



Sanlam Risk Cover Wealth Bonus

What is Wealth Bonus®?

Wealth Bonus is the Sanlam Group's flagship loyalty and rewards programme.

How does it work?

If a client takes out a new Matrix Premier risk plan, the plan automatically earns Wealth Bonus at no additional cost.

This means that in addition to the cover your client receives for their monthly payment, we will also match a percentage of their payment and contribute this amount to his or her Matrix Wealth Bonus.

These contributions will continue until the Matrix Wealth Bonus cease date. At certain future dates, some of the money in the Matrix Wealth Bonus becomes unlocked, but if the client maintains the plan until the Matrix Wealth Bonus cease date, all the money eventually becomes unlocked.

Participating Sanlam Risk cover products

The following products under the Premier product option will qualify to earn Wealth Bonus at no additional cost for new plans. A nominal fee will apply for existing plans:

- ② Matrix Topcover (TO2W)
- ② Matrix Income Protector (TO3W)
- ② Matrix Termcover (TO2)*

*Plan must have benefits that cease at or extend past the plan anniversary before or on the "Wealth Bonus Linked Life's" 70th birthday

Maximum entry age

- ② Wealth Bonus linked life age 65 next birthday; if the plan has at least one whole life benefit
- ② At least 5 years before the cease date of the plan; if the plan has no whole life benefits

Wealth Bonus cease date

The Matrix Wealth Bonus cease date will be the plan anniversary before or on the "Wealth Bonus Linked Life's" 70th birthday. On this date all the money in the Matrix Wealth Bonus unlocks. This may be an earlier date (eg. if client chooses the early access option).

Wealth Bonus Linked Life

This refers to the planholder, or if the planholder is not a natural person (i.e. legal entity) this will reference the oldest life insured of the plan. Once we have determined the "Wealth Bonus Linked Life", it will not change for the remainder of the plan.

Forfeiture of Matrix Wealth Bonus

If the risk plan is cancelled or lapsed, if the plan-holder dies or if a claim is admitted, causing the plan to end before the Wealth Bonus cease date, all the money in the client's Matrix Wealth bonus that is locked will fall away. This specific plan will also make no further contributions to the total Wealth Bonus.

