

**Disclosures relevant to Policy EB 0 023 074**  
**for Independent Schools Association of Southern Africa Provident Fund**  
**Effective 1 March 2017**

<b>DEFINITIONS</b>		
<b>Definition</b>	<b>Description</b>	<b>Reason</b>
<b>Disability Income Contract</b>	Reference to an A Insured Persons has been removed.	<i>Product improvement. Both A Insured Persons and B Insured Persons may now enjoy this benefit.</i>
<b>LIFE ASSURANCE BENEFIT AND DISABILITY BENEFIT</b>		
<b>Clause</b>	<b>Description</b>	<b>Reason</b>
<b>Purpose and Amount of Insurance clause and Insured Person clause</b>	Reference to an A Insured Persons has been removed.	<i>Due to the product improvement.</i>
<b>Insured Person</b>	<p>Provision has now been made for a person who is entitled to a disability income as at 1 March 2017 or who becomes entitled to a disability income on or after such date to qualify for insurance against death under the Contract if the person</p> <ul style="list-style-type: none"> <li>• is included in the data Old Mutual requires for the preparation of the Review Proposal and monthly premium reconciliation, and</li> <li>• has been identified in such data as being in receipt of an income benefit in terms of the Disability Income Contract.</li> </ul>	<i>Clarification and alignment with the practice.</i>

**INDEPENDENT SCHOOLS  
ASSOCIATION OF SOUTHERN  
AFRICA PROVIDENT FUND**

**DC RISK POLICY**

**ORIGINAL**

**Policy Number : EB 0 023 074**

**Effective : 1 March 2017**



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

**Head Office: Mutualpark,  
Pinelands**

**Reg. No. 1999/004643/06**

**POLICY EB 0 023 074**

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

This *Contract* which constitutes a fund policy in terms of the Long-term Insurance Act 52 of 1998, takes effect on 1 March 2017 and applies to all claim events that occur while such *Contract* is in force.

The policy document provisions in force immediately before 1 March 2017 have been replaced by the provisions set out in this *Contract* in respect of all *Insured Persons* other than the following: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 2017;
- an *Insured Person* whose claim is still subject to consideration by *Old Mutual* as at 1 March 2017 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 2017, are in the process of being completed as at 1 March 2017.

Signed at Pinelands on 8 November 2016.



.....  
**L J KRITZINGER**  
**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*.

### Definitions

*A Insured Person*

An *Insured Person* who became a member of the *Retirement Fund* prior to 1 April 2001 and who only participates in the amount of insurance as set out in the table in clause 2.1.1 of this *Contract*.

*Actively at Work*

Being present at the *Employer's* usual place of business, performing the material duties of the relevant job.

*Annual Earnings*

On any given date, the *Insured Person's* basic annual salary on such date. Changes in annual earnings will be subject to the provisions of clause 2.9.

*B Insured Person*

An *Insured Person* who

- on or after 1 April 2001, becomes a member of the *Retirement Fund*, or
- prior to 1 April 2001, became a member of the *Retirement Fund*, other than an *A Insured Person*, and whose *Employer* elects for such *Insured Person* to

participate in the amount of insurance as set out in the table in clause 2.1.1 of this *Contract*.

*Bank Account*

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.

*Ceasing Age*

Any age up to a maximum of 65, as elected by the participating *Employer* and advised to *Old Mutual* by the *Policyholder* (which age has been accepted by *Old Mutual* as being the applicable age).

*Commencement Date*

1 October 2000, provided that in respect of an *Employer* whose participation commences after that date, it shall mean the date on which such *Employer* enrolls as an *Employer* under this *Contract*.

*Contract*

The agreement constituted jointly by the terms of the *Review Proposal* and the policy document.

*Disability Benefit*

The benefit payable on admission of a *Disablement* claim in respect of a *B Insured Person* in terms of clause 2.4. Such benefit will be equal to the following:

- (a) in the case of *Occupational Disablement*, *Paralysis* or *Loss of Sight*, the insured amount applicable to the *Insured Person* in terms of clause 2.1 immediately before the start of the *Waiting Period*, subject to the limitations in clause 2.6, or

- (b) in the case of *Loss of Limbs*, the insured amount applicable to the *Insured Person* in terms of clause 2.1 immediately before the event that gave rise to the claim, subject to the limitations in clause 2.6, or
- (c) in the case of *Partial Occupational Disablement*, 50% of the disability benefit calculated in terms of (a) above, after application of the limitations in clause 2.6.

