



## LIFE INSURANCE POLICY

EFFECTED BY

RHODES UNIVERSITY

(Policy number 19414012X5)

Sanlam Life Insurance Limited (Registration no 1998/021121/06) must as from 1 July 2015 provide insurance in respect of the EMPLOYEES of certain EMPLOYERS in terms of this Policy (in which the attached Schedules are incorporated), provided that the provisions of the Policy are complied with by the EMPLOYERS. This Policy is issued to the EMPLOYER for the benefit of the persons who are entitled to benefits in terms of the Policy.

Sanlam Life Insurance Limited enters into this Policy on the basis of the information and documents provided to Sanlam Life Insurance Limited relating to the risk relevant to the Policy.

Signed at Bellville on behalf of Sanlam Life Insurance Limited on 28 October 2015.

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Insurance

Financial Planning

Retirement

Investments

Wealth

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Sanlam Life Insurance Limited Reg no 1998/021121/06. Licensed Financial Services and Registered Credit Provider (NCRCP43). Refer to the Sanlam website for directors and company secretary details.

[www.sanlam.co.za](http://www.sanlam.co.za)

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## SCHEDULE 1. DEFINITIONS

In this Policy, unless the context indicates otherwise,

- ♦ the singular also denotes the plural and vice versa; and
- ♦ the expressions below have the meanings indicated opposite them.

**COMMENCEMENT DATE** means 1 July 2015.

**DRIVER** - SANLAM will regard an INSURED as a DRIVER when one of the core functions of his/her job is to drive or operate a vehicle(s) or machine(s) that is used for the transporting or conveyance of goods or people.

Core function in this context will mean that if he/she is not able to perform this function, his/her EMPLOYER will be entitled to end his/her employment due to incapacity.

However, he/she must be in possession of a valid license to drive or operate the particular vehicle(s) or machine(s).

**EMPLOYEE** means a person who -

- (a) is in the service of the EMPLOYER; and
- (b) is a member of the Rhodes University Pension Fund or Rhodes University Provident Fund.

**EMPLOYER** means the PRINCIPAL EMPLOYER and any other EMPLOYER that participates in the Policy.

With regard to an EMPLOYEE, EMPLOYER means that EMPLOYER by whom the EMPLOYEE is or was last employed.

**FUND** means Rhodes University Pension Fund or Rhodes University Provident Fund.

**INSURED** means a person who is insured in terms of this Policy by virtue of being an EMPLOYEE.

**LABOUR RELATIONS ACT** means the Labour Relations Act (Act No.66 of 1995), as amended, and the regulations made in terms of it, or any substituting statutory measures.

**MONTH** means any of the twelve periods in which a year is divided.

**NORMAL RETIREMENT AGE** means the age of 65 years.

**NORMAL RETIREMENT DATE** in regard to any INSURED means the last day of the year in which he/she reaches the NORMAL RETIREMENT AGE.

**POLICY ANNIVERSARY** means the first day of January of each year.

**PRINCIPAL EMPLOYER** means Rhodes University.

**REMUNERATION AMOUNT** in regard to any **INSURED** means the total of

- (a) the amount of the basic cash remuneration the **INSURED** receives from the **EMPLOYER**, plus
- (b) any amount determined by the **EMPLOYER** in terms of its human resources policy, and that is agreed to by the **EMPLOYER** and **SANLAM**,

provided that –

- ♦ unless the **EMPLOYER** and **SANLAM** agree otherwise, the annual **REMUNERATION AMOUNT** of an **INSURED** with a variable income is limited to the income which he/she received from the **EMPLOYER** during the twelve **MONTHS** immediately preceding the date on which the **REMUNERATION AMOUNT** is determined or, if less than twelve **MONTHS**, to his/her average monthly income during the number of **MONTHS** in which he/she received an income from the **EMPLOYER** multiplied by twelve; and
- ♦ the total of the **INSURED**'s **REMUNERATION AMOUNT** may not exceed the total cost incurred (either conditionally or not) by the **EMPLOYER** in respect of the **INSURED**'s service with the **EMPLOYER**.

However, if in terms of the **EMPLOYER**'S human resources policy, the benefits and premiums in terms of this Policy in regard to an **INSURED** are based only on a certain percentage of the **INSURED**'S salary,

- ♦ the applicable salary to be used must be advised to **SANLAM** by the **EMPLOYER** and accepted by **SANLAM** in writing for the purposes of the Policy; and
- ♦ **SANLAM** must be informed of the applicable percentage as on the **COMMENCEMENT DATE**; and
- ♦ the percentage must apply to all **EMPLOYEES** who are insured in terms of this Policy per defined categories; and
- ♦ **SANLAM** must be advised in writing if the applicable percentage has changed before the date that the change becomes applicable; and
- ♦ individual choices per **INSURED** will not be allowed, unless agreed otherwise between the **EMPLOYER** and **SANLAM**.

**SANLAM** means Sanlam Life Insurance Limited.

**SCHEDULE 2. PARTICIPATION****2.1 INSURED**

- 2.1(1) Every EMPLOYEE qualifies to become an INSURED in terms of this Policy, provided that -
- (a) he/she is on the permanent staff of the EMPLOYER;
  - (b) he/she has already reached the age of 15 years; and
  - (c) he/she has not reached the age of 65 years.
- 2.1(2) An EMPLOYEE who entered the service of the EMPLOYER before the COMMENCEMENT DATE and has since then remained in the EMPLOYER's service without interruption; may become an INSURED on or after the date on which he/she qualifies for the insurance by applying for it. If such an EMPLOYEE applies to become an INSURED more than three MONTHS after the date of qualification, he/she may become an INSURED with the approval of SANLAM. His/her right to become an INSURED will, however, lapse if he/she does not submit proof of good health to the satisfaction of SANLAM.
- 2.1(3) The insurance of an EMPLOYEE who is insured in accordance with the preceding sub-clause, commences on the first day of the MONTH following the date on which SANLAM receives the application, unless SANLAM and the EMPLOYER agree otherwise in the case of a particular EMPLOYEE.
- 2.1(4) Every EMPLOYEE who qualifies for this insurance on or after the COMMENCEMENT DATE, automatically and without any specific application is insured in terms of this Policy from the first day of the MONTH following the date on which he/she qualifies for the insurance.
- 2.1(5) The requirements referred to in the preceding sub-clause must be laid down by the EMPLOYER as a condition of employment of its EMPLOYEES.

**2.2 Termination of participation of an INSURED**

An INSURED ceases to be an INSURED -

- (a) at the INSURED'S death; or
  - (b) as soon as the INSURED, after he/she has ceased to be an EMPLOYEE, ceases to be entitled to a benefit in terms of the Policy; or
  - (c) at the cancellation of the insurance in terms of the provisions of the Policy; or
  - (d) if the EMPLOYER ceases to carry on business,
- whichever event occurs first.

