Discovery

Discovery Essential, Classic and Purple **Life Plan Guide**

This document will help you understand the finer details of your Discovery Life Plan

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WELCOME TO DISCOVERY LIFE

Discovery Life is part of Discovery Holdings, an established and financially sound company that has a reputation for pioneering products that set new standards in the life assurance industry.

Discovery Life offers a unique, innovative and living assurance product range that will assist you and your family in maintaining your lifestyle when illness, disability or death threatens it.

THIS DOCUMENT WILL HELP YOU UNDERSTAND THE FINER DETAILS OF YOUR DISCOVERY LIFE POLICY

The policy that you have chosen to protect yourself and your family from life-changing events is a valuable asset. It is important that you fully understand the protection given to you by the benefits you have chosen.

YOUR POLICY CONSISTS OF THIS INDIVIDUAL LIFE PLAN GUIDE AND YOUR POLICY SCHEDULE

The individual Life Plan Guide provides comprehensive information on all the latest benefits offered by Discovery Life on new Classic, Purple and Essential Life Plans. Details of the Discovery Life benefits you selected on your application form appear on your personal Policy Schedule accompanying this Life Plan Guide. It is important that you check your Policy Schedule carefully to ensure that the benefits you selected are correctly recorded on it.

COOLING-OFF PERIOD

If, after studying your Policy Schedule and this Life Plan Guide, you are unhappy with the policy you have chosen, you may take advantage of a 31 day 'cooling-off' period. The 'cooling-off' period allows you to re-evaluate your policy purchase and cancel the policy by sending a written cancellation notice to Discovery Life, within 31 days of receiving your policy. The 'cooling-off' period only applies if you have not had any benefits paid to you or if you or any of your dependants have not been affected by any of the events for which you are assured. If you cancel your policy during this period, any premiums paid will be refunded after deduction of the cost of any cover provided to you, as well as the cost of providing
any investment options to you.

NEED MORE INFORMATION ON YOUR POLICY?

We look forward to assisting you in resolving any problems which you may have and encourage you to contact us if necessary.

For any event, you are welcome to contact:

- Discovery Life contact centre on 0860 00 5433 (0860 00 LIFE)
  - By email: discoverylifeinfo@discovery.co.za
  - By fax: 0860 54 3339
  - By mail: Discovery Life
PO Box 3888
Rivonia
2128
- Discovery Life Claims:
  - For claims or claim-related queries: LifeClaims@discovery.co.za
  - For claim requirements: Lifeclaimsreq@discovery.co.za
- Discovery Life Complaints:
  - By email: life_complaints@discovery.co.za

SECTION 2

THE LIFE PLAN

THE LIFE PLAN HELPS YOU TO MAINTAIN YOUR LIFESTYLE IF YOU EXPERIENCE A LIFE-CHANGING EVENT

The Life Plan provides cover for life-changing events for the whole family. These events include death, severe illness and disability and are fully described in the rest of the Life Plan Guide. There are three types of Life Plans available that provide cover for personal assurance; the Classic Life Plan, the Essential Life Plan and the Purple Life Plan.

The Classic Life Plan provides broad, comprehensive and efficient long-term protection for you and your family. It allows for unlimited risk cover through multiple claims facilities and reinstatement benefits as well as financial benefits such as PayBacks and Cash Conversion benefits.

The Purple Life Plan is aimed at high net worth individuals. Your Life Fund needs to be above a certain level to qualify for this Life Plan. In addition to all the benefits from the Classic Life Plan it also provides additional bespoke local and global benefits together with an enhanced 24-hour service offering on Vitality Purple.

The Essential Life Plan provides cost-effective risk protection benefits to principal and spouse lives only, recognising the need for a narrower range of benefits in return for lower premiums.

Discovery's Life Plan also rewards you for managing and improving your health through Vitality or Vitality Purple. Please note that the mechanics of the Vitality and Vitality Purple programmes are the same. As a result, unless otherwise specified, your Vitality Purple status and Vitality Purple programme will simply be referred to as 'Vitality status' and 'Vitality programme' respectively throughout this guide. This is regardless of which Vitality programme is applicable to your policy.

See Appendix 9 for a more detailed overview of the difference between the Life Plans.

2.1 THE LIFE FUND IS THE FINANCIAL FOUNDATION OF YOUR LIFE PLAN

The Life Plan has, as its basis, a Life Fund which is the financial mechanism of the Life Plan. The Life Fund is used to fund benefit payments for the benefits you and your family have selected. It is yours to manage during your lifetime to ensure maximum cover of future long-term commitments.