*Disability Income Contract*

The insured group disability income arrangement in terms of which *Insured Persons* are covered for disability income benefits.

*Disablement*

*Occupational Disablement, Partial Occupational Disablement, Paralysis, Loss of Sight or Loss of Limbs* that occurs after the date on which the *B Insured Person* became an *Insured Person* but before the end of the month in which he reaches the *Ceasing Age*.

*Employer*

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. In respect of any one *Insured Person*, "employer" shall mean the School or Body or associate by whom he is employed at the time.

*Guaranteed Package*

The total cost incurred by the *Employer* to remunerate an *Insured Person* for services rendered, excluding any discretionary benefits, bonuses and overtime payments.

*Insured Person*

A person who is insured under the *Contract* in terms of clause 2.2.

*Life Assurance Benefit*

The benefit payable on admission of a death claim in terms of clause 2.3. Such benefit will be equal to the insured amount applicable to the *Insured Person* in terms of clause 2.1 immediately before the date of death and will be subject to the limitations in clause 2.6.

<i>Loss of Limbs</i>	The <i>Insured Person</i> has sustained the irreversible loss of both hands or both feet or one of each.
<i>Loss of Sight</i>	The <i>Insured Person</i> has been totally blind in both eyes for the duration of the <i>Waiting Period</i> and such loss of sight is permanent in <i>Old Mutual's</i> opinion.
<i>Normal Retirement Age</i>	Any age up to a maximum of 70, 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>Occupational Disablement</i>	The <i>Insured Person</i> is totally and permanently incapable of performing his <i>Own and Any Alternative Occupation with Any Employer</i> as a result of a condition that continued for the duration of the <i>Waiting Period</i> and arose from an injury or illness.
<i>Old Mutual</i>	Old Mutual Life Assurance Company (South Africa) Limited.
<i>Own and Any Alternative Occupation with Any Employer</i>	<p>(a) The type of work the <i>Insured Person</i> was performing immediately before the start of the <i>Waiting Period</i> and could perform with any employer</p> <p>AND</p> <p>(b) any alternative occupation with any employer, for which the <i>Insured Person</i> is suited, taking into account his age, education, training, knowledge, ability and experience.</p>
<i>Own and Any Alternative Occupation with Own Employer</i>	<p>(a) The type of work the <i>Insured Person</i> was performing with the <i>Employer</i> immediately before the start of the <i>Waiting Period</i></p> <p>AND</p> <p>(b) any alternative occupation with the <i>Employer</i>, for which the <i>Insured Person</i> is suited, taking into account his age, education, training, knowledge, ability and experience.</p>



<i>Paralysis</i>	The <i>Insured Person</i> has totally lost the use of both hands or both feet or one of each for the duration of the <i>Waiting Period</i> and such loss is permanent in <i>Old Mutual's</i> opinion.
<i>Partial Occupational Disablement</i>	The <i>Insured Person</i> is totally and permanently incapable of performing his <i>Own and Any Alternative Occupation with Own Employer</i> as a result of a condition that continued for the duration of the <i>Waiting Period</i> and arose from an injury or illness.
<i>Policyholder</i>	Independent Schools Association of Southern Africa Provident Fund.
<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 6-month period of absence from the <i>Employer's</i> usual place of business due to injury or illness during which the <i>Insured Person</i> does not perform the material duties of his job. Such period will be calculated from the first day that the <i>Insured Person</i> is absent from work.

## 2. LIFE ASSURANCE BENEFIT AND DISABILITY 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 death and a *B Insured Person* against *Disablement* for an amount which is determined in accordance with the tables below, and is based on a multiple of his *Annual Earnings* and his age.

The insured amount will initially be based on the *Insured Person's* age and the table applicable on the date he first became an *Insured Person*. On every 1 March thereafter, the insured amount will be recalculated in accordance with his age and the table applicable as at such date.

The tables below will apply from 1 March 2017 and will be subject to the review and amendment provisions in clause 6.