### SCHEDULE 3. DEATH BENEFITS

#### 3.1 Benefit

3.1(1) If an INSURED while he/she is an EMPLOYEE dies before or on the NORMAL RETIREMENT DATE the following becomes payable, unless this benefit is reduced in terms of the proof of good health requirements below:

- (a) a core amount of twice the INSURED's annual REMUNERATION AMOUNT, plus
- (b) a flexible amount up to twice the INSURED's annual REMUNERATION AMOUNT as selected by the INSURED in a written notification to the EMPLOYER and of which SANLAM must be advised in writing before expiry of three MONTHS of the INSURED becoming an INSURED, decreased or increased in accordance with the options set out below,

provided that the flexible amount of an INSURED who was insured in terms of insurance which was replaced by the insurance provided in terms of this Schedule may not be more than his/her flexible amount immediately before the commencement of the insurance in terms of this Schedule, unless it is increased in accordance with the options set out in clause 3.3.

'Core amount' in paragraph (a) above refers to the minimum amount of cover that must be effected by an INSURED and 'flexible amount' in paragraph (b) refers to the additional multiples of cover that may be selected by the INSURED.

3.1(2) If an INSURED while he/she is an EMPLOYEE dies after the NORMAL RETIREMENT DATE, but before attaining the age of 70 years, the death benefit that would have been paid in terms of sub-clause (1), becomes payable, as if that benefit is also applicable after the NORMAL RETIREMENT DATE.

3.1(3) This benefit is intended to be applied for the benefit of the INSURED's nominee(s) designated on a prescribed nomination form purported to be signed by the INSURED and in the proportions indicated on that form or, failing such nomination, for the benefit of the estate of the INSURED. The EMPLOYER must endeavour to arrange for this form to be completed and signed by the INSURED and must keep it on file. At the death of the INSURED the EMPLOYER must -

- (a) instruct SANLAM to which nominee(s) the benefit must be paid and in what proportions (which instruction SANLAM may accept as being in accordance with the nomination form that the EMPLOYER has on file) or, failing a nomination by the INSURED, provide SANLAM with the details of the estate of the INSURED to whom the benefit must be paid (in which case SANLAM may accept that no nomination was made); or, alternatively

(b) instruct SANLAM to pay the benefit direct to the EMPLOYER whereupon the EMPLOYER will be responsible to pay the benefit to the nominee(s) or, failing which, the INSURED's estate.

3.1(4) If a nominee to whom the benefit or a portion thereof is payable is a minor and the INSURED has not designated a guardian or a trust to whom the benefit must be paid for the benefit of such a minor beneficiary, the EMPLOYER must instruct SANLAM to pay the benefit in respect of such a minor beneficiary to -

- (a) his/her guardian or to a person in whose care such minor beneficiary is; or
- (b) a trust to administer it and apply it for the benefit of such minor beneficiary at the discretion of the trustees of the trust; or
- (c) the minor beneficiary directly.

The EMPLOYER must provide SANLAM with the details of the guardian or the person in whose care such minor beneficiary is or trust.

3.1(5) Any payment by SANLAM in terms of this clause releases SANLAM from any further liability in relation to the benefits payable in terms of this Policy in respect of the INSURED's death. Neither the EMPLOYER nor any nominee, INSURED's estate or any other person shall have any claim against SANLAM once SANLAM has made payment in accordance with the EMPLOYER's instructions in terms of this clause or once SANLAM has made payment to the INSURED's estate based on the details provided by the EMPLOYER.

### **3.2 Option to decrease the flexible amount**

An INSURED is granted the option to decrease his/her flexible amount in terms of clause 3.1(1)(b) by any multiple of 0,5 times annual REMUNERATION AMOUNT, provided that

- ♦ the flexible amount may only be decreased once a year on the same date on which it may be increased in terms of clause 3.3(3); and
- ♦ the option must be exercised in a written notification to the EMPLOYER and SANLAM must be advised thereof in writing before the date of the decrease concerned.

### **3.3 Option to increase the flexible amount**

3.3(1) When an INSURED enters into a marriage or union in accordance with the Marriage Act, 1961, the Recognition of Customary Marriages Act, 1998, or the Civil Union Act, 2006, or the tenets of a religion, he/she may increase his/her flexible amount in terms



of clause 3.1(1)(b) by any multiple of 0,5 times the annual REMUNERATION AMOUNT, provided that

- ♦ the option must be exercised in a written notification to the EMPLOYER and SANLAM must be advised thereof in writing within three MONTHS of the date of the marriage or the date on which the INSURED enters into the union;
- ♦ the increase may not commence before SANLAM has been advised thereof; and
- ♦ the flexible amount may not increase to a level above the maximum level allowed in terms of clause 3.1(1)(b) at the time.

3.3(2) When a child is born to an INSURED or an INSURED legally adopts a child, he/she may increase his/her flexible amount in terms of clause 3.1(1)(b) by any multiple of 0,5 times the annual REMUNERATION AMOUNT, provided that

- ♦ the option must be exercised in a written notification to the EMPLOYER and SANLAM must be advised thereof in writing within three MONTHS of the birth or adoption, as the case may be;
- ♦ the increase may not commence before SANLAM has been advised thereof; and
- ♦ the flexible amount may not increase to a level above the maximum level allowed in terms of clause 3.1(1)(b) at the time.

3.3(3) An INSURED may also increase his/her flexible amount in terms of clause 3.1(1)(b) by any multiple of 0,5 times the annual REMUNERATION AMOUNT once a year on any other date as agreed upon between the PRINCIPAL EMPLOYER and SANLAM in writing, provided that

- ♦ the date referred to above must be the same for all INSURED;
- ♦ the option must be exercised in a written notification to the EMPLOYER and SANLAM must be advised thereof in writing before the date of the increase concerned;
- ♦ notwithstanding any provision to the contrary, the INSURED at SANLAM's expense submits proof of good health to the satisfaction of SANLAM for the increase; and
- ♦ the flexible amount may not increase to a level above the maximum level allowed in terms of clause 3.1(1)(b) at the time.

### 3.4 Notification of a claim

No benefit is paid in terms of this Schedule if SANLAM is not notified in writing of the claim for the benefit within six MONTHS after the INSURED's death.

### 3.5 Proof of good health

3.5(1) In this clause -

**BENEFIT ENTITLEMENT** in regard to an INSURED means the benefit that would have been provided by SANLAM in regard to him/her in terms of this Schedule and, if applicable, in terms of -

- (a) Schedule 2 of policy number 19414014X1 if the INSURED is a member of the Rhodes Pension Fund; or
- (b) Schedule 2 of policy number 19414013X3 if the INSURED is a member of the Rhodes Provident Fund,

but for the stipulations of this Schedule regarding proof of good health.

**FREE COVER LIMIT** means that part of the BENEFIT ENTITLEMENT regarding which proof of good health does not have to be submitted, as laid down from time to time by SANLAM and conveyed in writing to the EMPLOYER.

