

**Disclosures relevant to Policy EB 0 023 898
for Independent Schools Association of Southern Africa
Effective 1 March 2014**

INCOME PROTECTION BENEFIT		
Clause	Description	Reason
Purpose and Amount of Insurance	The maximum amount of cover is no longer mentioned in the policy document.	<i>The relevant amount is mentioned in the Review Proposal.</i>
Purpose and Amount of Insurance	The insured amount against Occupational Disablement now includes any contributions made to the Retirement Fund.	<i>Alignment with Old Mutual's current practice of a total income approach.</i>
Submission, Assessment and Admission of an Income Protection Benefit Claim	The wording relating to the submission of claims during and up to 4 weeks after the expiry of the Waiting Period has been removed.	<i>To simplify the claims process.</i>
Exclusions	The exclusions in respect of war and war-related activities have been revised.	<i>To simplify and clarify these exclusions.</i>
Payment of Contributions to the Retirement Fund	The actual contributions made to the Retirement Fund are no longer specified as these contributions are now included in the insured amount against Occupational Disablement.	<i>Alignment with Old Mutual's current practice of a total income approach.</i>
Cash4♥Ones	All Claimants will now be covered for a flat Rand amount which will be paid if they die while still receiving an Income Protection Benefit in terms of the Contract.	<i>Benefit redesign and extension of benefit to all Claimants.</i>
EVIDENCE OF HEALTH LIMITS		
Description		Reason
The wording providing for the waiving of the evidence of health limit has been deleted.		<i>Replaced by the Accident Plus benefit.</i>

ACCIDENT PLUS		
Description		Reason
Old Mutual has introduced Accident Plus, which is insurance against accidental causes for those Insured Persons whose insured amount is limited to the evidence of health limit. The evidence of health limit will be waived if the claim arises from an accident and meets Old Mutual's requirements regarding the Accident Plus benefit.		<i>Product enhancement.</i>
GENERAL		
Clause	Description	Reason
Fraud, Material Misrepresentation or Non-disclosure	This clause has been added and specifies how fraud, material misrepresentation or non-disclosure will be dealt with by Old Mutual.	<i>To give Old Mutual the right to terminate the Contract or to reject a claim under the circumstances described in this clause.</i>

**INDEPENDENT SCHOOLS
ASSOCIATION OF SOUTHERN
AFRICA**

GROUP INCOME PROTECTION POLICY

ORIGINAL

Policy Number : EB 0 023 898

Effective : 1 March 2014



**OLD MUTUAL LIFE ASSURANCE COMPANY
(SOUTH AFRICA) LIMITED
(Old Mutual)**

**Head Office: Mutualpark,
Pinelands**

Reg. No. 1999/004643/06

POLICY EB 0 023 898

The initial policy document took effect on the *Commencement Date*.

This *Contract* which constitutes a disability policy in terms of the Long-term Insurance Act 52 of 1998, takes effect on 1 March 2014 and applies to all claim events that occur while such *Contract* is in force.

The policy document provisions in force immediately before 1 March 2014 have been replaced by the provisions set out in this *Contract* in respect of all *Insured Persons* other than the following:

- an *Insured Person* in respect of whom a claim was admitted before 1 March 2014;
- an *Insured Person* whose claim is still subject to consideration by *Old Mutual* as at 1 March 2014 in accordance with the provisions of the policy document in force before such date;
- an *Insured Person* in respect of whom the conditions for submission and assessment of a claim, as set out in the provisions of the policy document in force before 1 March 2014, are in the process of being completed as at 1 March 2014.

Signed at Pinelands on 21 January 2014.



.....
D H BOSHOFF
for *Old Mutual*
and duly authorised thereto

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ORIGINAL

1. INTERPRETATION AND DEFINITIONS

Interpretation

In this *Contract*:

- Clause headings are for the purposes of convenience and reference only. They must not be used in the interpretation of the *Contract* and will not modify nor amplify any of its provisions.
- The singular and the plural are used interchangeably.
- A reference to the masculine will include the feminine.
- Defined words and expressions are indicated by *Italicised Letters* and will have the meaning assigned to them below.
- Where a word or expression has been defined below or elsewhere in the *Contract* and such definition contains a provision giving a right to or placing an obligation on *Old Mutual* or the *Policyholder*, such provision will apply as if it were a substantive provision contained in the body of the *Contract*.
- Any reference to a statutory provision will include any subordinate legislation made from time to time under that provision and will include that provision as modified or re-enacted from time to time.

Definitions

<i>Bank Account</i>	An account held in the Republic of South Africa with a bank as defined in the Banks Act, No. 94 of 1990, or a mutual bank as defined in the Mutual Banks Act, No. 124 of 1993.
<i>Ceasing Age</i>	Any age up to a maximum of 65, as elected by the participating <i>Employer</i> and advised to <i>Old Mutual</i> by the <i>Policyholder</i> (which age has been accepted by <i>Old Mutual</i> as being the applicable age).
<i>Claimant</i>	An <i>Insured Person</i> in respect of whom a claim has been admitted in terms of clause 2.3 and whose <i>Income Protection Benefit</i> payments have not yet ceased in terms of clause 2.6.2.
<i>Commencement Date</i>	1 July 1986.

