long time to recover from a serious car accident, for example, or brain surgery or something like that. So you've got to look at it, temporary disability, and what if it's permanent; that you can never ever do your work again? So now you have the burden of a big loss of not only income; but work defines us and work is very good for us. Not everybody might agree, but work is actually therapy. So loss of your career, loss of your job, loss of your income that is a multi-faceted loss. So you sit with that emotional burden and then the logistics, the practical logistics of getting the kids to school and doing everything that you used to do and then there's the financial aspect. So at least if you've planned and you have the finances in place, you can focus on adapting, on making a plan and coping with the emotions of a very big loss in your life.

[00:13:51] **Bruce:** If the woman in the family was to be killed in a tragic incident or in a car crash, be hurt in a car crash, whatever it might be; why it is that a family thinks that they would be any better off than if the main breadwinner were killed in that environment? It's just again, a bizarre concept. The trauma is the same if not accentuated in some respects.

[00:14:14] **Kashmeera:** Absolutely Bruce and I think you know from both Dr Maritha's side and my own we see so many claims coming through for so many women and you mentioned earlier, finding yourself under a bus – and that sounds like an extreme thing, but let's talk about the less extreme but more common... And just a couple of years ago, if we took the number of people who

are diagnosed with cancer, you know new diagnoses on the Discovery Health Medical scheme, we could have filled Wanderers Stadium with the number of people - newly diagnosed with cancer and the largest proportion of those are females. We've got more than 8.5-million women worldwide being diagnosed with cancer every single year and breast cancer is probably the most common of those and whilst it's really treatable, there is a significant loss of income that comes during that time and we see a significant number of claims coming through for breast cancer specifically and for these events that we don't like to think about but are so common, I think it is disproportionate to think that the breadwinner - your husband's heart attack - might come sooner, than your cancer event. And so planning for all these things, not just being hit by a bus or the unfortunate death or the death of a husband, but also your health and - I'm speaking to femaleness now maybe - but to know that there could be significant things and obstacles and adversities that come into play with your own health specifically, is so important to cater for - and I speak about cancer because I think it is the one that we see more often on the Discovery Life side, than anything else, but cardiovascular diseases - we shouldn't really leave that out of the discussion because it is the number one killer of women today. So, one in three deaths across all women in the world is as a result of a cardiovascular disease and just to expand on that, that's not just a heart attack, it could be as a result of hypertension or any forms of arrhythmias and all of those things contribute to the claims that we see for women today.

[00:16:17] **Bruce:** Are there specific products for women? I mean we have you know short-term insurers that will design vehicle accident policies for women because women generally pose a lower risk on the roads than men do, I don't know if that's general actually, maybe it's universally, but is there a requirement for different thinking and a different approach and different sorts of insurance products?

[00:16:42] **Kashmeera:** Absolutely Bruce and I think the coverage for a female should be holistic. So not only covering that event that happens to a female - and I'll touch on that in a second - but also covering on an event that could happen to their child perhaps and you know enabling them to give the best care possible to that child during that time while also keeping up a certain level of income in that household. So those are possible products that exist out there.

But just to mention a few - there's severe illness benefits or as Dr Maritha called it, critical illness cover and those provide broad spectrum coverage for everybody's system and automatic cover for your children as well. You then have a standalone benefit that you can buy for your child. So if there is ever a time where you could consider selling the roof over your head in order to treat your

child, that is not necessary if you planned for upfront through the child protector benefits that exist and then you need a benefit that protects your income because that is a massive asset in our lives.

We've all just started entering the workforce, we've got a large number of females in comparison to what we had maybe 20 or 30 years ago working and that asset, that income, is so essential to protect because if you are to think about your life without having that income in the future, it would be a significantly reduced quality of life; so income products are absolutely necessary. Income products also protect you from events that may reduce your income, like pregnancy. And that's not necessarily a complicated event, whereas it could be, but let's think about a completely healthy pregnancy where you could be off from work for a few months as maternity leave. Products even protect you for the loss of income during that, you then have your disability cover which as Dr Maritha mentioned is absolutely necessary because it's to give you that confidence that you can regain your lifestyle through your ability to purchase the best medical technology that's out there in order to enable yourself. And then lastly the one thing that's close to my heart is business assurance.

We don't realise that in South Africa alone, 47% I think it is, so it's just shy of 50% of small business owners are females; it's blood, sweat and tears that have been put into this business. And if anything is to happen to them, that business being their baby, I think it would be devastating to know that there aren't measures in place to ensure that the business can continue to run. So business insurance is as important for women as it would be for men, I could go on and on and on talking about the various products, but I think that really sums up - at a high level - what's available for women today.