2.2 YOUR LIFE FUND CAN GROW TO OFFER YOU INCREASED COVER

You may choose to have your Life Fund remain level or to have it grow at the benefit escalation rate.

The benefit escalation rate is a rate at which the Life Fund increases automatically on each policy anniversary. There are two typesof escalation rates:

- Consumer Price Index: Benefits increase annually at the Consumer Price Index (CPI) as determined by Statistics South Africa. This rate will differ from year to year as CPI fluctuates. Discovery Life, will use the CPI figure as released by Statistics South Africa three months before each policy anniversary.
- Fixed percentage: Benefits increase annually at a fixed percentage selected at inception of your policy. This rate remains constant from year to year.

2.3 BENEFITS ARE DEFINED AS A PERCENTAGE OF THE LIFE FUND

Your policy reflects the benefits selected by you. These benefits are defined as a percentage of your Life Fund unless you have chosen the non-accelerated versions of these benefits. Multiplying the benefit percentage by the Life Fund at inception of the policy defines the initial monetary amount of cover for each benefit.

2.4 WHAT EFFECT DO BENEFIT PAYMENTS HAVE ON THE LIFE FUND, COVER INTEGRATOR AND FINANCIAL INTEGRATOR FUND?

The descriptions and references to Life Fund include reference to the Cover Integrator and the Financial Integrator Fund (if applicable), for the Classic Life Plan, the Purple Life Plan and the Essential Life Plan unless specifically excluded.

Benefit payments are defined as:

Any amount of money paid to you as a result of you claiming against your Life Fund for a life-changing event.

When you receive an accelerated benefit payment from your Life Fund, the value of your Life Fund is reduced by the amount of the benefit payment (taking into account any conversion rates in the case of AccessCover, AccessCover Plus and Estate Planning AccessCover if applicable).

MULTIPLE CLAIMS

Multiple claims arise when you qualify for payments from more than one benefit as a result of the same life-changing event. In this case, the highest benefit payment will be processed first and the Life Fund will reduce by this benefit payment amount.

Subsequent benefit payments related to the same event will be processed against the reduced Life Fund value after the first claim payment has been deducted. The same effective date will apply for the assessment of the benefit payment amount for these multiple claims. This effective date is the date on which the life-changing event occurs.

SIMULTANEOUS CLAIMS

Simultaneous claims are defined as the submission of claims for the principal life and spouse within three months of each other, where the claims were as a result of the same incident or life-changing event.

In the event of a simultaneous death claim being submitted for the principal life and spouse, the benefit payment will be equivalent to the amount of the Life Fund at the time of their deaths, plus an additional amount equivalent to the spouse's life cover. The policy will terminate after these payments have been made.

Simultaneous claims may also arise for the principal life and spouse under the Severe Illness Benefit (Section 6) and the Capital Disability Benefit (Section 7). In this case, two benefit payments will be made. The second benefit payment amount will be determined based on the Life Fund value before the Fund has been reduced by the first benefit payment. Should the sum of the two benefit payments exceed the Life Fund amount, the policy will be terminated after both benefit payments have been made.

2.5 WHAT EFFECT DO BENEFIT PAYMENTS HAVE ON PREMIUMS?

A feature of the Life Plan is that Severe Illness Benefits, Family Benefits and Disability Benefits do not fall away after a claim. Therefore, the premiums for your Life Plan remain unchanged after a claim. Premiums for each benefit will cease once the benefit expiry age for that particular benefit is reached. Should multiple lives be assured on the same Life Plan, a benefit payment for one assured life will result in the benefits for the other assured lives being reduced. In this case, the premiums for the benefits attributable to these other lives will be reduced proportionally to the reduction in benefit. Should a claim be made under AccessCover or AccessCover Plus, the premiums for the Life Cover Benefit will reduce proportionately.

2.6 CAN I PREVENT MYSELF FROM RUNNING OUT OF COVER?

Yes. This can be done in two ways:

2.6.1 **TOPPING UP YOUR LIFE FUND –** Should your Life Fund start to deplete due to benefit payments or if your circumstances change and you need additional cover, you can increase your Life Fund, subject to medical underwriting. An additional premium will be payable for this increase in cover.

2.6.2 **MAINTAINING A MINIMUM PROTECTED FUND** – The Minimum Protected Fund option allows you to specify a minimum level for your Life Fund.

If you have selected this option, the balance in your Life Fund will never drop below your specified minimum balance – no matter how many benefit payments have been made or what the monetary value of these payments was, subject to the 14-day survival period as described below. On the death of the principal life, the Life Fund is fully depleted and the Minimum Protected Fund will no longer have an effect on the Life Fund.