<i>Contract</i>	The agreement constituted jointly by the terms of the <i>Review Proposal</i> and the policy document.
<i>Employer</i>	<p>The Independent Schools Association of Southern Africa, or a School or other Body that is eligible through membership of the Independent Schools Association of Southern Africa, incorporating the Association of Private Schools, or an associate whose participation has been approved by the Independent Schools Association of Southern Africa, and who has elected to participate.</p> <p>No employer will be eligible for participation in this <i>Contract</i> after 1 April 2001.</p>
<i>Extended Period</i>	A period that begins on the expiry of the <i>Initial Period</i> and ends on the date the <i>Income Protection Benefit</i> payments stop in terms of clause 2.6.2.
<i>Guaranteed Package</i>	The total cost incurred by the <i>Employer</i> to remunerate an <i>Insured Person</i> for services rendered, excluding any discretionary benefits, bonuses and overtime payments.
<i>Income Protection Benefit</i>	The monthly income payable in respect of a <i>Claimant</i> in terms of clause 2.6. Such monthly income will be calculated separately in respect of the <i>Initial Period</i> and <i>Extended Period</i> and will be equal to the insured amount applicable to him in terms of clause 2.1.1 immediately before the start of the <i>Waiting Period</i> subject to the provisions of clause 2.16, the escalation provisions in clause 2.10, the limitations in clause 2.7 and the adjustment of additional income in terms of clause 2.9.
<i>Initial Period</i>	A period immediately following the expiry of the <i>Waiting Period</i> , equal to 21 months.
<i>Insured Person</i>	A person who is insured under the <i>Contract</i> in terms of clause 2.2.
<i>Measure of Inflation</i>	The Headline Consumer Price Index (CPI) for all urban areas, as determined by Statistics South Africa or its successor.

Monthly Earnings

On any given date, the greater of

- the *Insured Person's* basic monthly salary or wage immediately before such date

and

- 1/12th of his actual basic salary or wage earned over the 12-month period immediately before such date.

Changes in monthly earnings will be subject to the provisions of clause 2.16.

Occupational Disablement

During the *Initial Period*

The *Insured Person* is totally incapable of performing his *Own Occupation with Any Employer* as a result of a condition that continued for the duration of the *Waiting Period* and arose from an injury or illness.

During the *Extended Period*

The *Insured Person* is totally incapable of performing his *Own and Any Alternative Occupation with Any Employer* as a result of a condition that arose from an injury or illness.

Old Mutual

Old Mutual Life Assurance Company (South Africa) Limited.

Own and Any Alternative Occupation with Any Employer

- (a) The type of work the *Insured Person* was performing immediately before the start of the *Waiting Period* and could perform with any employer

AND

- (b) any alternative occupation the *Insured Person* could reasonably be expected to perform with any employer, taking into account his age, education, training, work experience and potential for retraining.

Own Occupation with Any Employer

The type of work the *Insured Person* was performing immediately before the start of the *Waiting Period* and could perform with any employer.

<i>Partial Occupational Disablement</i>	The <i>Insured Person</i> satisfies the definition of <i>Occupational Disablement</i> except that the disablement is partial and the <i>Insured Person</i> continues to work for the <i>Employer</i> at a reduced income.
<i>Policyholder</i>	An <i>Employer</i> who participates in the <i>Retirement Fund</i> . In relation to a particular <i>Insured Person</i> , the term "Policyholder" means the Policyholder who is responsible for effecting insurance in terms of this <i>Contract</i> in respect of that particular <i>Insured Person</i> .
<i>Premium</i>	The monthly amount payable in terms of clause 5 and based on the prevailing premium rate set out in the <i>Review Proposal</i> , subject to the amendment and review provisions in clause 6.
<i>Retirement Fund</i>	Independent Schools Association of Southern Africa Provident Fund.
<i>Review Period</i>	A period beginning on 1 March in a given year and ending immediately before 1 March the following year.
<i>Review Proposal</i>	The most recent proposal document for a review of the <i>Contract</i> effected by <i>Old Mutual</i> and accepted by the <i>Policyholder</i> .
<i>Waiting Period</i>	A continuous 3-month period which will be calculated from the first day that the <i>Insured Person</i> is unable to perform the inherent job requirements or was accommodated at work due to illness or injury.

2. INCOME PROTECTION BENEFIT

2.1 Purpose and Amount of Insurance

- 2.1.1 Subject to the terms and conditions of the *Contract*, *Old Mutual* will insure an *Insured Person* against *Occupational Disablement* for an amount as set out in the table below:

For the <i>Initial Period</i>	87% of his <i>Monthly Earnings</i> up to the maximum benefit amount per month specified in the <i>Review Proposal</i> .
For the <i>Extended Period</i>	87% of his <i>Monthly Earnings</i> up to the maximum benefit amount per month specified in the <i>Review Proposal</i> .

This insured amount includes the contributions to the *Retirement Fund* in terms of clause 2.8.

- 2.1.2 The insured amount in clause 2.1.1 will be subject to the evidence of health limits in clause 3.

2.2 Insured Person

- 2.2.1 It will be compulsory for the *Policyholder* to insure in terms of the *Contract*
- (a) every person who was insured under the policy document in force immediately before 1 March 2014 and who is not excluded in terms of the provisions on the Signing Page, and
- (b) every person who meets the requirements in this clause 2.2 for the first time on or after 1 March 2014,
- by paying the relevant *Premiums*.