3.5(2) The insurance in this Schedule in regard to an INSURED and the insurance in terms of Schedule 2 of policy number 19414014X1 or in terms of Schedule 2 of policy number 19414013X3, as applicable in terms of the INSURED, is limited to the FREE COVER LIMIT, unless proof of good health to the satisfaction of SANLAM regarding that part of his/her BENEFIT ENTITLEMENT exceeding the FREE COVER LIMIT is submitted to SANLAM in the manner specified by SANLAM from time to time. SANLAM will limit the benefit in regard to the INSURED in terms of this Schedule and in terms of Schedule 2 of policy number 19414014X1 or in terms of Schedule 2 of policy number 19414013X3 as applicable in terms of the INSURED, on a basis agreed to with the EMPLOYER. But the insurance is not limited to the FREE COVER LIMIT in the following instances -

- (a) for the first three MONTHS after the INSURED becomes an INSURED; and
- (b) for the first three MONTHS after an increase in the INSURED's BENEFIT ENTITLEMENT if the FREE COVER LIMIT is exceeded for the first time as a result of the increase, subject to the provisions of clause 3.3(3),

provided that -

- ♦ the benefit which is provided in the three MONTHS referred to in paragraphs (a) and (b) above may not exceed amounts determined by SANLAM from time to time; and
- ♦ paragraph (a) is not applicable if the INSURED becomes an INSURED as a result of the insurance provided in terms of this Schedule replacing other insurance in terms of which the INSURED was insured; and
- ♦ if the INSURED dies within the three MONTHS referred to in paragraphs (a) and (b) above, and SANLAM is satisfied that the cause of death relates to an illness or an injury which occurred within the six MONTHS immediately prior to the beginning of the period of three MONTHS, the benefit in terms of this Schedule will be limited to the FREE COVER LIMIT; and
- ♦ the benefit in terms of this Schedule will be limited to the FREE COVER LIMIT if the death of the INSURED directly or indirectly is caused by or traceable to suicide or attempted suicide which occurs within the three MONTHS referred to in paragraphs (a) and (b) above; and
- ♦ if the INSURED submits proof of good health to the satisfaction of SANLAM within the three MONTHS referred to in paragraphs (a) or (b) above, then the insurance that is agreed by the EMPLOYER and SANLAM in writing is applicable to the INSURED from the moment it is put in writing.

The EMPLOYER must advise SANLAM in writing immediately when an INSURED's BENEFIT ENTITLEMENT exceeds the FREE COVER LIMIT.

SANLAM will only request proof of good health in respect of an INSURED upon being advised by the EMPLOYER in writing that the INSURED's BENEFIT ENTITLEMENT has exceeded the FREE COVER LIMIT.

SANLAM will not be liable for any claim in respect of any amount in excess of the FREE COVER LIMIT where the EMPLOYER did not advise SANLAM in writing that the INSURED's BENEFIT ENTITLEMENT has exceeded the FREE COVER LIMIT and in respect of whom proof of good health to the satisfaction of SANLAM was not submitted to SANLAM in the manner specified by SANLAM from time to time.

- 3.5(3) The life of anyone who has the option of becoming an INSURED, but has failed to become an INSURED within three MONTHS of becoming entitled to do so, is not insured in terms of this Schedule, unless proof of good health to the satisfaction of SANLAM is submitted to SANLAM in the manner specified by SANLAM from time to time. Such proof is at such person's own expense.

The EMPLOYER must advise SANLAM in writing of any person who has requested to become an INSURED more than three MONTHS after becoming entitled to do so.

SANLAM will only request proof of good health in respect of such a person upon being advised by the EMPLOYER in writing of such a person's request to become an INSURED.

SANLAM will not be liable for any claim in respect of such a person where the EMPLOYER did not advise SANLAM in writing of such a person's request to become an INSURED and in respect of whom proof of good health to the satisfaction of SANLAM was not submitted to SANLAM in the manner specified by SANLAM from time to time.

- 3.5(4) If an INSURED is 55 years or older, his/her flexible amount in terms of clause 3.1(1)(b), or any increase in it in terms of clause 3.3, is not provided unless proof of good health to the satisfaction of SANLAM was submitted to SANLAM in the manner specified by SANLAM from time to time. Such proof is at SANLAM's expense.

The EMPLOYER must advise SANLAM in writing of an INSURED who has already attained the age of 55 years and who requests to increase his/her flexible amount in terms of clause 3.3.

SANLAM will only request proof of good health in respect of such an INSURED upon being advised by the EMPLOYER in writing of an INSURED who has already attained the age of 55 years and of the INSURED's request to increase his/her flexible amount in terms of clause 3.3.

SANLAM will not be liable for any flexible amount in terms of clause 3.1(1)(b) in respect of such an INSURED where the EMPLOYER did not advise SANLAM in writing of an INSURED who has already attained the age of 55 years and of such an INSURED's request to increase his/her flexible amount and in respect of whom proof of good health to the satisfaction of SANLAM was not submitted to SANLAM in the manner specified by SANLAM from time to time.

- 3.5(5) Once proof of good health to the satisfaction of SANLAM for that part of an INSURED's insurance exceeding the FREE COVER LIMIT has been submitted to SANLAM in the manner specified by SANLAM from time to time, subsequent increases in the INSURED's BENEFIT ENTITLEMENT will, in the following circumstances, apply only if further proof of good health to SANLAM's satisfaction has been provided:

(a) if certain periods determined by SANLAM from time to time have expired; or

(b) if the INSURED reaches a certain age determined by SANLAM from time to time;  
or

(c) if the death benefit exceeds amounts determined by SANLAM from time to time.

3.5(6) In deciding on medical grounds that the proof of good health that has been submitted in a particular case in terms of the preceding sub-clauses is to its satisfaction, SANLAM may -

(a) levy an additional premium (over and above its premium rate for standard lives) for the insurance of that part of the benefits for which the proof has been submitted, and of future increases in the benefits; or

(b) determine that the benefits referred to in paragraph (a) are not applicable in the case of causes of death as laid down by SANLAM,

provided that the part of the benefits referred to (including the increases) is only applicable if and after the EMPLOYER and SANLAM have agreed to it in writing and then also not in the case of causes of death as laid down by SANLAM.

3.5(7) If SANLAM reduces the FREE COVER LIMIT at any specific time, the insurance that applied to an existing INSURED before such reduction is not reduced as a result of that, provided that the benefit remains applicable to the INSURED uninterruptedly.

3.5(8) If the insurance in this Schedule has ceased to apply to an INSURED temporarily, proof of good health that was submitted in respect of the INSURED before such cessation is, for the purposes of the preceding sub-clauses, deemed null and void.

### 3.6 General exclusions

Notwithstanding any other provision to the contrary in the Policy, no benefit is paid in terms of this Schedule if the INSURED'S death -

(a) is a direct or indirect consequence of active participation in war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;

(b) is a direct or indirect consequence of -

(i) the use of nuclear, biological or chemical weapons, or any radioactive contamination; or

(ii) attacks on or sabotage of facilities (including, but not limited to, nuclear power plants, reprocessing plants, final repository sites and research

reactors) and storage depots, which lead to the release of radioactivity or nuclear, biological or chemical warfare agents,

irrespective whether any of the aforesaid has been performed with the specific use of information technology.