A benefit payment reduces the Life Fund. Once the benefit payment has been made, the balance in the Life Fund will be compared to the value of the Minimum Protected Fund. This comparison will only be done once all benefit payments from the same life-changing event have been processed as described in paragraph 2.4. The Minimum Protected Fund may reinstate the Life Fund between Severe Illness Benefit claims which arise from the same life-changing event. This is discussed in Section 6.15. Should the balance in the Life Fund be below the Minimum Protected Fund, the Life Fund will be increased by an amount such that the Life Fund equals the Minimum Protected Fund. This restoration of part of the Life Fund will occur after a 14-day survival period from the occurrence of the life-changing event. Certain limits are applied to the Minimum Protected Fund reinstatements after multiple claims on the Essential Life Plan. Refer to Sections 6.15 and 7.6 for more information.

Should the life who experienced the life-changing event die within the 14-day survival period, the Life Fund will not be increased to the level of the Minimum Protected Fund. Please note that Life Cover is not reinstated by the Minimum Protected Fund following an AccessCover, AccessCover Plus or Estate Planning AccessCover claim.

EXAMPLE

Let's assume you have a Life Fund of R1 000 000 and choose a Minimum Protected Fund of R500 000. Should a benefit payment of R800 000 be made, the Life Fund will be reduced to R200 000. If you survive 14 days, the Life Fund will be increased by R300 000 resulting in the Life Fund being the same as the Minimum Protected Fund.

You will be charged an additional premium for this facility. The extra premium will depend on the Minimum Protected Fund value you have chosen and also on the percentage of cover you have selected for your various benefits. Details will be shown in your Policy Schedule.

In the event of a disability or severe illness claim, the Minimum Protected Fund will only restore the Life Fund where the Capital Disability Benefit or the Severe Illness Benefit respectively has been selected to reduce the Life Fund and not in cases where the non-accelerated Capital Disability Benefit or non-accelerated Severe Illness Benefit was selected. In the event of a claim on AccessCover or AccessCover Plus Benefits, the Minimum Protected Fund will not reinstate the Life Cover benefit, but will reinstate ancillary benefits where applicable. If an ancillary claim is paid out after you have claimed on the AccessCover, AccessCover Plus or Estate Planning AccessCover benefits, the amount of life cover remaining may be less than the reinstated Minimum Protected Fund.

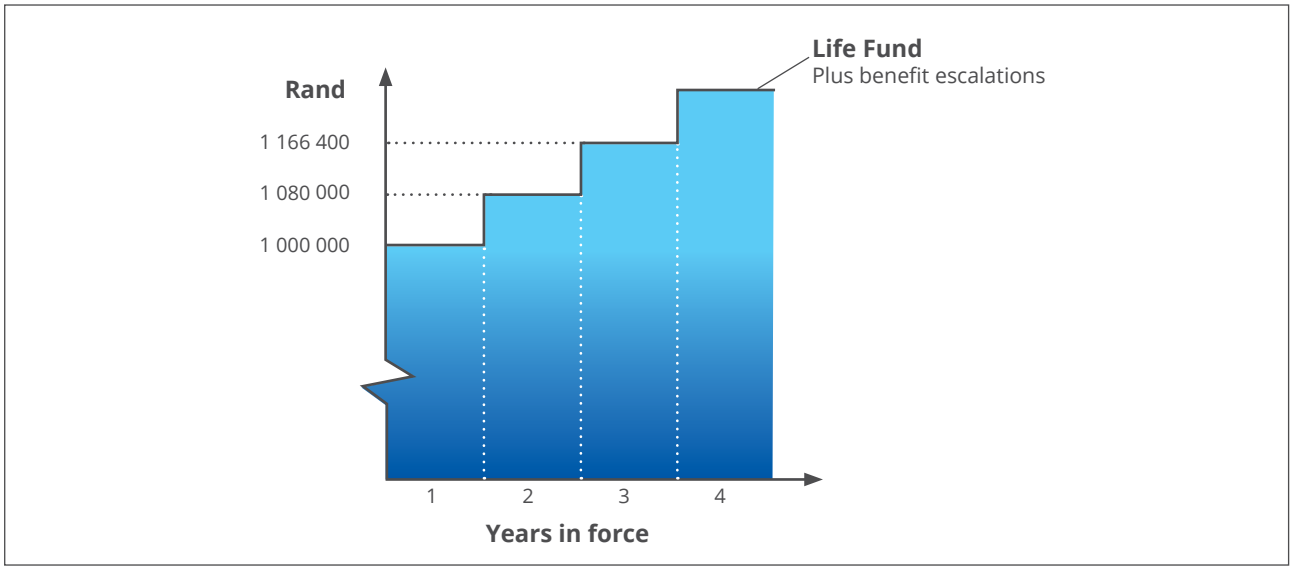
The Minimum Protected Fund, if selected, will also apply to your Cover Integrator and Financial Integrator Fund. Please refer to your Policy Schedule to see if you have selected this option.