Where a person in clause 2.2.1(b) is not insured in terms of the *Contract* due to an omission on the part of the *Policyholder*, *Old Mutual* may allow him to become an *Insured Person* subject to such conditions as *Old Mutual* considers appropriate. *Old Mutual* may also exclude any claim events that happened before the date he becomes an *Insured Person*.

If *Premiums* have been received in error in respect of a person who does not meet the requirements in this clause 2.2, he will be regarded as not having been insured under the *Contract*. *Old Mutual* will refund all *Premiums* received in respect of such person.

- 2.2.2 A person will qualify for insurance under the *Contract* if
- (a) he is a permanent staff member of the *Employer*, and
 - (b) he is a member of the *Retirement Fund* (provided that such person's *Employer* commenced its participation in the *Retirement Fund* prior to 1 April 2001), and
 - (c) he is under the *Ceasing Age*.
- 2.2.3 A person will cease to be insured under the *Contract* at midnight on the earliest of
- (a) the date provided for in clause 2.14 (Authorised Absence from Work) or clause 2.15 (Insurance while outside the Republic of South Africa), or
 - (b) the date his service with the *Employer* terminates, or
 - (c) 31 December of the year in which he reaches the *Ceasing Age*, or
 - (d) the date on which the *Contract* is terminated in terms of clause 6.3, subject to the provisions of clauses 6.3.4 to 6.3.6, or
 - (e) the date he ceases to meet the requirements in clause 2.2.2(a) and clause 2.2.2(b) for reasons other than those set out above.

2.3 Submission, Assessment and Admission of an *Income Protection Benefit Claim*

- 2.3.1 The *Policyholder* must submit the claim on *Old Mutual's* prescribed forms and must include the documentation specified in the forms as well as specialist medical reports relating to the *Occupational Disablement* of the *Insured Person* that gave rise to the claim. *Old Mutual* will not be liable for any costs incurred in meeting these requirements.

The right to claim will lapse if a complete submission is not made to *Old Mutual* within 12 months of the start of the *Waiting Period*.

- 2.3.2 *Old Mutual* may ask for additional information that it may require to assess the claim. This includes information from the *Insured Person's* medical specialist or any other medical specialist stipulated by *Old Mutual*. *Old Mutual* will pay any reasonable costs incurred in providing such additional information.

In the case of *Partial Occupational Disablement*, *Old Mutual* may also ask for proof to the satisfaction of *Old Mutual* that the

partial earnings paid to the *Insured Person* by the *Employer* are reasonable given the *Insured Person's* capacity, duties and hours of work.

If the information or proof is not provided within 8 weeks from the date on which the *Policyholder* was notified of *Old Mutual's* requirements and *Old Mutual* does not agree to extend this period, the claim will lapse.

Where *Old Mutual* requires assessment of the *Insured Person's* condition by a medical specialist, *Old Mutual* has the right to stipulate that such assessment be conducted in the Republic of South Africa. If the *Insured Person* is outside of the Republic of South Africa, *Old Mutual* will not be liable for any costs incurred by the *Insured Person* in making himself available in the Republic of South Africa for such assessment.

2.3.3 Admission of the claim will also be subject to the requirements regarding medical treatment in clause 2.11. If the *Insured Person* does not meet these requirements, *Old Mutual* will have the right to decline the claim.

2.3.4 *Old Mutual* will admit the claim if:

- in *Old Mutual's* assessment, the *Insured Person's* condition satisfies the definition of *Occupational Disablement* or *Partial Occupational Disablement* that applies during the *Initial Period*, and
- the claim satisfies the requirements set out in clauses 2.3.1 to 2.3.3 and is not excluded in terms of clause 2.5 or rejected in terms of clause 7.8, and
- the *Insured Person* has remained insured in terms of clause 2.2 throughout the *Waiting Period* and the *Premiums* due in terms of clause 5.1 have been paid without interruption. If the *Contract* is terminated before the *Insured Person* completes the *Waiting Period*, these requirements will be waived in accordance with clause 6.3.6.

2.3.5 Upon the admission of a valid claim in respect of an *Insured Person*, *Old Mutual* will pay the *Income Protection Benefit* to the *Policyholder* as provided for in clause 2.6.

In the case of *Partial Occupational Disablement*, the initial *Income Protection Benefit* and the benefit payable in terms of clause 2.8 will be adjusted on the same basis as set out in clause 2.9. If *Old Mutual* finds that the *Claimant's* earnings are not reasonable, the *Income Protection Benefit* may be adjusted in line with *Old Mutual's* assessment.

2.3.6 A *Claimant's* insurance in terms of clause 2.1 will be suspended until payment of the *Income Protection Benefit* stops in terms

of clause 2.6.2 and no *Premiums* will be payable in respect of him during this period.

2.4 Reassessment of an *Income Protection Benefit Claim*

Old Mutual may reassess a claim at any time after it has been admitted.

In particular, at the end of the *Initial Period*, *Old Mutual* will reassess the *Claimant's* condition to determine whether his disablement satisfies the definition of *Occupational Disablement* that applies during the *Extended Period*.

Old Mutual may ask for additional information that it may require for the purposes of the reassessment. This includes information from the *Claimant's* medical specialist or any other medical specialist stipulated by *Old Mutual*. *Old Mutual* will pay any reasonable costs incurred in providing such additional information. If the information is not provided within 8 weeks from the date on which the *Policyholder* was notified of *Old Mutual's* requirements and *Old Mutual* does not agree to extend this period, the *Income Protection Benefit* payments may be suspended at the end of this 8-week period. *Old Mutual* may in its sole discretion reinstate the suspended payments on such terms as it determines.