### **3.7 Commencement of SANLAM'S liability**

- 3.7(1) The benefit described in this Schedule, or any increase in it by virtue of an amendment to the Policy, is not provided regarding an INSURED if -
- (a) the INSURED, on the latest date on which the insurance described in this Schedule or the insurance of the increase, as the case may be, has commenced with SANLAM regarding the INSURED, in the opinion of SANLAM, is incapable of performing his/her normal duties with the EMPLOYER as a result of a bodily injury or sickness and dies before he/she, in the opinion of SANLAM, is capable of resuming his/her normal duties; or
  - (b) the INSURED had the option of becoming an INSURED and died before SANLAM has received full particulars regarding him/her.
- 3.7(2) The flexible amount in terms of clause 3.1(1)(b), or any increase in it, is not provided regarding an INSURED if his/her death directly or indirectly is caused by or traceable to suicide or attempted suicide which occurs within two years of the date on which he/she becomes an INSURED or of the date of the increase in his/her flexible amount, as the case may be.
- 3.7(3) If, exclusively by virtue of clause 3.7(1)(a), the benefit in terms of this Schedule is not payable in regard to an INSURED who
- ♦ immediately before the COMMENCEMENT DATE was insured in terms of the insurance which was replaced by the insurance provided in terms of this Schedule; and
  - ♦ since then has been an INSURED uninterruptedly,
- but a benefit would have been paid in terms of the replaced insurance had it still applied to the INSURED, then SANLAM provides either -
- (a) the benefit in terms of this Schedule; or
  - (b) a lump sum equal to the value, as determined by SANLAM, of the PREVIOUS DEATH BENEFIT as defined below,
- whichever of the benefits referred to in paragraphs (a) and (b) is, in the opinion of SANLAM, the lesser in the case of the INSURED.

**PREVIOUS DEATH BENEFIT** in regard to an **INSURED** means the death benefit (other than a benefit relating to contributions for retirement benefits) that would have been paid in terms of the insurance which on the **COMMENCEMENT DATE** was replaced by the insurance provided in this Schedule, if he/she had remained insured in terms of that insurance. This includes any increase in the **PREVIOUS DEATH BENEFIT** that would have come into force, on or after the said date, exclusively as a result of increases in the **REMUNERATION AMOUNT** and without proof of good health.

- 3.7(4) Subject to clause 3.5(6), the benefits in terms of this Schedule regarding which proof of good health to the satisfaction of SANLAM has been submitted to SANLAM in the manner specified by SANLAM from time to time, are only provided if the **INSURED** dies on or after the date on which SANLAM received the last information taken into account in considering the proof of good health.

**3.8 Accelerated payment of death benefits at disability**

The death benefit in terms of this Schedule in regard to an **INSURED** is reduced by all amounts that SANLAM has provided or must provide to someone owing to the **INSURED'S** disability in terms of disability benefits comprising accelerated payment of death benefits and which are based on the death benefit insurance in terms of this Schedule or any death benefit insurance which was replaced by the first-mentioned. The stipulations in this Schedule in regard to proof of good health apply to the death benefit insurance before the deduction of the disability benefit described above.

## SCHEDULE 4. ACCELERATED PAYMENT OF DEATH BENEFITS AT DISABILITY

### 4.1 Definitions

In this Schedule -

**BENEFIT CESSATION DATE** in regard to an INSURED means the earlier of the day on which he/she reaches the NORMAL RETIREMENT AGE and the day on which he/she attains the age of 65 years.

In the case of a pilot however **BENEFIT CESSATION DATE** means the earlier of the day on which he/she attains the age of 60 and the day on which he/she reaches the NORMAL RETIREMENT AGE.

In the case of a DRIVER however **BENEFIT CESSATION DATE** means the earlier of the day on which he/she attains the age of 65 and the day on which he/she reaches the NORMAL RETIREMENT AGE.

**DEATH SUM ASSURED** in regard to an INSURED means the death benefit that would have been paid in terms of Schedule 3 in the event of his/her death while an EMPLOYEE and immediately before the WAITING PERIOD.

**DISABILITY SUM ASSURED** in regard to an INSURED means his/her DEATH SUM ASSURED, but not more than the smaller of eight times the INSURED's annual REMUNERATION AMOUNT immediately before the WAITING PERIOD and R9 million, or any other maximum amount determined by SANLAM. If, however, the WAITING PERIOD elapses within the 60 MONTHS before the BENEFIT CESSATION DATE and the benefit described in this Schedule is payable in a lump sum, the **DISABILITY SUM ASSURED** is equal to the amount as described, multiplied by  $t/60$ , where  $t$  represents the period, expressed in MONTHS, from the lapse of the WAITING PERIOD until the BENEFIT CESSATION DATE; a part of a MONTH is counted as a full MONTH.

**TOTAL AND PERMANENT DISABILITY** means a condition where the INSURED - directly and exclusively as a result of a bodily injury or an illness -

- (a) totally and permanently and continuously is prevented - even with further in-service training -
  - (i) in the case of a pilot/DRIVER, from following any occupation of whatever nature; and
  - (ii) in the case of any other INSURED,



- ♦ from following the regular occupation which he/she practised immediately before; and
- ♦ from following the occupations which he/she, in view of his/her training and experience, may reasonably be expected to follow,

and experiences loss of income;

or

(b) totally and permanently and continuously cannot use both eyes, or both hands, or both feet, or one hand and one foot,

provided that the condition

- ♦ is not attributable to the INSURED's having negligently or wilfully exposed himself/herself to danger, except in the interests of the law or to protect his/her or another's life or property; and
- ♦ is not attributable to intentional self-inflicted injury; and
- ♦ cannot be substantially removed by surgery or any other medical treatment which, taking into account the risk and the prospect of success of that treatment, can reasonably be expected of the INSURED to undergo,

and **TOTALLY AND PERMANENTLY DISABLED** has a corresponding meaning.

**WAITING PERIOD** means the period starting at the commencement of **TOTAL AND PERMANENT DISABILITY** and ending at the later of the end of the next six **MONTHS** or when proof of the INSURED'S **TOTAL AND PERMANENT DISABILITY** has been submitted to SANLAM'S satisfaction.

#### **4.2 Benefit at TOTAL AND PERMANENT DISABILITY**

4.2(1) If an INSURED who is an EMPLOYEE, becomes **TOTALLY AND PERMANENTLY DISABLED** after the latest date on which the insurance described in this Schedule becomes applicable to him/her, but before the **BENEFIT CESSATION DATE**, SANLAM pays the following benefit to the INSURED:

- (a) In the case of an INSURED whose **TOTAL AND PERMANENT DISABILITY** is in no way caused by a mental disorder, the **DISABILITY SUM ASSURED** is paid in a lump sum.
- (b) In the case of an INSURED whose **TOTAL AND PERMANENT DISABILITY** is caused to some degree by a mental disorder, the **DISABILITY SUM ASSURED** is paid in monthly instalments.

4.2(2) Each monthly instalment in terms of sub-clause (1) is equal to 1,667% of the DISABILITY SUM ASSURED.

4.2(3) The benefit in terms of this clause becomes payable only if and after

- ♦ SANLAM is satisfied, in the way stipulated below, that the INSURED is TOTALLY AND PERMANENTLY DISABLED, and
- ♦ the TOTAL AND PERMANENT DISABILITY has lasted for the WAITING PERIOD.

