

Simply brings affordable life cover to SA's one million domestic workers

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According to Stats SA's latest Quarterly Labour Force Survey, more than 6% of working South Africans are employed as Domestic Workers*, and more people are employed in private households than in the mining and agriculture sectors combined. If dependents of these workers are included, then as many as four to five million people are supported by this industry.

However, up until recently there haven't been many options for the average South African domestic worker to access simple, good value life insurance. There are a number of insurance companies targeting low income customers, but the products are often limited to funeral cover only. Given the financial challenges many domestic workers face, they also often struggle to keep up with payments, so in many cases their cover lapses and isn't in place when it's needed.

Insurtech player Simply Financial Services (Simply) has introduced a new life insurance bundle called Domestic Cover which is aimed specifically at employers of domestic employees. The product, which comprises life, disability and funeral cover, is affordable, easy to understand and strong on accessibility. It's also completely flexible, with the customer able to customise the bundle to suit their needs and budget. The policies are underwritten by Old Mutual Alternative Risk Transfer Limited, an insurer in the Old Mutual group – so customers can be safe in the knowledge that valid claims will be honoured.

"Simply's aim is to provide easy-to-understand, affordable and accessible life insurance for the mass market in South Africa, and thereby contribute to a significant new level of financial security to people in this segment," said Anthony Miller, CEO of Simply Financial Services.

"Life tends to be risky and uncertain for domestic workers and their families. When a breadwinner becomes disabled and possibly even dies, the families are left without significant savings and with large funeral bills to pay.

"If you add societal risks such as taxi accidents and random violence for the workers who often travel large distances to and from work, the level of risk facing this sector becomes apparent," Miller said.

"The bottom line is that the worker's dependents are very often consigned to poverty in the event of death or disability," he said. "Their employers may feel obliged to provide financial assistance in these situations".

By using technology and an innovative operating model, Simply products are able to deliver great value. For example, a 30-year-old woman earning R4 500 a month gets R100 000 life cover, R150 000 disability cover and R15 000 family funeral cover (which covers the insured person, the spouse and up to five children) for R92 per month.

And by putting the responsibility for paying the premium on the employer, the risk of cover being cancelled due to lack of payment is greatly reduced, meaning the cover will be there when needed. If the domestic worker moves on, they can choose to take over the payment of the premium on the same terms, or they can ask their new employer to take over the policy.

As an alternative Simply also offers a Family Cover product with similar benefits and costs, but where instead the employee takes out the cover and is responsible for paying the premium themselves.

Signing up is simple. The entire online process takes less than ten minutes and requires the individual to fill in some personal details and answer three health-related questions. Should they qualify, cover is immediate.

For the employers of domestic workers in South Africa, this represents a great opportunity to provide a valuable safety net for their staff, many of whom have been loyal employees for decades, without adding significantly to their costs.

For more information about Simply, go to www.simply.co.za.

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Simply Financial Services



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