Where *Old Mutual* requires reassessment of the *Claimant's* condition by a medical specialist, *Old Mutual* has the right to stipulate that such reassessment be conducted in the Republic of South Africa. If the *Claimant* is outside of the Republic of South Africa, *Old Mutual* will not be liable for any costs incurred by the *Claimant* in making himself available in the Republic of South Africa for such reassessment. Should *Old Mutual* agree to consider a medical reassessment obtained outside the Republic of South Africa, the *Claimant* will be responsible for the cost, delivery and any English translation of such medical reassessment.

If, in *Old Mutual's* reassessment, the *Claimant's* disablement does not satisfy the definition of *Occupational Disablement*, the *Income Protection Benefit* payments will stop in terms of clause 2.6.2(b).

2.5 Exclusions

2.5.1 The *Income Protection Benefit* claim will be declined if the *Insured Person's* disablement is attributable to

- active participation in war, warlike operations, civil war or revolt which assumes the proportion of a wide-scale uprising, or
- the use of nuclear, biological or chemical weapons, or any radioactive contamination arising from them, or

- any attack on or sabotage of facilities and storage depots, that leads to the release of radioactivity or nuclear, biological or chemical warfare agents.

2.5.2 The *Income Protection Benefit* claim will also be declined during the first 12 months after the date on which the *Insured Person* first became an *Insured Person* if the claim is attributable to any intentional self-inflicted injury or an illness or injury for which the *Insured Person* received (or would reasonably have sought) medical advice, a diagnosis or treatment during the 6 months immediately before the date on which he first became an *Insured Person*.

2.6 Payment of *Income Protection Benefit*

2.6.1 The *Income Protection Benefit* will be provided in the form of an annuity effected when the claim is admitted and will be paid monthly in arrear.

2.6.2 The *Income Protection Benefit* payments will stop at the end of the month in which

- the *Claimant* reaches the *Ceasing Age*, or
- his disablement ceases to be recognised as *Occupational Disablement* or *Partial Occupational Disablement* as a result of a reassessment in terms of clause 2.4, or
- in the case of *Partial Occupational Disablement*, the *Claimant's* employment with the *Employer* ceases or he resumes his full duties with the *Employer*, or
- he dies, or
- Old Mutual* exercises its right to stop the *Income Protection Benefit* payments in terms of clause 2.6.4 or clause 2.9,

whichever of the above events happens first.

2.6.3 *Old Mutual* will continue to pay the *Income Protection Benefit* payments while the *Claimant* is outside the Republic of South Africa, subject to the reassessment provisions in terms of clause 2.4 and provided that the *Claimant*

- maintains a *Bank Account*, and
- provides *Old Mutual* with an active email address for communication purposes.

The *Claimant* must, at his own cost, provide *Old Mutual* with the information required by *Old Mutual* to complete a reassessment. If any of the information provided is not in

English, a translation of such information must also be submitted to *Old Mutual*.

- 2.6.4 Payment of the *Income Protection Benefit* will also be subject to the requirements regarding medical treatment in clause 2.11. If the *Claimant* does not meet these requirements, *Old Mutual* will have the right to stop the *Income Protection Benefit* payments.

2.7 Limitation of *Income Protection Benefit*

- 2.7.1 The initial monthly *Income Protection Benefit* (including any payment made in terms of clause 2.8) that applies during the *Initial Period* will be limited to the *Insured Person's* total monthly *Guaranteed Package* at the start of the *Waiting Period*.

- 2.7.2 If an *Insured Person* starts a *Waiting Period* within 12 months of an increase in the insured amount applicable to him in terms of clause 2.1 and the *Waiting Period* is the direct or indirect result of

- an injury that occurred, or
- an illness or condition that existed, or
- a surgical operation undergone

during the 6 months immediately before the date of the increase, *Old Mutual* has the right to disregard the increase when calculating the *Income Protection Benefit*, unless the increase in *Monthly Earnings* is less than 15% over a 12-month period.

- 2.7.3 *Old Mutual* is entitled to limit the *Claimant's Income Protection Benefit* so that the equivalent income (as calculated by *Old Mutual*) derived from all disability insurance policies in respect of him (whether as a lump sum or as an income) does not exceed his total *Guaranteed Package* (as advised to *Old Mutual* by the *Policyholder*) at the start of the *Waiting Period*.

It is the *Policyholder's* responsibility to notify *Old Mutual* in writing of any amounts payable in respect of the *Claimant* under other disability insurance policies within 60 days of the amounts first becoming payable.

2.8 Payment of Contributions to the *Retirement Fund*

- 2.8.1 If the *Income Protection Benefit* claim is admitted, *Old Mutual* will pay a proportion of the monthly *Income Protection Benefit* to the *Retirement Fund*. Such proportion will be as agreed upon between *Old Mutual* and the *Policyholder* and will be paid monthly in arrear, in accordance with the payment provisions in clause 7.7.