No benefit is payable if -

- (a) SANLAM is satisfied only on or after the BENEFIT CESSATION DATE that the INSURED is TOTALLY AND PERMANENTLY DISABLED; or
- (b) the WAITING PERIOD expires after the BENEFIT CESSATION DATE.
- (c) SANLAM is not notified in writing of the claim for the benefit within six MONTHS from the last day on which the INSURED performed his/her occupation.

#### **4.3 Cessation of premiums after the WAITING PERIOD**

After the WAITING PERIOD and as long as the INSURED'S TOTAL AND PERMANENT DISABILITY continues afterwards, no premiums are payable to SANLAM regarding the INSURED for the insurance described in this Schedule, unless specifically stated otherwise.

#### **4.4 Death after the WAITING PERIOD**

4.4(1) If an INSURED dies after the WAITING PERIOD, SANLAM pays the amount by which the DISABILITY SUM ASSURED was reduced in terms of the definition of DISABILITY SUM ASSURED as a result of the WAITING PERIOD elapsing within the 60 MONTHS before the BENEFIT CESSATION DATE, provided that -

- (a) SANLAM is satisfied, in the way stipulated below, that the INSURED'S TOTAL AND PERMANENT DISABILITY continued until his/her death; and
- (b) the death occurred before the earliest of -
  - (i) the BENEFIT CESSATION DATE; and
  - (ii) the cancellation with SANLAM of the insurance of the death benefit in respect of the group of which the INSURED was a member immediately prior to his/her TOTAL AND PERMANENT DISABILITY.

4.4(2) If an INSURED to whom monthly instalments are paid in terms of this Schedule, dies after the WAITING PERIOD, and the total amount already paid in respect of the

INSURED in terms of this Schedule, is less than the DISABILITY SUM ASSURED, SANLAM pays the deficit, provided that –

(a) SANLAM is satisfied, in the way stipulated below, that the INSURED'S TOTAL AND PERMANENT DISABILITY continued until his/her death; and

(b) the death occurred before the BENEFIT CESSATION DATE.

4.4(3) The death benefit payable in terms of this clause is paid in accordance with clauses 3.1(3), 3.1(4) and 3.1(5).

#### **4.5 Commencement of disability**

For the purposes of this Schedule SANLAM, on the grounds of the medical and other information submitted, determines when the TOTAL AND PERMANENT DISABILITY commences. SANLAM may determine such commencement without taking into account the requirement that the INSURED has to experience loss of income before being considered TOTALLY AND PERMANENTLY DISABLED.

#### **4.6 Proof of disability and cost involved**

4.6(1) SANLAM has to be satisfied, by way of medical and other information which is required at its sole discretion and which is submitted at its head office on behalf of the INSURED, that the INSURED is TOTALLY AND PERMANENTLY DISABLED or has been during a specific period.

4.6(2) After SANLAM has admitted a claim for the payment of monthly instalments, it may, at any time afterwards and as frequently as it deems necessary, require the INSURED to again submit medical and other information so that it might consider the continuation of TOTAL AND PERMANENT DISABILITY.

4.6(3) Medical and other information which is required in respect of an INSURED before SANLAM is satisfied for the first time that he/she is TOTALLY AND PERMANENTLY DISABLED, must be submitted at the INSURED'S expense. The submission of proof of the continuation of his/her TOTAL AND PERMANENT DISABILITY thereafter is at SANLAM'S expense.

#### **4.7 Time of payment of monthly instalments**

The monthly instalments described herein are paid on the last day of the MONTH as from the MONTH end that coincides with or follows on the expiry of the WAITING PERIOD.

#### **4.8 Cessation of monthly instalments**

The payment of monthly instalments in terms of this Schedule ceases as soon as the first of the following occurs:

- (a) the INSURED dies;
- (b) SANLAM decides that it is not satisfied with regard to the continuation of the INSURED'S TOTAL AND PERMANENT DISABILITY;
- (c) the total amount of the instalments that have been paid is equal to the DISABILITY SUM ASSURED;
- (d) the BENEFIT CESSATION DATE.

#### **4.9 Special cases of disability**

If an INSURED experiences TOTAL AND PERMANENT DISABILITY as described in paragraph (b) of the definition of TOTAL AND PERMANENT DISABILITY, it is not necessary for the INSURED to be TOTALLY AND PERMANENTLY DISABLED for the WAITING PERIOD before a benefit is payable in terms of this Schedule.

#### **4.10 Proof of good health**

The benefit described in this Schedule is subject to proof of the INSURED'S good health in accordance with the conditions regarding proof of good health to which the death benefit on the INSURED'S life (described in Schedule 3) are subject. Different FREE COVER LIMITS may apply to this Schedule and Schedule 3.

#### **4.11 General exclusions**

4.11(1) Notwithstanding any other provision to the contrary in the Policy, no benefit is paid in terms of this Schedule if the TOTAL AND PERMANENT DISABILITY -

(a) is a direct or indirect consequence of active participation in war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;

(b) is a direct or indirect consequence of -

(i) the use of nuclear, biological or chemical weapons, or any radioactive contamination; or

(ii) attacks on or sabotage of facilities (including, but not limited to, nuclear power plants, reprocessing plants, final repository sites and research reactors) and storage depots, which lead to the release of radioactivity or nuclear, biological or chemical warfare agents,

irrespective whether any of the aforesaid has been performed with the specific use of information technology.

4.11(2) The benefit described in this Schedule, or any increase in it not owing to an increase in the REMUNERATION AMOUNT, is not payable in respect of an INSURED if, owing to a bodily injury or an illness, the INSURED, in SANLAM'S opinion, is incapable of performing his/her normal duties with the EMPLOYER on the latest date on which the insurance of the benefit or the insurance of the increase, as the case may be, has commenced with SANLAM in respect of the INSURED and his/her TOTAL AND PERMANENT DISABILITY commences before he/she, in SANLAM'S opinion, is capable of resuming his/her normal duties.

4.11(3) The benefit described in this Schedule, or any increase in it not owing to an increase in the REMUNERATION AMOUNT, is also not payable in respect of an INSURED if the INSURED becomes TOTALLY AND PERMANENTLY DISABLED within twelve MONTHS after the latest date on which the insurance of the benefit or the insurance of the increase, as the case may be, has commenced with SANLAM in respect of the INSURED and such disability directly or indirectly arises from or is traceable to

- ♦ a bodily injury which occurred; or
- ♦ a condition of which the INSURED was conscious or experienced symptoms or for which medical treatment was received

during the six MONTHS immediately before that date. This provision does not apply to an INSURED in respect of whom proof of good health for the insurance or the increase in terms of this Schedule has been submitted to the satisfaction of SANLAM after the mentioned date and in the manner specified by SANLAM from time to time.