**TABLE IN RESPECT OF AN A INSURED PERSON**

DEATH	
<i>Insured Person's Age</i>	<i>Multiple of Annual Earnings</i>
18 - 35	2,10X <i>Annual Earnings</i>
36 - 40	1,91 X <i>Annual Earnings</i>
41 - 45	2,02 X <i>Annual Earnings</i>
46 - 50	2,14 X <i>Annual Earnings</i>
51 - 55	1,91 X <i>Annual Earnings</i>
56 - 60	1,76 X <i>Annual Earnings</i>
61 - 64	1,67 X <i>Annual Earnings</i>
65 - 70	1,42 X <i>Annual Earnings</i>

**TABLE IN RESPECT OF A B INSURED PERSON**

DEATH		DISABLEMENT	
<i>Insured Person's Age</i>	<i>Multiple of Annual Earnings</i>	<i>Insured Person's Age</i>	<i>Multiple of Annual Earnings</i>
18 - 35	2,83 X <i>Annual Earnings</i>	18 - 35	2,13 X <i>Annual Earnings</i>
36 - 40	2,40 X <i>Annual Earnings</i>	36 - 40	1,91 X <i>Annual Earnings</i>
41 - 45	1,86 X <i>Annual Earnings</i>	41 - 45	1,13 X <i>Annual Earnings</i>
46 - 50	1,96 X <i>Annual Earnings</i>	46 - 50	1,55 X <i>Annual Earnings</i>
51 - 55	1,75 X <i>Annual Earnings</i>	51 - 55	1,22 X <i>Annual Earnings</i>
56 - 60	1,55 X <i>Annual Earnings</i>	56 - 60	0,81 X <i>Annual Earnings</i>

61 - 64	1,45 X <i>Annual Earnings</i>	61 - 65	0,63 X <i>Annual Earnings</i>
65 - 70	1,66 X <i>Annual Earnings</i>		

For the purposes of this clause "age" in respect of insurance against death shall mean the *Insured Person's* age as at date of death and insurance against *Disablement* shall mean the *Insured Person's* age as at the commencement of his absence from work.

The amount of insurance against death in terms of this clause will be reduced by any *Disability Benefit* paid in terms of clause 2.4.

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

2.1.3 The *Annual Earnings* used to calculate the insured amount against death that applies to an *Insured Person* who is entitled to an income benefit in terms of the *Disability Income Contract* (clause 2.2.4), will be the *Annual Earnings* that applied to him as at the beginning of the waiting period in terms of the *Disability Income Contract*.

However, if any of the elements that make up an *Insured Person's Annual Earnings* are increased during the waiting period in terms of the *Disability Income Contract* (or would have been increased had he not been absent from work), the *Annual Earnings* used to calculate the insured amount will be adjusted accordingly from the date the increase takes effect (or would have taken 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 Annual Earnings* immediately before the start of the waiting period in terms of the *Disability Income Contract* may not exceed 15%.

The *Insured Person's Annual Earnings* used to calculate the insured amount against death will be increased annually. *Old Mutual* and the *Policyholder* will agree on the percentage increase to apply, subject to *Old Mutual's* terms and conditions.

## 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 2017 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 2017,

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 member of the *Retirement Fund*, and
- (b) he is under his *Normal Retirement Age*.

A person who is entitled to an income benefit in terms of the *Disability Income Contract* as at 1 March 2017 or who becomes entitled to an income benefit in terms of the *Disability Income Contract* after such date will also qualify for insurance under the *Contract* if this person has been included in the data provided to *Old Mutual* for the preparation of the *Review Proposal* and monthly premium reconciliation and has been identified in such data as receiving an income benefit in terms of the *Disability Income Contract*. The person will be insured against death only.

2.2.3 Unless otherwise provided for in clause 2.2.4, a person will cease to be insured under the *Contract* at midnight on the earliest of

- (a) the date provided for in clause 2.7 (Authorised Absence from Work) or clause 2.8 (Insurance while outside the Republic of South Africa), or
- (b) the date his service with the *Employer* terminates, or
- (c) in the case of insurance against death, 31 December of the year in which he reaches his *Normal Retirement Age*, or
- (d) in the case of insurance against *Disablement*, 31 December of the year in which he reaches the *Ceasing Age*, or

- (e) the date on which the *Contract* is terminated in terms of clause 6.3, subject to the provisions of clauses 6.3.4 to 6.3.7, or
- (f) the date he ceases to meet the requirements in clause 2.2.2(a) for reasons other than those set out above.