2.8.2 Payment will continue for as long as an *Income Protection Benefit* is payable in terms of clause 2.6. If the *Claimant* withdraws from the *Retirement Fund* involuntarily or if the *Retirement Fund* is dissolved or deregistered, the *Claimant* will have the option to make the contribution payable to the Old Mutual Unit Trusts Retirement Annuity Fund. A separate policy will be issued in respect of the *Claimant* and will be subject to *Old Mutual's* terms, conditions and investment charges prevailing at the time.

The *Claimant* can choose which underlying unit trust fund to have his contributions invested in as a member of the Old Mutual Unit Trusts Retirement Annuity Fund, according to his risk and needs. *Old Mutual* strongly recommends that he does so in consultation with a financial advisor. If the *Claimant* does not choose a unit trust fund, the default unit trust fund under the Old Mutual Unit Trusts Retirement Annuity Fund will be the Old Mutual Balanced Fund A.

If the *Claimant* does not choose the option to have the contribution payable to the Old Mutual Unit Trusts Retirement Annuity Fund within 90 days of first being eligible to make this choice, or if his application is not approved by *Old Mutual*, payment of the contribution will cease immediately, unless *Old Mutual* decides otherwise.

2.9 Adjustments in respect of Additional Income

If a *Claimant* does any work or conducts any business for gain or reward, the *Income Protection Benefit* payable in respect of him will be reduced by a portion of the additional income generated by such work or business. This portion will be calculated as follows:

$$\frac{\text{Income Protection Benefit as at the end of the Waiting Period}}{\text{Monthly Earnings as at the end of the Waiting Period}} \times \text{additional income}$$

For example, if a *Claimant* (whose previous earnings were R20 000) receives an *Income Protection Benefit* of R15 000 and earns R5 000 per month from any work or business activity, 75% (which is R15 000 divided by R20 000) of the R5 000 will be deducted from the *Income Protection Benefit*. This means that the *Income Protection Benefit* will be reduced by R3 750, leaving a balance of R11 250. The *Claimant* will thus earn a total of R16 250.

Old Mutual must be notified in writing of the income generated by such activities within 60 days of such income becoming payable. It is the *Policyholder's* responsibility to ensure that *Old Mutual* receives this notification. If the *Policyholder* fails to do so, *Old Mutual* has the right to immediately stop the *Income Protection Benefit* payments.

2.10 Escalation of *Income Protection Benefit*

At the end of the 12-month period following the start of the *Claimant's Income Protection Benefit* payments, the *Income Protection Benefit* will be escalated at a rate equal to the lesser of

- 4% per annum compound, and
- the percentage increase in the *Measure of Inflation* for the twelve-month period before the escalation calculation date.

For the purposes of this clause, "escalation calculation date" will mean the date three months before the escalation date, to allow time for the publication of the *Measure of Inflation*.

2.11 Medical Treatment

An *Insured Person/Claimant* must seek and follow the most appropriate medical treatment that he could reasonably be expected to follow, taking into account

- the advice of his medical specialist or an independent medical specialist, and
- the expected improvement in symptoms and the probable reduction in his physical and/or psychological impairment that may result from such treatment, and
- the affordability and availability of such treatment, and
- the risks and side-effects inherent in such treatment.

For the purposes of this clause, medical treatment includes, but is not limited to, rehabilitation, counselling, medication and regular medical review.

Old Mutual will not be liable for the cost of such treatment.

2.12 Reinstatement of *Income Protection Benefit* Payments

2.12.1 *Old Mutual* may reinstate *Income Protection Benefit* payments that have been stopped in terms of clause 2.6.2(b) provided that the following conditions have been met:

- the *Insured Person* has, in the opinion of *Old Mutual*, suffered a deterioration in the condition that gave rise to the claim, and
- such deterioration took place within 6 months of the date the *Income Protection Benefit* payments stopped.

2.12.2 The period during which no *Income Protection Benefit* payments were made in respect of the *Insured Person*, will not be taken into account when determining the duration of the *Initial Period* or *Extended Period*.

2.12.3 The reinstated *Income Protection Benefit* payments will be subject to reassessment in terms of clause 2.4.

2.13 Cash4♥Ones

A *Claimant* will qualify for Cash4♥Ones insurance. If a *Claimant* dies, *Old Mutual* will pay a Cash4♥Ones benefit to the *Policyholder*. The amount of such benefit will be as specified in the *Review Proposal*.

The *Policyholder* must notify *Old Mutual* within 12 months of the *Claimant's* death that he has died.

Where any overpayment of the *Income Protection Benefit* has been made in respect of the *Claimant*, the amount overpaid will be deducted from the Cash4♥Ones benefit.

A *Claimant* will cease to be insured for a Cash4♥Ones benefit when his *Income Protection Benefit* payments stop in terms of clause 2.6.2 or when the *Contract* is terminated in terms of clause 6.3, whichever is the earlier.

2.14 Authorised Absence from Work

2.14.1 Only if the *Insured Person's* absence from work for reasons other than *Occupational Disablement* recognised in terms of clause 2.3 (Submission, Assessment and Admission of an *Income Protection Benefit Claim*), has been authorised by the *Employer*, will he remain an *Insured Person* during such absence, but not for longer than one year. If he is still absent at the end of this period, he will automatically cease to qualify for insurance under the *Contract* unless *Old Mutual* agrees to extend the maximum period.

2.14.2 The insured amount applicable to the *Insured Person* during his absence will be equal to the insured amount that applied to him in terms of clause 2.1 immediately before his absence, unless the *Policyholder* in consultation with *Old Mutual* decides on a lesser amount.