4.11(4) If, exclusively by virtue of sub-clauses 4.11(2) or 4.11(3), the benefit in terms of this Schedule is not paid in regard to an INSURED who

- ♦ immediately before the COMMENCEMENT DATE was insured in terms of the insurance which was replaced by the insurance provided in terms of this Schedule; and
- ♦ since then has been an INSURED uninterruptedly,

but a benefit would have been paid in terms of the replaced insurance had it still applied to the INSURED, then SANLAM pays to the INSURED either -

- (a) the benefit in terms of this Schedule; or
- (b) a disability benefit on which SANLAM decides and which in its opinion is related to the value, as determined by it, of the PREVIOUS DISABILITY BENEFIT as defined below,

whichever of the benefits referred to in paragraphs (a) and (b) is, in the opinion of SANLAM, the lesser in the case of the INSURED.

**PREVIOUS DISABILITY BENEFIT** in regard to an INSURED means the disability benefit that would have been provided to the INSURED in terms of the insurance which on the COMMENCEMENT DATE was replaced by the insurance provided in this Schedule if he/she remained insured in terms of that insurance. Included in this PREVIOUS DISABILITY BENEFIT is any increase in such a benefit that would have come into force in terms of the replaced insurance, on or after the COMMENCEMENT DATE, but prior to the WAITING PERIOD, exclusively as a result of increases in the REMUNERATION AMOUNT and without proof of good health. Retirement benefits that were payable at retirement owing to ill-health, are not deemed to be a PREVIOUS DISABILITY BENEFIT.

#### **4.12 Commencement of insurance**

- 4.12(1) The benefit described in this Schedule, is not payable in respect of an INSURED if he/she has the option of becoming an INSURED and his/her TOTAL AND PERMANENT DISABILITY commences before SANLAM receives full particulars concerning him/her.
- 4.12(2) The part of the insurance described in this Schedule regarding which proof of good health to the satisfaction of SANLAM has been submitted to SANLAM in the manner specified by SANLAM from time to time, is normally insured as from the date on which SANLAM received the last information taken into account in considering the good health of the INSURED. But any such insurance for which SANLAM requires an additional premium or excludes certain causes of disability, only commences after the PRINCIPAL EMPLOYER and SANLAM agree to it in writing.

#### **4.13 Termination of service**

If an INSURED'S service is terminated with the EMPLOYER and he/she is TOTALLY AND PERMANENTLY DISABLED on the date of termination of service, he/she remains an INSURED as if he/she had remained an EMPLOYEE and the EMPLOYER had consented to his/her absence from work. He/she remains an INSURED, however, only until the earliest of -

- ♦ the expiry of two years;
- ♦ the date on which the benefit in terms of this Schedule becomes payable; or
- ♦ a claim for the benefit is declined.

#### 4.14 Earlier occurrences of disability

The total sum payable by SANLAM in respect of an INSURED for all periods of disability, in terms of disability insurance comprising accelerated payment of death benefits, may not exceed the total sum for which SANLAM was liable when for the first time payments in respect of the INSURED were made in terms of the insurance described in this Schedule.

#### 4.15 Maximum benefits from all sources

- 4.15(1) SANLAM limits an INSURED'S disability benefit so that the INSURED'S average monthly income after disability (as defined below) does not exceed 75% of his/her average monthly earnings before disability (as defined below).
- 4.15(2) The average monthly earnings of the INSURED before disability is taken as the average per MONTH of all income and remuneration which accrued to the INSURED from his/her engaging in his/her occupation during the twelve MONTHS before the commencement of TOTAL AND PERMANENT DISABILITY. Any form of fringe benefits of a non-recurrent nature are, however, excluded. Further, all expenditure and costs incurred directly with a view to earning such income and remuneration are deducted from the said total income and remuneration.
- 4.15(3) For the purposes of this clause the INSURED'S average monthly income after disability is determined by taking into account the following receipts:
- (a) all income and remuneration payable to the INSURED directly or indirectly for services which he/she renders or rendered or in connection with an occupation which he/she follows or followed, decreased by all expenditure and costs incurred directly with a view to earning that income and remuneration; and
  - (b) any form of benefit or remuneration (whether in cash or not) to which somebody becomes entitled in connection with or as a result of the INSURED'S disability or to which somebody would have been entitled if the benefit in terms of this Schedule had not existed. This includes any gratuity or other payment from a fund or scheme which provides benefits at retirement or disability and benefits in terms of the Compensation for Occupational Injuries and Diseases Act, 1993, as amended.

The following are not taken into account:

- (i) the waiver of employer's contributions to pension and provident funds in terms of group disability policies;

- (ii) any benefits in terms of the Motor Vehicle Accidents Act, 1986, as amended, read together with section 3 of the Multilateral Motor Vehicle Accidents Fund Act, 1989, as amended;
- (iii) the benefits in terms of any policy owned by the EMPLOYER from which no benefit consequent upon the disability of the INSURED becomes payable to the INSURED or to his/her spouse or to any member of the INSURED's family;
- (iv) disability income benefits which are payable for not more than two years to cover continued business expenses;
- (v) lump sum receipts of which the aggregate does not exceed the larger of R400 000, or any other amount determined by SANLAM, and 2,5 times the annual REMUNERATION AMOUNT of the INSURED before the commencement of disability;
- (vi) any benefit which would have been payable at the surrender of a policy or at early retirement or withdrawal from any fund or scheme for reasons other than ill health. For this purpose a retirement annuity policy is deemed to have a surrender value;
- (vii) benefits payable if the INSURED, due to an accident, experiences the total and permanent loss of the sight of one or both eyes or the use of any part of his/her body;
- (viii) benefits payable due to the INSURED being permanently, continuously and totally prevented from performing the normal actions and functions with regard to the care of his/her body or from taking care of his/her personal interests; and
- (ix) during the period of two years starting at the commencement of TOTAL AND PERMANENT DISABILITY, regular receipts which in total are not more than a monthly receipt of 25% of the INSURED's average monthly earnings before disability.

4.15(4) In the determination of the average monthly income after disability, lump sum receipts are (except as far as sub-clause (3)(ix) is concerned) deemed to be a regular monthly income equal to such lump sum receipts divided by 120.

4.15(5) Any receipt expressed as a capital amount payable by instalments over a period of 10 years or less, is also deemed to be a lump sum receipt.



- 4.15(6) Where a receipt is expressed as a capital amount payable by instalments over a period exceeding 10 years, only the instalments are taken into account.
- 4.15(7) At the request of SANLAM the INSURED must submit proof of the extent of his/her average monthly income after disability. If the INSURED fails to submit such proof to SANLAM's satisfaction, the payment in terms of this Schedule may be decreased at SANLAM's discretion.
- 4.15(8) If an INSURED dies before or on the BENEFIT CESSATION DATE, SANLAM pays the amounts with which the disability benefit has been limited in terms of this clause in accordance with clauses 3.1(3), 3.1(4) and 3.1(5).