2.2.4 If an *Insured Person* becomes entitled to an income benefit in terms of the *Disability Income Contract* and provided that he remains a member of the *Retirement Fund*, he will remain insured under the *Contract* against death for the insured amount in terms of clause 2.1 until payment of the income benefit ceases but not beyond midnight on the last day of the month in which the *Insured Person* reaches age 65. If the *Contract* is terminated in terms of clause 6.3 before this date, he will cease to be insured at midnight on the date on which the *Contract* is terminated. Continuation of insurance in terms of this clause 2.2.4 will be subject to clause 2.8 (Insurance while outside the Republic of South Africa).

Insurance against *Disablement* will cease when the *Insured Person* becomes entitled to an income benefit in terms of the *Disability Income Contract*. If he started a *Waiting Period* on the same date as the waiting period in terms of the *Disability Income Contract* and he completes such *Waiting Period*, he will be regarded as an *Insured Person* for the entire *Waiting Period* but only in respect of the condition that gave rise to the *Waiting Period*.

## **2.3 Submission, Assessment and Admission of a Claim arising from the Death of an *Insured Person***

2.3.1 The *Policyholder* must submit the claim on *Old Mutual's* prescribed forms and must include the documentation specified in the forms. *Old Mutual* will not be liable for any costs incurred in meeting these requirements.

The claim must be submitted to *Old Mutual* within 52 weeks after the *Insured Person's* death, failing which the right to claim will lapse.

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. If the information is not provided within 26 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.

- 2.3.3 If an *Insured Person* dies within 6 months of becoming an *Insured Person* and he was not *Actively at Work* on the first working day next following or coinciding with the date he qualified for insurance under the *Contract*, *Old Mutual* may request proof to its satisfaction from the *Policyholder* that the *Insured Person* was employed in good faith and not with the intention of obtaining a *Life Assurance Benefit* in respect of him. If this 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.
- 2.3.4 *Old Mutual* will admit the claim if it 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.
- 2.3.5 Upon the admission of a valid claim, *Old Mutual* will pay the *Life Assurance Benefit* in a lump sum to the *Policyholder*.

## **2.4 Submission, Assessment and Admission of a Claim arising from the *Disablement* of a *B Insured Person***

- 2.4.1 The *Policyholder* must submit the claim on *Old Mutual's* prescribed forms. The completed forms, together with the other documentation specified in the forms and relevant specialist medical evidence, must be submitted to *Old Mutual* no later than 12 months after the start of the *Waiting Period* or after the date of *Disablement* in the event of the *Loss of Limbs*, as the case may be. If this requirement is not met, the right to claim will lapse. *Old Mutual* will not be liable for any costs incurred in meeting this requirement.
- 2.4.2 *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. 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 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 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.

2.4.3 The *Insured Person* 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.

If the *Insured Person* does not meet these requirements, *Old Mutual* will have the right to decline the claim.

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.

2.4.4 *Old Mutual* will admit the claim if:

- in *Old Mutual's* assessment, the *Insured Person's* condition satisfies the definition of *Disablement*, and
- the claim satisfies the requirements set out in clauses 2.4.1 to 2.4.3 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 against *Disablement* 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 6.3.7.

2.4.5 Upon the admission of a valid claim, *Old Mutual* will pay the *Disability Benefit* in a lump sum to the *Policyholder*.

## 2.5 Exclusions

2.5.1 The claim will be declined if the *Insured Person's* death or *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 A claim arising from *Disablement* that occurs during the 12 months after the date on which the *Insured Person* first became an *Insured Person* will also be declined if it is caused by

- an 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 Limitations

2.6.1 If an *Insured Person* starts a *Waiting Period* or sustains the *Loss of Limbs* within 12 months of an increase in the insured amount applicable to him in terms of clause 2.1 and his *Disablement* 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 *Disability Benefit*.

This clause applies to any increase arising from a change in the basis used in terms of clause 2.1 to determine the insured amount but excludes an increase due to a change in the *Insured Person's Annual Earnings*.