2.14.3 The provisions in clause 2.2.3 governing the termination of insurance will continue to apply while the *Insured Person* is absent from work.

2.14.4 *Premiums* must continue to be paid in accordance with clause 5.1 for as long as the *Insured Person* remains an *Insured Person*.

2.15 Insurance while outside the Republic of South Africa

2.15.1 If an *Insured Person* leaves the Republic of South Africa, he will

- remain an *Insured Person* while in a country approved by *Old Mutual*, or
- remain an *Insured Person* for a period of up to 90 days while in any other country.

Old Mutual has the right to apply additional terms and conditions, subject to at least 30 consecutive days' prior written notice to the *Policyholder*, if more than 30% of the total amount insured under this *Contract* is based outside of the Republic of South Africa.

2.15.2 Where applicable, at the end of the 90-day period, he will automatically cease to qualify for insurance under the *Contract* unless he has returned to the Republic of South Africa within the 90-day period. *Old Mutual* may extend this period on written request from the *Policyholder*, subject to such conditions as *Old Mutual* may impose.

2.15.3 The provisions in clause 2.2.3 governing the termination of insurance will continue to apply while the *Insured Person* is outside the Republic of South Africa.

2.15.4 *Premiums* must continue to be paid in accordance with clause 5.1 for as long as the *Insured Person* remains an *Insured Person*.

2.16 Changes in Insured Amount

2.16.1 If any of the elements that make up an *Insured Person's Monthly Earnings* are reduced due to incapacity, the *Policyholder* must inform *Old Mutual* of the amount to be regarded as the *Insured Person's Monthly Earnings* when calculating the insured amount applicable to him. This amount may be equal to or less than his *Monthly Earnings* before the reduction. If applicable, the *Monthly Earnings* used to calculate the insured amount applicable to him will be adjusted accordingly from the date the reduction takes effect.

2.16.2 If any of the elements that make up an *Insured Person's Monthly Earnings* are reduced for reasons other than incapacity, the *Monthly Earnings* used to calculate the insured amount applicable to him will be reduced accordingly from the date the reduction takes effect.

2.16.3 If any of the elements that make up an *Insured Person's Monthly Earnings* are increased during the *Waiting Period* (or

would have been increased had he not been absent from work), the *Monthly Earnings* used to calculate the insured amount applicable to him will be adjusted accordingly from the date the increase takes effect, subject to the following conditions:

- The increase must be granted by the *Employer* to all *Insured Persons* in keeping with the *Employer's* normal salary increase practice.
- The percentage increase in the *Insured Person's Monthly Earnings* immediately before the start of the *Waiting Period* so taken into account may not exceed 15%.

2.16.4 If any of the elements that make up an *Insured Person's Monthly Earnings* are increased at any time before he starts a *Waiting Period*, the *Monthly Earnings* used to calculate the insured amount applicable to him will be adjusted accordingly from the date the increase takes effect.

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3. EVIDENCE OF HEALTH LIMITS

- 3.1 The insured amount in clause 2.1 will be limited to the prevailing evidence of health limit (as disclosed in the *Review Proposal*, subject to the review and amendment provisions in clause 6) unless *Old Mutual* receives evidence to its satisfaction that the *Insured Person's* risk profile is satisfactory.

Old Mutual will pay any reasonable costs incurred in providing the evidence mentioned above and the *Policyholder* must ensure that *Old Mutual* receives this evidence.

If the *Insured Person's* risk profile is unsatisfactory in *Old Mutual's* opinion, *Old Mutual* may either limit the insured amount to the evidence of health limit or allow the insured amount to exceed this limit subject to such health exclusions as *Old Mutual* may decide.

If the insured amount applicable to the *Insured Person* is subject to a health exclusion, the *Policyholder* may at any time provide evidence at its own expense regarding the *Insured Person's* risk profile. If, in the opinion of *Old Mutual*, this evidence indicates a satisfactory improvement, the health exclusion will be cancelled, otherwise it will continue to apply.

- 3.2 Where the insured amount has been allowed to exceed the evidence of health limit in clause 3.1, evidence regarding the *Insured Person's* risk profile will be required again whenever the amount to be insured would increase to more than such amount as *Old Mutual* may determine and advise to the *Policyholder*.

Old Mutual will pay any reasonable costs incurred in providing the evidence mentioned above and the *Policyholder* must ensure that *Old Mutual* receives this evidence.

If the *Insured Person's* risk profile is unsatisfactory in *Old Mutual's* opinion, *Old Mutual* may either limit the insured amount to the relevant limit in terms of this clause 3.2, or allow the insured amount to exceed this limit subject to such health exclusions as *Old Mutual* may decide.

If the insured amount applicable to the *Insured Person* is subject to a health exclusion, the *Policyholder* may at any time provide evidence at its own expense regarding the *Insured Person's* risk profile. If, in the opinion of *Old Mutual*, this evidence indicates a satisfactory improvement, the health exclusion will be cancelled, otherwise it will continue to apply.