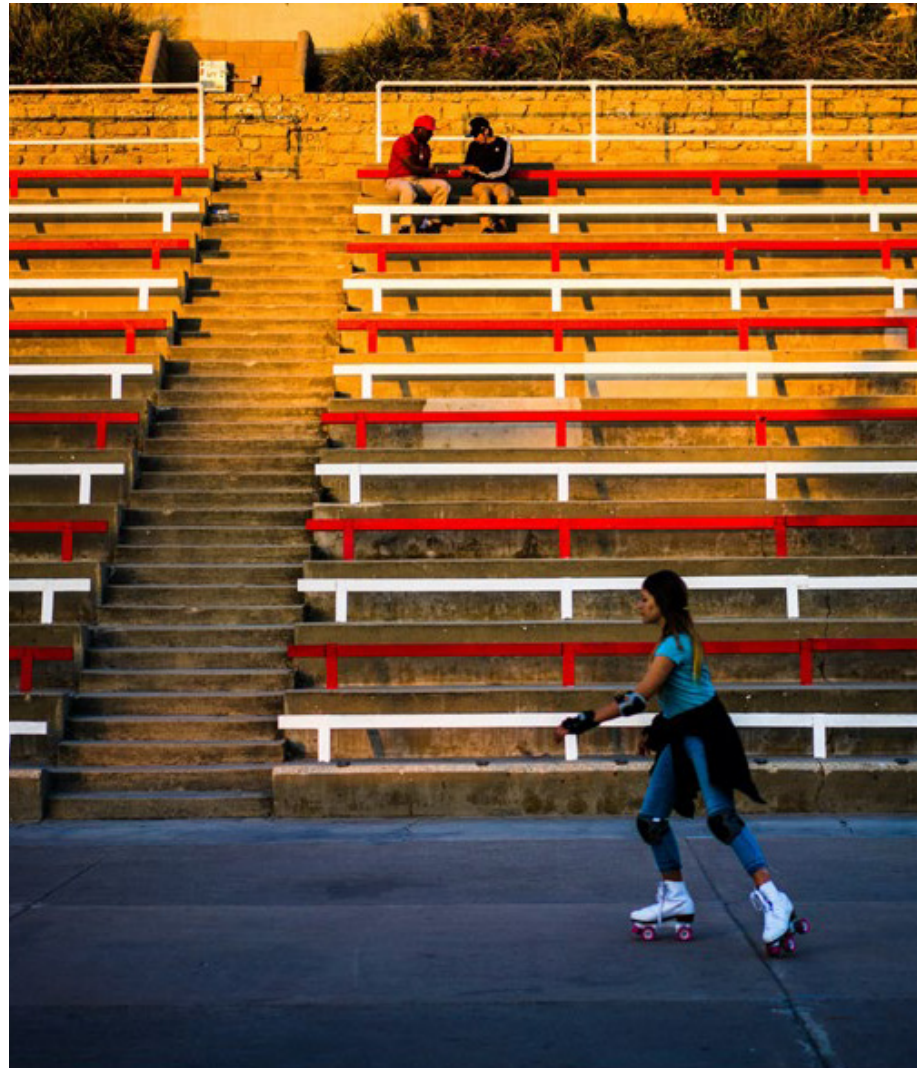


Contributions to Wealth Bonus

- ④ The percentage that we will match, is based on the age of the "Wealth Bonus Linked Life" at every plan anniversary, as indicated in the table below.
- ④ The total payments that will be contributed to the Matrix Wealth Bonus will also be indicated in the contract.

Plan anniversary before or on the "Wealth Bonus Linked Life's"	Contribution percentage to Matrix Wealth Bonus %
18th to 32nd birthday	100
33rd to 34th birthday	95
35th birthday	90
36th to 37th birthday	85
38th to 39th birthday	80
40th to 41st birthday	75
42nd to 43rd birthday	70
44th to 46th birthday	65
47th to 48th birthday	60
49th birthday	55
50th to 51st birthday	50
52nd to 53rd birthday	45
54th to 55th birthday	40
56th to 58th birthday	35
59th to 60th birthday	30
61st to 69th birthday	25
70th birthday	0

- ④ No payments will be contributed to the Wealth Bonus while payments are waived due to a waiver of payment claim or an income protector claim.
- ④ If the plan has any cashback benefits, the payments related to cashback will be excluded from the calculation of contributions made to the client's Matrix Wealth Bonus.
- ④ If we give a discount on the payments for some benefits because of a life insured's membership of Reality, we will use the discounted payments in the calculation of the contribution to the Matrix Wealth Bonus.



Growth on the contributions to Matrix Wealth Bonus

Your client's Matrix Wealth Bonus will earn interest. This interest rate will be market related and already allows for applicable life office tax. We will also aim to remove the effect short term market fluctuations in order to improve stability of interest rates over time.

Unlocking the Matrix Wealth Bonus

- ④ **Every 5 years**
 - Every five years on the plan anniversary, 5% of the money in the locked Matrix Wealth Bonus becomes unlocked.
 - The client then has the option to withdraw the unlocked money in the Matrix Wealth Bonus. If he or she withdraws the unlocked money or a part of it, the Matrix Wealth Bonus will be decreased by the amount that was withdrawn.
 - Otherwise the unlocked money will remain in the Matrix Wealth Bonus and will continue to grow.
 - The unlocked Matrix Wealth Bonus can be withdrawn at any time.
- ④ **On Matrix Wealth Bonus cease date**
 - All the money in the Matrix Wealth Bonus becomes unlocked on the Matrix Wealth Bonus cease date, provided that the plan is still active and payments are still being made.
 - Any unlocked money that is not withdrawn by that plan anniversary will automatically be paid to the planholder.



Additional Option: Early Access Option

- ① **The client can choose the Early Access Option, at an additional cost, which accelerates the Matrix Wealth Bonus cease date and the unlocking of all the money in the Matrix Wealth Bonus.**
- ① If the Early Access Option is chosen, then the Wealth Bonus cease date (determined at the start of the plan) will be the the plan anniversary before or on the "Wealth Bonus Linked Life's" 65th birthday.
- ① All the money in the client's Matrix Wealth Bonus will then become unlocked on this date, provided that the plan is still active and payments are still being made.
- ① There will be no further contributions to Matrix Wealth Bonus from this date onwards
- ① **The client has the option to withdraw all the money from the Matrix Wealth Bonus or to leave it to continue to grow until the plan anniversary before or on the "Wealth Bonus Linked Life's" 70th birthday.**
- ① If this option is cancelled, the money in the Wealth Bonus will again become unlocked on the original Wealth Bonus cease date, provided that the plan is still active and payments are still being made on that date.

Availability

Is only available for products that already qualify for Matrix Wealth Bonus. No underwriting applies.

Maximum entry age

- ① **Plans with whole life benefits:** age 50 next birthday of the Wealth Bonus linked life insured
- ① **Otherwise:** at least 15 years before the cease date of the plan

Cease age:

65 age next birthday

Commission

Commission will be payable on the additional payment for this benefit as per our normal commission rules.

- ① If a benefit is decreased or cancelled, and it results in the total payment of the plan being decreased, the money in your client's locked Matrix Wealth Bonus will be decreased proportionally. However, if the total plan payment is decreased by less than 20% once in the plan's lifetime, the Matrix Wealth Bonus will not be decreased.
- ① The money in the Matrix Wealth Bonus will NOT be decreased if a benefit is reduced or removed, if
 - the benefit reaches its cover end date, or
 - a claim for a benefit is admitted, or
 - a benefit is converted or upgraded.
- ① If the plan is cancelled, only the unlocked money in the total Wealth Bonus will be paid. The money in the Wealth Bonus that is not unlocked will fall away and no further contributions will be made to the Wealth Bonus.