[00:19:30] **Bruce:** Tell me then if you would, Maritha, as we wrap up today just about, in Covid-19, I would assume that there have been plenty of case studies of women who have found themselves ill and incapacitated and unable to work, in some cases those women will be the breadwinners in families and other cases they may have done the unpaid work in the family and suddenly there is a huge burden on a family. There's this huge weight on a family because nobody actually thought that what the woman did was that significant a risk to the family's financial well-being.

[00:20:08] **Maritha:** Yes, Bruce. Covid-19 was a challenge. I think if it was a movie we would have said, no it is far too far-fetched, it could not happen and then it did. So, the bulk of our claims were for income replacement, income continuation. We saw a lot of claims obviously in our medical professionals,

which today is very much 50/50 medical professionals, male-female. Lots of females in the medical profession, so they claimed equally. Death cover - unfortunately, we had a couple of death claims as well. Unfortunately, not always the older people and the co-morbidities, we had a couple of younger people that you would not have expected to succumb to COVID but we had a good couple of deaths, one death is one too many. So far the long-term effects of COVID is not known as yet. We, of course, watching all the research to see what the long-term effects would be. We are worried about the mental effects of the whole COVID pandemic, loss of income, loss of dear ones, loss of life as we knew it. So we are watching the mental effects, very carefully. So far it seems like people recover so that we are not expecting long-term heart and lung problems. Hopefully not leading to long-term disability. But as we say, we have never done COVID before so we just don't know at this stage, but definitely the income.

[00:21:51] **Bruce:** And there's also a deep uncertainty. I mean for the first time in their lives, many, many people have actually been vulnerable and suddenly realise perhaps their own mortality for the first time. Certainly, you know, perfectly healthy, perfectly fit people actually were stricken by an illness over which they had no control and that would have freaked a lot of people out.

[00:22:10] **Maritha:** Yes. That's why the mental health issues are so important and I would really advise anybody if you're feeling anxious or you're feeling depressed to seek help early because the earlier you treat it, the earlier you address these issues the better, and you can recover from these mental health issues. So very, very important that we recognise it and that you don't just sweep it under the carpet, but go and ask help, get the treatment, get the counselling and try to get back to what we think normal will be.

[00:22:47] **Bruce:** Again, not to put too fine a point on it, but the stress of the time that we've lived through and I think women may, I don't want to get in trouble for generalisations, but women may feel that perhaps more acutely than many men. Women tend to think about the well-being of individuals within families, whether they be elderly family members, whether they be the breadwinners, whether they be the children of the family, and I wonder if we're not going to go through a period of some kind of traumatic stress, post-traumatic stress perhaps?

[00:23:16] **Maritha:** That is definitely known that that is a danger. If you think about it, who did the home-schooling? I hope that the daddies also chipped in, I'm sure they did, but I know of many mothers that did the home-schooling and cleaning the house and working keeping a full... so it's... it was hard on everybody. It's not just women or just men, it was hard on everybody, but I

think very often as Kash has said, the expectation is that the women will look after the children and that you might have other responsibilities. I'm also lucky enough that my husband does help me a lot in the house. So thank you very much for that my darling husband.

[00:24:06] **Bruce:** You shouldn't have to thank him...

[00:24:12] **Maritha:** Bruce, Bruce you never take anything for granted. [**Bruce:** True, yes, ma'am] You always thank everybody.

[00:24:21] **Bruce:** We get this, we understand this, but listen guys, thanks very, very much. I mean what an interesting and insightful perspective on the world of insurance and the idea of insurance, especially when it comes to women. Dr Maritha van der Walt, the chief medical officer at Discovery Life, thank you Maritha, and Kashmeera Kanji, the Discovery Life senior risk specialist, thank you to you as well. You see I've learned, and I learn fast.

[00:24:45] Thank you Bruce. Thanks Bruce.

### **Episode outro**

[00:24:47] To better understand how comprehensive life insurance cover can, not only protect you and your family, but also adapt to suit your ever-changing needs, head over to the 'Covering what you care about' section on the Discovery Magazine's Smart Money hub at [discovery.co.za](http://discovery.co.za). Here, you'll find a wealth of resources to strengthen your financial footing in the most protective of ways.

You can also visit [discovery.co.za](http://discovery.co.za) for more details on Discovery Life's full range of cover benefits, or chat directly to a Discovery certified financial adviser.

### **Overall outro**

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