4. ACCIDENT PLUS

- 4.1 If the insured amount applicable to an *Insured Person* is limited to the evidence of health limit in clause 3 and he experiences an event giving rise to a claim in terms of the *Contract*, *Old Mutual* will waive the limit provided that the claim is as a result of an accident and meets the requirements set out in this clause 4.
- 4.2 The accident must have taken place at a specific place and point in time, and must
- have been unexpected, and
 - not have been contributed to by an illness or disease.
- 4.3 Self-inflicted injuries are not considered to be accidental.
- 4.4 The *Insured Person's Occupational Disablement* must occur within 6 months of the accident taking place. The insured amount will be the insured amount that applied to him as at the date of the accident.
- 4.5 The *Policyholder* must submit to *Old Mutual* one of the following reports resulting from the accident:
- a police report, or
 - an Accident and Emergency Report, or
 - an Injury on Duty report.

Additional reporting requirements, such as toxicology or Civil Aviation Authority reports, may be necessary depending on the cause of the event giving rise to the claim.

5. PREMIUMS

- 5.1 The *Policyholder* must pay the *Premium* in the lawful currency of the Republic of South Africa into *Old Mutual's* designated *Bank Account*. *Premiums* are due and payable on the first day of each month.
- 5.2 *Old Mutual* may suspend insurance under the *Contract* as from the due date if the *Policyholder* fails to pay the full *Premium* within 45 days of the due date. Such suspended insurance may, at the sole discretion of *Old Mutual*, be reinstated on such terms as agreed with the *Policyholder*. If *Old Mutual* and the *Policyholder* cannot reach agreement for the reinstatement of insurance, *Old Mutual* will have the right to terminate the *Contract* as from the due date by notice to the *Policyholder*.

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6. AMENDMENT, REVIEW AND TERMINATION OF CONTRACT

6.1 Amendments

6.1.1 *Old Mutual* may amend the *Contract* at any time during a *Review Period*

- to comply with any changes to its reinsurance treaties, or
- in the event of a change to any legislation impacting on *Old Mutual's* position in terms of the *Contract*, including any taxation liability, or
- to comply with the requirements of any new legally binding rulings of any regulatory authority.

Any amendment in terms of this clause will be subject to at least 30 consecutive days' prior written notice to the *Policyholder*. If the *Policyholder* does not inform *Old Mutual* in writing during the notice period that it does not accept the amendment, the amendment will take effect when the notice period expires.

If the *Policyholder* rejects the amendment, *Old Mutual* may by notice to the *Policyholder* terminate the *Contract* as from the expiry of the notice period.

6.1.2 *Old Mutual* may at any time adjust the terms of the *Contract* if there is a material change in the risk profile of *Insured Persons*, subject to at least 30 consecutive days' prior written notice to the *Policyholder*.

If the *Policyholder* does not inform *Old Mutual* in writing during the notice period that it does not accept the revised terms of the *Contract*, the revised terms will take effect retrospectively as from the date on which the change in the risk profile occurred.

If the *Policyholder* rejects the revised terms of the *Contract*, *Old Mutual* may by notice to the *Policyholder* terminate the *Contract* as from the expiry of the notice period.

6.2 Review

Old Mutual may revise the terms of the *Contract* applicable to the next *Review Period*.

To ensure that the review of these terms can be done in time, the *Policyholder* must supply the information *Old Mutual* requires to do the review no less than 90 days before the start of the next *Review Period*. This information must be sent to *Old Mutual* via electronic mail.

Old Mutual will use the information to review the terms of the *Contract* and will give the *Policyholder* at least 30 consecutive days' prior written notice of the revised terms that will apply from the start of the next *Review Period*.

If the *Policyholder* does not keep to the 90-day cut-off period, the review of these terms will be postponed until *Old Mutual* receives the required information. *Old Mutual* will give the *Policyholder* at least 30 consecutive days' prior written notice of the revised terms that will apply retrospectively as from the date on which they would have taken effect if the review had not been delayed.

If the *Policyholder* does not inform *Old Mutual* in writing during the notice period that it does not accept the revised terms of the *Contract*, the revised terms will take effect in accordance with the notice to the *Policyholder*.

If the *Policyholder* rejects the revised terms of the *Contract*, *Old Mutual* may, by notice to the *Policyholder*, terminate the *Contract* as from the date on which the revised terms would have taken effect in accordance with the notice to the *Policyholder*.

6.3 Termination of Contract

- 6.3.1 The *Policyholder* may terminate the *Contract* at any time. Save for the circumstances envisaged in Part V of the Policyholder Protection Rules (Long-term Insurance), 2004, such termination will be subject to at least 30 consecutive days' prior written notice to *Old Mutual*.
- 6.3.2 *Old Mutual* may terminate the *Contract* as at any 1 March after 1 March 2014, subject to at least 30 consecutive days' prior written notice to the *Policyholder*.
- 6.3.3 The *Policyholder* must continue to pay the *Premiums* due in terms of clause 5 up to the date of termination, regardless of whether termination has been initiated by the *Policyholder* or *Old Mutual*.
- 6.3.4 If the *Contract* is terminated in terms of this clause 6.3 claims that have already been admitted will be paid in accordance with the *Contract* provisions in force on the date of admission of the claim.
- 6.3.5 If the *Contract* is terminated after an *Insured Person* completes the *Waiting Period* but before any claim arising from such event is submitted and assessed in terms of clause 2.3, such claim must be submitted in accordance with clause 2.3. If the claim is admitted, the *Income Protection Benefit* will be paid in accordance with the *Contract* provisions in force at the start of the *Waiting Period*.