2.6.2 If an *Insured Person's* insured amount in terms of clause 2.1 has increased by more than 20% during the 6 months before his death and he was not *Actively at Work* on the first working day next following or coinciding with the date such increase took effect, *Old Mutual* may request proof to its satisfaction from the *Policyholder* that the increase was granted in good faith and not with the intention of obtaining a higher *Life Assurance Benefit* in respect of him. If this 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 increase will not be taken into account when calculating the *Life Assurance Benefit*.



- 2.6.3 The *Disability Benefit* is limited to the amount as specified in the *Review Proposal*.
- 2.6.4 The *Disability Benefit* will, after the application of the limit in clause 2.6.3, be subject to a further limit calculated as follows:

$$\frac{M}{12} \times \text{Annual Earnings}$$

Where M = the number of complete months between the start of the *Waiting Period* and the end of the month in which the *Insured Person* attains his *Ceasing Age*.

- 2.6.5 *Old Mutual* is entitled to limit the *Disability Benefit* payable as a result of an *Insured Person's Disablement* 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 *Insured Person* under other disability insurance policies within 60 days of the amounts first becoming payable.

## **2.7 Authorised Absence from Work**

- 2.7.1 Only if the *Insured Person's* absence from work 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 period.

- 2.7.2 The *Annual Earnings* used to calculate the insured amount applicable to the *Insured Person* during his absence will be equal to the *Annual Earnings* 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.
- 2.7.3 The provisions in clause 2.2.3 governing the termination of insurance will continue to apply while the *Insured Person* is absent from work.
- 2.7.4 *Premiums* must continue to be paid in accordance with clause 5.1 for as long as the *Insured Person* remains an *Insured Person*.

- 2.7.5 The provisions of this clause 2.7 will not apply to an *Insured Person* who is entitled to an income benefit in terms of the *Disability Income Contract* (clause 2.2.4).

## **2.8 Insurance while outside the Republic of South Africa**

- 2.8.1 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.

- 2.8.2 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.

- 2.8.3 The provisions in clause 2.2.3 and clause 2.2.4 governing the termination of insurance will continue to apply while the *Insured Person* is outside the Republic of South Africa.

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

## **2.9 Changes in Insured Amount**

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

applicable to him will be reduced accordingly from the date the reduction takes effect.

- 2.9.3 If any of the elements that make up an *Insured Person's Annual Earnings* are increased, the *Annual 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.

Where the evidence mentioned above is obtained in the Republic of South Africa, *Old Mutual* will pay any reasonable costs incurred in providing such evidence. 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*.

In addition to the above limits, the insured amount against death in terms of clause 2.1, together with any insured amounts against the death of the *Insured Person* under any other group contract underwritten by *Old Mutual*, will not be allowed to exceed R50 000 000 unless *Old Mutual* has made special reinsurance arrangements. *Old Mutual* may require evidence to its satisfaction that the *Insured Person's* risk profile is acceptable.

Where the evidence mentioned above is obtained in the Republic of South Africa, *Old Mutual* will pay any reasonable costs incurred in providing such evidence. 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.

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#### 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 death or *Disablement* 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 Suicide and self-inflicted injuries are not considered to be accidental.
- 4.4 The *Insured Person's* death or *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 and the results of any autopsy or inquest, 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. 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 2017, 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* dies but before a claim is submitted and assessed in terms of clause 2.3, the claim must be submitted in accordance with clause 2.3. If the claim is admitted, the *Life Assurance Benefit* will be paid in accordance with the *Contract* provisions in force on the date of death.
- 6.3.6 If the *Contract* is terminated after an *Insured Person* completes the *Waiting Period* or sustains a *Loss of Limbs* but before any claim arising from such event is submitted and assessed in

terms of clause 2.4, such claim must be submitted in accordance with clause 2.4. If the claim is admitted, the *Disability Benefit* will be paid in accordance with the *Contract* provisions in force at the start of the *Waiting Period* or on the date on which the *Loss of Limbs* occurs, as the case may be.

- 6.3.7 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 *Disability 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 *Bank Account* of the party stipulated in clause 2.3.5 or clause 2.4.5.

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*.

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