



## death benefits alteration

Insurance

Financial Planning

Retirement

Investments

Wealth

Once the life insured has given the required consent to us, Sanlam Life Insurance Limited (Sanlam Life), and has agreed to make the increased plan payments, we agree to provide insurance under the terms and conditions of this plan, while the plan is in force. Sanlam Life is a Licensed Financial Services Provider.

## General provisions

### When will the increased cover start?

The increased cover will start on the last of:

- the date that we accept your application,
- the cover start date for the benefit as set out in the contract documents, and
- the date on which payment is arranged.

### When will the cover end?

The cover for a benefit will end on the first of the following:

- at midnight before the cover end date set out in the contract documents, or
- at the death of the life insured, or
- if the plan payment is not made in full within 30 days after the date on which the payment is due (we allow 30 days of grace), or
- upon receipt of a written request for termination by Sanlam Life Head Office, or
- if a fraudulent claim for a benefit is submitted, or if false information is supplied.

The benefits of a plan will no longer be provided and payments for these benefits will no longer be due after the plan has been terminated.

### Admittance of a claim

We will admit a claim only if we are satisfied that all of the following conditions are met:

- The claim meets the description and requirements of the claim event.
- We receive all information we may reasonably require.
- All aspects of the claim are proved by medical and other evidence we reasonably may require.
- The payments of the plan have been made in full.

### Taxability of plan benefits

Except in the case of key person insurance, where the employer, as planholder, chose to deduct the payments from taxable income, the plan benefits will according to current legislation not be taxable in the hands of your beneficiary, if any, or your estate. However, the plan benefits will be subject to estate duty.

### Cash values

No cash values are payable in terms of this plan.

### Payment not made

You have 30 days after the date on which a payment is due, to make the payment. If the payment is not made in full within the 30 days, the plan will end, and will provide no further benefits.

### Payment growth

Your current payment growth arrangement will remain unchanged. Payment growth is compulsory to maintain the contractual cover amount of a benefit. It may not be cancelled, skipped or lowered.

## Revision of payment and guarantee

The initial payment has been calculated for the full term of the benefits and is based on our best estimate assumptions of claims and other factors. When a guarantee period ends, a new guarantee period of 5 years will start. At the end of each guarantee period, we will review the payment. We may then adjust it, but only if our assumptions of claims and other factors have changed and not because a life insured is older at that time.

When we review our assumptions, we look at the expected experience relating to claims, investment returns on payment income, the incidence of taxation, the cost of reinsurance, and lapses. We will analyse our actual experience as well as industry experience of these factors for similar plans, the expected impact of future medical advances and practices, and other trends and/or practices that are expected to influence these factors. We will then compare the assumptions applicable at the time of the payment review with those that were previously used and, by reference to that comparison, use a fair and reasonable method of calculating any adjustment to the payment.

The payment may increase at each payment review as a result of the revised assumptions. An adjustment to the payment will not depend on your individual circumstances, for example your health, at the time of the payment review. If an adjustment is made at the end of the first guarantee period and the payment is increased, the increase in the payment will not be more than 30%. This increase applies in addition to any contractual predetermined payment growth on the same date.

Any adjustment to the payment as a result of a review will take effect from the end of a guarantee period. We will notify you in writing at least 2 months before the adjustment. If the payment increases as a result of a review, you can choose to continue with paying the amount before the increase, instead of the increased amount. We will then reduce the cover amount of a benefit proportionally.

All payment amounts illustrated after the first guarantee period are based on our current best estimate assumptions of claims and other factors.

## Benefit description

### Death

We will pay the cover amount if the life insured should die before the cover end date.

If the life insured is diagnosed with a medical condition that, according to our Chief Medical Officer, will result in death within 12 months, you may apply for an early payment of this benefit. We may then pay an early death benefit. The amount of the early payment will be equal to the cover amount of this benefit.

After we have made this payment, this benefit as well as all other benefits on the life of the life insured will end. However, if the life insured has a waiver of payment at death benefit, we will consider a claim for that benefit as well.

We will not admit a claim if death is caused by suicide, also during insanity, committed within 24 months after cover for this benefit has started.

### How will payment of a claim affect the plan benefits and payments?

If we admit a claim for an accelerator benefit, if selected on the plan, we will reduce the cover amount of Death for the life insured by the amount we have paid. Where the cover amount of another benefit for the life insured exceeds the reduced cover amount of Death for the life insured, we will reduce the cover amount of the accelerator benefit to an amount equal to the reduced cover amount of Death.

We will reduce the payment to reflect any reduction in a cover amount.

Note: The benefit descriptions in this document are only a summary of the most important features. If your application for the alteration to the plan is accepted, you will receive contract documents containing the conditions of your benefits.

## Cession

If the plan has been ceded as security, the cessionary must consent, in writing, to every alteration, before we can do it. It is your responsibility to obtain this consent.

## Claims procedure

In the event of a claim, please contact the Sanlam Life Claims Call Centre at 021 916 1710 as soon as possible. They will help to complete the required forms to register a claim. Depending on the nature of the claim, documentary proof, for example a death certificate or medical report, will be required.

## Plan charge and direct marketing commission

The plan charge of your existing plan will not change.

Direct marketing commission is included in the additional payment after the deduction of the plan charge.

Direct marketing commission depends on your additional payment and the remaining term of the plan, and is calculated according to the following formula:

Additional monthly payment x conversion factor of 11.4 x remaining term x 3.25% = First year commission.

For example: R100.00 x 11.4 x 20 years x 3.25% = R741.00.

The commission in the second year is 33.3% of the first year commission (i.e. the result of the formula x 33.3%).

Direct marketing commission is payable annually in advance.

## Applying for this alteration is easy

You can either:

- Contact us on 0860 22 33 90 from Mondays to Thursdays between 08:30 and 17:00, and Fridays between 08:30 and 16:00.
- Or contact your Sanlam adviser or your broker. (Call 0860 22 33 90 if you do not have a Sanlam adviser or a broker.)

## Cooling-off period

If you do not wish to continue with an alteration to the plan that was done at your request, you may cancel it by notifying us in writing. This notice, signed by you, must reach us within 30 days after you received the contract documents. You must also please return the contract documents to us. We will then refund any increase in payments made to reinstate the plan to what it was before the alteration.

## Replacement of insurance

It is not in your interest to cancel or stop making payments on an existing plan in order to take out a new one. It is important that you understand the effects that this might have on your financial planning. Some of the potential consequences of such a replacement are:

- payment of new charges;
- the influence of increased age on payments;
- future uninsurability;
- application of health loadings;

- ④ loss of cover;
- ④ new waiting periods for benefits.

## Enquiries

If you need more information about the alteration, please contact the Sanlam Life Client Contact Centre. If you have any complaint please also contact the Sanlam Life Client Contact Centre at:

- ④ Telephone: 0860SANLAM (0860 726 526)
- ④ Fax: 021 947 9440
- ④ E-mail: [stratus@sanlam.co.za](mailto:stratus@sanlam.co.za)

## Professional indemnity insurance

We hold professional indemnity insurance.

### Notes:

If you proceed on your own with this transaction, we accept that it is not based on the advice of a Sanlam adviser or a broker.

All references to Sanlam Life mean Sanlam Life Insurance Limited. Sanlam Life is a Licensed Financial Services and Registered Credit Provider.