- 6.3.6 If the *Contract* is terminated while an *Insured Person* is in the process of completing the *Waiting Period*, the *Policyholder* must notify *Old Mutual* in writing not more than 13 weeks after the date of termination, or submit the claim within 4 weeks of the end of the *Waiting Period*, whichever is the earlier. Provided that the *Insured Person* completes the *Waiting Period*, he will be regarded as an *Insured Person* for the entire *Waiting Period* but no premiums will be payable as from the date of termination. If the claim is admitted, the *Income Protection Benefit* will be paid in accordance with the *Contract* provisions in force at the start of the *Waiting Period*.

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7. GENERAL

7.1 Third Parties

The *Contract* will not be construed as a contract for the benefit of a third party and no third party will acquire any rights against *Old Mutual* arising from the *Contract*.

7.2 Assignability of Rights

The *Policyholder* may not cede, pledge, assign or in any way transfer its rights under the *Contract*.

7.3 Surrender Value

The policy has no surrender value. Except for the provisions of clause 2.2.1, *Premiums* will not be refunded if insurance under the *Contract* ceases or the *Contract* is terminated.

7.4 Information

7.4.1 The *Policyholder* must provide *Old Mutual* with information that *Old Mutual* might reasonably require for the operation of the *Contract* (including data that may assist in determining its future risks under the *Contract*). *Old Mutual* and the *Policyholder* will determine the method and frequency in which this information is to be provided, as well as its content and format.

7.4.2 If *Old Mutual* becomes aware of any errors in the information provided by the *Policyholder*, it may make whatever adjustments are necessary to take into account the correct information. This may include adjustments to *Premiums*, insured amounts provided in terms of the *Contract* and/or amounts payable in respect of claims.

7.5 Discretion

Where any decision in the *Contract* is subject to the discretion of *Old Mutual* or the *Policyholder*, such discretion must be exercised in a fair and reasonable manner.

7.6 Exercising of Rights

Where *Old Mutual* or the *Policyholder* decides not to exercise a right it has in terms of the *Contract*, this will not constitute a waiver of such right nor create a precedent for any subsequent decision.

7.7 Payment of Claims

When a claim becomes payable in terms of the *Contract*, the amount due will be paid in the lawful currency of the Republic of South Africa by means of an electronic funds transfer (EFT) to the *Policyholder's Bank Account*.

Despite the above, the *Policyholder* may instruct *Old Mutual* in writing to pay the amount due in another manner and/or to another party. In this event payment will be subject to such conditions as advised by *Old Mutual* in writing to the *Policyholder*.

Old Mutual will have no further liability in respect of any amount that has been paid in accordance with this clause.

7.8 Fraud, Material Misrepresentation or Non-disclosure

Old Mutual has the right to terminate this *Contract* if it is determined by *Old Mutual* that it was concluded as a result of fraud, or as a result of material misrepresentation or non-disclosure by the *Policyholder*. If in the assessment of any claim such claim is found by *Old Mutual* to be based on fraud, or based on material misrepresentation or non-disclosure by any party, *Old Mutual* has the right to reject the claim.

7.9 Acceptance, Rejection or Dispute of a Claim or the Amount of a Claim

Any acceptance, rejection or dispute of a claim or the amount of a claim by *Old Mutual* will be dealt with in accordance with the provisions of the Policyholder Protection Rules (Long-term Insurance), 2004, unless the *Policyholder* elects to lodge a complaint directly to the Ombudsman for Long-term Insurance under the Financial Services Ombud Schemes Act No 37 of 2004, or to take other legal action, or to have the rejection or dispute of a claim or the amount of a claim dealt with in terms of clause 7.10.

7.10 Disputes

7.10.1 *Old Mutual* and the *Policyholder* will initially attempt in good faith to promptly resolve any dispute that arises between the *Policyholder* and *Old Mutual* in connection with the *Contract*, as well as any rejection or dispute of a claim or the amount of a

claim which the *Policyholder* has elected to have dealt with in terms of this clause 7.10.

7.10.2 If the matter is not resolved in this manner within 10 days (or such longer period as agreed upon between the *Policyholder* and *Old Mutual*) of such matter arising, the *Policyholder* will be entitled to refer the matter to the Ombudsman for Long-term Insurance for determination in terms of his rules.

7.10.3 If the matter is not referred to the Ombudsman for Long-term Insurance or if he does not have jurisdiction, it will be submitted to and decided by arbitration. The arbitration will be referred to the Arbitration Foundation of Southern Africa, and will be conducted in accordance with the standard terms, conditions and rules of the Arbitration Foundation of Southern Africa.

Old Mutual and the *Policyholder* submit to the jurisdiction of the Western Cape High Court, Cape Town for the purposes of making the arbitration award an order of court.

This clause will survive the termination of the *Contract*.

7.11 Language for Communication

All communication with *Old Mutual*, including the submission of medical reports, must be conducted in English or translated into English.

7.12 Cessation of Participation by an Individual *Policyholder*

An individual *Policyholder* may discontinue its participation in this *Contract* at any time. Such discontinuance will be subject to at least 30 consecutive days' prior written notice to *Old Mutual*, or such shorter notice period as agreed between the relevant *Policyholder* and *Old Mutual*.

Old Mutual however reserves the right to amend the provisions of this *Contract* and/or the *Premium* due hereunder, in the event of the discontinuance of participation of an individual *Policyholder*.