#### **4.16 Cancellation**

- 4.16(1) If the insurance described in this Schedule is cancelled for a group of INSURED, SANLAM'S liabilities in terms of this Schedule regarding each of those INSURED lapses, unless -
- (a) the INSURED is TOTALLY AND PERMANENTLY DISABLED on the date of cancellation; and
  - (b) a claim for the benefit in terms of this Schedule is submitted to SANLAM before or within six MONTHS of the date of cancellation in respect of the disability referred to; and
  - (c) the claim referred to has been or is admitted by SANLAM; and
  - (d) if the WAITING PERIOD expires after the date of cancellation, the premium for this disability insurance and that part of the death insurance with SANLAM which is equal to the DEATH SUM ASSURED on which this disability insurance is based, is paid to SANLAM in regard to the INSURED until the end of the WAITING PERIOD.
- 4.16(2) For the purposes of this clause -
- (a) the insurance described in this Schedule is also regarded as cancelled for a group of INSURED when the insurance with SANLAM of the death benefits on which this disability insurance is based, is cancelled for a group of INSURED; and
  - (b) an INSURED is deemed to be a member of a group if he/she was a member of the relevant group immediately prior to the commencement of his/her TOTAL AND PERMANENT DISABILITY.

**SCHEDULE 5. ABSENCE FROM SERVICE****5.1 Absence with the EMPLOYER'S consent**

If an INSURED is absent from the service of the EMPLOYER with the EMPLOYER'S consent, he/she remains an INSURED as if he/she remains an EMPLOYEE, subject to the following:

- (a) During the period of absence the INSURED'S REMUNERATION AMOUNT is deemed to be equal to the REMUNERATION AMOUNT he/she received immediately before the commencement of absence.
- (b) The INSURED does not remain an INSURED for longer than two years. Periods of absence that are interrupted by periods of less than three MONTHS, are added together to determine whether the period of two years has elapsed or not.

An INSURED will be deemed to be absent with the EMPLOYER'S consent while he/she is engaged in a strike that is protected in terms of the LABOUR RELATIONS ACT.

**5.2 Absence without the EMPLOYER'S consent**

An INSURED ceases to be an INSURED and the INSURED'S service with the EMPLOYER is regarded as terminated if and as soon as he/she is absent from the EMPLOYER'S service without the EMPLOYER'S consent.

**SCHEDULE 6. PREMIUMS****6.1 Monthly premiums**

- 6.1(1) In consideration for SANLAM's liability, every INSURED and the EMPLOYER are liable for the monthly premium payable to SANLAM as laid down by SANLAM from time to time.
- The liabilities are as follows respect of both the benefits in terms of Schedule 3 and Schedule 4:
- (a) the EMPLOYER is liable for the premium in respect of the minimum amount of cover (Core amount) that must be effected by an INSURED; and
  - (b) the INSURED is liable for the premium in respect of the additional multiples of cover (Flexible amount) that the INSURED selected.
- 6.1(2) The EMPLOYER guarantees to pay the premiums for each MONTH to SANLAM in one amount at the end of the MONTH in respect of which they are payable.
- 6.1(3) If a benefit or an increase in a benefit becomes applicable to an INSURED before the fifteenth day of a MONTH, a premium is paid for the MONTH concerned as if the benefit or the increase, as the case may be, was applicable to the INSURED for the whole MONTH.
- 6.1(4) If a benefit or an increase in a benefit becomes applicable to an INSURED on or after the fifteenth day of a MONTH, then, for the determination of the premium payable for that MONTH, the benefit or increase, as the case may be, is regarded as not being applicable to the INSURED during that whole MONTH.
- 6.1(5) If a benefit is no longer applicable to an INSURED with effect from the fifteenth or a later day of a MONTH or if the benefit applicable to an INSURED decreases with effect from the said point in a MONTH, a premium is paid for the MONTH concerned as if the benefit or the benefit before its decrease, as the case may be, was applicable to the INSURED during that whole MONTH.
- 6.1(6) If a benefit is no longer applicable to an INSURED with effect from the fourteenth or an earlier day of a MONTH or if the benefit applicable to an INSURED decreases with effect from the said point in a MONTH, then, for the determination of the premiums payable for that MONTH, the benefit or the part by which the benefit decreases, as the case may be, is regarded as not being applicable to the INSURED during that whole MONTH.
- 6.1(7) The EMPLOYER and SANLAM may agree on a manner of determination and payment of premiums that differs from that set out in the preceding subclauses.

- 6.1(8) If any premium in regard to an INSURED is not paid promptly in terms of the Policy, SANLAM'S liability to make any payment or to provide any benefit regarding that INSURED lapses, but SANLAM may reinstate its liability regarding the INSURED prior to such lapse on the conditions which it may lay down.

**6.2 Days of grace**

Fifteen days of grace are allowed for the payment of premiums.

## SCHEDULE 7. MISCELLANEOUS PROVISIONS

### 7.1 Deductions from benefits

Notwithstanding any provision to the contrary in the Policy, expenses incurred by the EMPLOYER in respect of the following may be deducted from the benefits payable in terms of this Policy, and paid to the EMPLOYER -

- (a) payments in respect of the funeral costs of the INSURED or a family member of the INSURED; and
- (b) any expenses paid to a third party on behalf of the INSURED or a family member of the INSURED; and
- (c) any monies advanced to the INSURED or a family member of the INSURED.

For the purposes of this clause a family member is any person whom the EMPLOYER has confirmed to SANLAM in writing is a family member of the INSURED.

### 7.2 Unclaimed benefits

7.2(1) For purposes of this clause:

**BENEFICIARY** means a person who is entitled to a benefit in respect of a claim admitted by SANLAM in terms of this Policy.

**UNCLAIMED BENEFIT** means a benefit payable by Sanlam in respect of a claim admitted by SANLAM in terms of this Policy, but in respect of which the BENEFICIARY cannot be traced.

7.2(2) Once a claim in terms of this Policy has been admitted, the rights of a BENEFICIARY in respect of payment of an UNCLAIMED BENEFIT remains intact indefinitely.

7.2(3) SANLAM shall take reasonable steps to trace BENEFICIARIES as set out in the ASISA Standard on Unclaimed Assets, or in any Standard or Code replacing the aforesaid Code.

7.2(4) Sanlam shall pay interest on an UNCLAIMED BENEFIT from the date that all information needed for the evaluation of the relevant claim has been received, at the rate as determined by SANLAM taking into account prevailing after administration charge money market interest rates and any other factors that SANLAM may deem relevant.

7.2(5) An UNCLAIMED BENEFIT may be reduced by the amount of any reasonable costs incurred by SANLAM in identifying and tracing the relevant BENEFICIARY.

- 7.2(6) An UNCLAIMED BENEFIT may be reduced by all fees levied by SANLAM in respect of the administration of the UNCLAIMED BENEFIT, on the understanding that, in the event where no fees in respect of administration have been deducted by SANLAM from an UNCLAIMED BENEFIT, a fee may be charged by SANLAM for payment of the UNCLAIMED BENEFIT to the relevant BENEFICIARY.
- 7.2(7) Fees in respect of the administration and payment of UNCLAIMED BENEFITS will be as laid down by SANLAM from time to time, and shall be communicated by SANLAM to the EMPLOYER.
- 7.2(8) If the amount of an UNCLAIMED BENEFIT is less than R1 000, or an unclaimed benefit decreases to less than R1 000, and the cost of tracing the relevant BENEFICIARY will exceed the amount of the UNCLAIMED BENEFIT, no steps, or alternatively no further steps, will be taken by SANLAM to trace the BENEFICIARY.
- 7.2(9) In the event of an UNCLAIMED BENEFIT decreasing to nil, SANLAM's liability regarding the payment of the UNCLAIMED BENEFIT automatically terminates, and the BENEFICIARY will have no further claim against SANLAM in respect of the UNCLAIMED BENEFIT.