The effect of claims on the Matrix Wealth Bonus

- ① At the death of the life insured who is also the planholder, the unlocked money in the Matrix Wealth Bonus will be paid together with the claim amount. The money in the Matrix Wealth Bonus that is not unlocked at the time of the claim will fall away.
- ① At the death of the planholder, who is not a life insured on the plan, the unlocked money in the Matrix Wealth Bonus will be paid to his or her estate. The money in the Matrix Wealth Bonus that is not unlocked at the time of the claim will fall away.
- ① If the plan ends because of a claim, the unlocked money in the Matrix Wealth Bonus will be paid together with the claim amount. The money in the Matrix Wealth Bonus that is not unlocked at the time of the claim will fall away.
- ① For any other claim, the unlocked money in the Matrix Wealth Bonus will remain and will continue to grow as long as there are still other active benefits on the plan for which payments are being made.
- ① If the claim results in lower future payments on the plan, future contributions to Matrix Wealth Bonus will also be lower.

Outright cessations/Change of legal owner

Should there be an outright cession or change in legal owner on a plan with Wealth Bonus, we will not permit the transfer of Wealth Bonus. The new plan-holder will not qualify for Wealth Bonus and the Early Access Option benefit (if applicable) will be removed from the plan.

The effect of any changes to the Matrix Wealth Bonus

- ① If the planholder makes changes to the plan the Matrix Wealth Bonus cease date may change.
- ① If the Early Access option is removed the cease age of the Wealth Bonus will change from plan anniversary before or on the Wealth Bonus Linked Life's 65th birthday to their 70th birthday.



CASE STUDY

Working of Wealth Bonus

Client Profile:

Female
Age: 30
Occupation: Engineer
Non-Smoker
Premium: R480pm
Premium Pattern: Fixed
Compulsory 5%
Cover: R3 mil (level)
Benefit: Elite Disability

We match a % of every monthly payment she pays and contribute this amount into her Matrix Wealth Bonus.

Please note: Example shows values if client withdraws 5% of Matrix Wealth Bonus every 5 years when it unlocks.

Build-up of Wealth Bonus

Age	Total Payments Paid by Client	Total Payments Matched	Total Growth (growth % assumed: 4.5% p.a.)	Total Wealth Bonus Account	Unlocked WB Account withdrawn	Locked WB Account
30	-	-	-	-	-	-
35	R31,845	R30,493	R3,689	R34,182	R1,709	R32,473
40	R72,488	R63,314	R14,142	R77,456	R3,873	R73,583
45	R124,360	R 98,980	R33,143	R132,124	R6,606	R125,517
50	R190,563	R 137,151	R62,886	R200,037	R10,002	R190,035
55	R275,057	R174,124	R105,310	R279,433	R13,972	R265,462
60	R382,895	R209,552	R162,521	R372,073	R18,604	R353,469
65	R520,527	R243,959	R236,972	R480,931	R24,047	R456,884
70	R657,543	R278,214	R306,063	R584,277	R584,277	R0
					*R663,088	

*Value at age 70 (if unlocked amounts were **not** withdrawn and WB was left to grow): up to **R732 120**

Total amount client would have received until WB cease age

Please note:

Clients can monitor their growing Wealth Bonus, as well as any unlocked Wealth Bonus, at any time on Sanlam Secure Services.

Existing plans

- ① Clients with existing plans on the Premier product option can now add Wealth Bonus through an alteration. New business rules will apply.
- ② If clients opt in, each benefit premium on the plan will be increased by the applicable fee. The cover amount on the plan remains unchanged and the additional fee funds the ability to earn Wealth Bonus on all future premiums.
- ③ If clients wish to add Wealth Bonus it should be done before any other alterations. Once the alteration to add Wealth Bonus has been issued, the client can then alter the plan with a second alteration. Doing it in this order will ensure that the additional premium to add Wealth Bonus to existing plans only applies to current benefits on the plan, and not to benefits that are added or adjusted after the alteration to add Wealth Bonus.
- ④ The Early Access Option can also be added at the same time as the Wealth Bonus, however should clients decide not to add the Early Access option it cannot be added later.
- ⑤ Medical underwriting is not required.

Please note:

- ① Information in this flash fact and in the technical guide is with regards to the latest versions of the applicable benefits. Refer to the contract documents for information about the existing benefits of a life insured.
- ② A claim will only be considered if the life insured meets the contractual claim event definition of the claim event in question, as well as any other contractual requirements, as set out in the applicable contract documents.