### **7.3 Currency**

All amounts payable to or by the parties in terms of the Policy, are payable in the Republic of South Africa in the currency of the Republic of South Africa.

### **7.4 Provision of data**

The EMPLOYER must provide, in a manner determined by SANLAM, the data which SANLAM may require in relation to the Policy.

SANLAM may act upon the data without further enquiry and is not responsible to anybody for any mis-statements, errors or omissions that may be contained in the data. If it transpires that such data is incorrect, SANLAM may in consultation with the EMPLOYER effect adjustments in the insurance which SANLAM provides in terms of the Policy and to the basis for calculation of the premium of the insurance, or cancel the Policy. These adjustments may only be made to the extent which in SANLAM's opinion is necessitated by the incorrect data.

SANLAM may share such data with any other party that is involved in the insurance in terms of this Policy.

### **7.5 Proof of claims**

When a claim for any benefit arises, SANLAM may require proof to its satisfaction as to any circumstance which may affect the recognition of the claim.

**7.6 Cession**

Neither the Policy nor any rights in terms of the Policy or any certificate issued by SANLAM in relation to the Policy, may be transferred or otherwise ceded or pledged.

**7.7 Indemnity**

SANLAM indemnifies the EMPLOYER against any losses or damages that may result from the negligence, dishonesty or fraud of any of SANLAM'S directors, employees or agents. The EMPLOYER also indemnifies SANLAM against any losses or damages that may result from the negligence, dishonesty or fraud of any of the EMPLOYER'S directors, employees or agents.

**7.8 Alterations to the Policy**

7.8(1) Subject to any contrary provision in the Policy, SANLAM may at any time amend any provision of the Policy, provided that SANLAM notifies the PRINCIPAL EMPLOYER in writing of the amendment contemplated at least three MONTHS before the amendment becomes effective.

7.8(2) SANLAM may not amend the Policy after the PRINCIPAL EMPLOYER has given notice of cancellation of the whole Policy in terms of clause 7.12(1).

7.8(3) SANLAM may not amend the basis as on 1 July 2015 underlying the determination of the rate of the premiums payable on the Policy before 1 January 2017.

This provision is subject to the following sub-clauses.

7.8(4) If the insurance in terms of the Policy becomes applicable to a new group of EMPLOYEES or ceases to apply to a group of EMPLOYEES, SANLAM, regardless of any provision to the contrary, may immediately effect adjustments to the basis for calculation of the premium rates. These adjustments may only be made to the extent which in SANLAM'S opinion is necessitated by the change in the groups of EMPLOYEES insured.

7.8(5) If the PRINCIPAL EMPLOYER appoints an intermediary to render services to the PRINCIPAL EMPLOYER regarding this Policy, SANLAM may immediately alter the premium rates in proportion to any commission or fee payable to the intermediary.

7.8(6) If the Policy is amended with regard to the benefits payable in terms of the Policy, the amendment will, unless specifically stated otherwise, not apply to -

(a) the benefits in respect of INSURED who are no longer EMPLOYEES on the amendment date; and

(b) benefits regarding claims which arise before the amendment date.

## **7.9 Measures by the authorities**

If the authorities take measures which have a financial effect on the business to which this Policy is related, SANLAM, notwithstanding any provision to the contrary, may adjust, in relation to those measures, the provisions of the Policy with effect from the date on which the measures become effective.

## **7.10 Notifications to and by the parties**

For the purposes of the Policy, any notification directed by SANLAM to the person or body appointed by the PRINCIPAL EMPLOYER from time to time to deal with SANLAM on behalf of the PRINCIPAL EMPLOYER, is deemed to have been directed to the PRINCIPAL EMPLOYER. And any notification or instruction directed to SANLAM by any person or body purporting to act for the PRINCIPAL EMPLOYER is deemed to have been directed by the PRINCIPAL EMPLOYER.

## **7.11 Entry of participating employers**

- 7.11(1) Participation in the Policy of a new EMPLOYER and its EMPLOYEES is subject to the consent of the PRINCIPAL EMPLOYER and SANLAM and also to any special conditions agreed to by the PRINCIPAL EMPLOYER and SANLAM with respect to that EMPLOYER and its EMPLOYEES.
- 7.11(2) Subject to the previous sub-clause an EMPLOYEE who is in the service of a new participating EMPLOYER before the date on which the EMPLOYER starts participating in the Policy and remains in the EMPLOYER's service without interruption, may become an INSURED on or after the date on which he/she qualifies for the insurance by applying for it. If an EMPLOYEE applies to become an INSURED more than three MONTHS after the date of qualification, he/she may become an INSURED with the approval of SANLAM. His/her right to become an INSURED will, however, lapse if he/she does not submit proof of good health to the satisfaction of SANLAM.

## **7.12 Cancellation and termination of the Policy**

- 7.12(1) The PRINCIPAL EMPLOYER or SANLAM may cancel the Policy at any time by giving the other party two MONTHS' written notice.
- 7.12(2) Any EMPLOYER may cancel its participation at any time by giving SANLAM two MONTHS' written notice.
- 7.12(3) If an EMPLOYER ceases to do business, the part of the Policy pertaining to that EMPLOYER is deemed to be cancelled with effect from the date on which the EMPLOYER thus ceases.



- 7.12(4) SANLAM may cancel the Policy or the part of the Policy pertaining to an EMPLOYER if any obligation to SANLAM in terms of the Policy is not met.

### **7.13 Interest on late payments**

- 7.13(1) Notwithstanding any provision to the contrary, SANLAM must pay any benefit payable at death in terms of the Policy within ten working days after the date on which the last supporting claim documents were received by SANLAM. If SANLAM does not pay a benefit within the period referred to and SANLAM is responsible for the delay, interest will be paid by SANLAM as from the end of this period.
- 7.13(2) The interest payable in terms of the previous sub-clause will be at a rate of interest determined by SANLAM from time to time, taking into account prevailing money market interest rates and any other factors that SANLAM may deem relevant.

### **7.14 Territorial limitations**

- 7.14(1) The insurance provided in terms of the Policy in respect of an INSURED is applicable while he/she is physically present in the Republic of South Africa. If the INSURED is physically outside the Republic of South Africa, the insurance remains applicable in respect of him/her for a maximum period of six MONTHS. It is not necessary to inform SANLAM of an INSURED who is physically outside the Republic of South Africa for an uninterrupted period of six MONTHS or less.
- 7.14(2) At the end of the period of six MONTHS referred to in sub-clause (1) and at the end of each period of twelve MONTHS thereafter, the EMPLOYER may request SANLAM in writing to extend the period of insurance and SANLAM will inform the EMPLOYER in writing of its decision in this regard and if any additional conditions will apply in respect of the INSURED. The EMPLOYER must provide SANLAM with the following in respect of the INSURED:
- (a) The country in which the INSURED is physically present.
  - (b) Nature of work responsibilities.
  - (c) The expected period of stay in the relevant country.