2.7 YOUR LIFE FUND CAN GROW AGAIN EVEN AFTER A BENEFIT PAYMENT HAS BEEN MADE

Your Life Fund will be reduced by the amount of the benefit payment. If you selected a Life Plan where the Life Fund increases annually at the benefit escalation rate, your Life Fund will continue to grow after the benefit payment by the benefit escalation rate.

2.8 A GRAPHIC ILLUSTRATION OF LIFE FUND VALUES

2.8.1 THE LIFE FUND GROWS AT THE BENEFIT ESCALATION RATE. NO MINIMUM PROTECTED FUND HAS BEEN SELECTED.THE BENEFIT ESCALATION OCCURS AT EACH POLICY ANNIVERSARY.



EXAMPLE

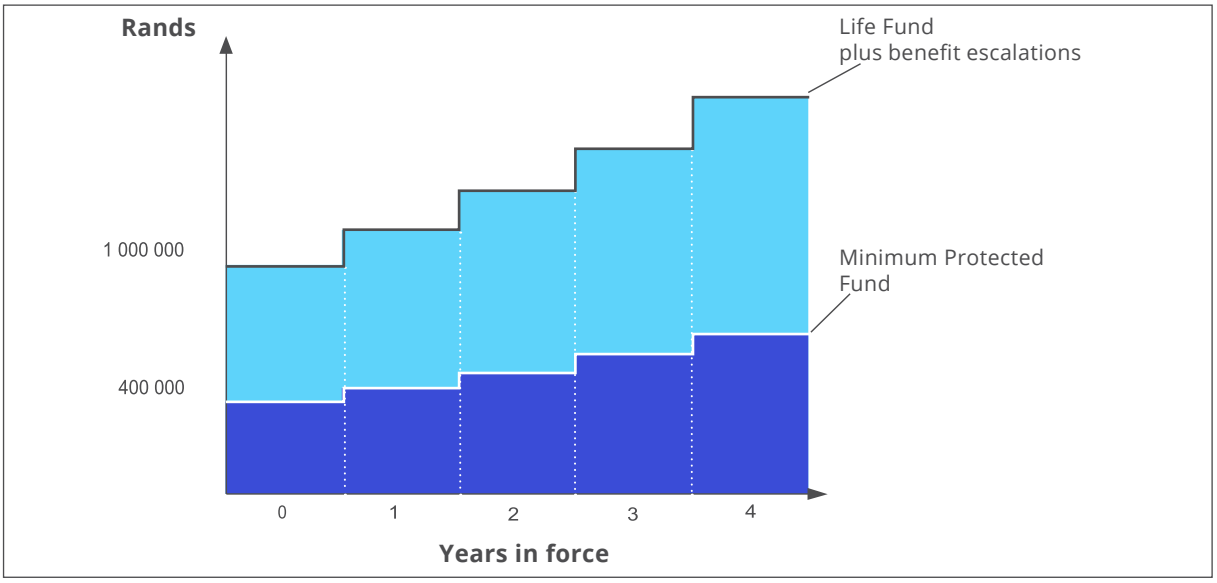
Assume a Life Fund of R1 000 000 was chosen when you took out your policy and you selected a benefit escalation rate of CPI (eg 8% per year). At the end of the first year, your Life Fund will increase to R1 080 000 (ie R1 000 000 Plus 8%). This value will in turn increase by a further 8% after two years to R1 166 400 (ie R1 080 000 Plus 8%).

This pattern of increases will continue at each policy anniversary after the second year.

Note that although a CPI rate of 8% per year was used for each year in the above example, the actual annual CPI increase will fluctuate from year to year. If you selected a fixed benefit percentage increase, your annual Life Fund increase will be based on the selected percentage, and not the CPI rate used in the example above.

2.8.2 THE GROWTH OF A LIFE FUND WITH ANNUAL BENEFIT ESCALATIONS INCLUDING A MINIMUM PROTECTED FUND OPTION.

EXAMPLE



Benefit payments are based on the Life Fund plus annual benefit escalations. A benefit payment reduces the Life Fund by the benefit payment amount.

You may have selected a Minimum Protected Fund at inception of the contract. This is reflected at a level of R400 000 in the example above. This serves as a minimum below which the Life Fund cannot reduce, irrespective of the monetary amount and number of benefit payments made, subject to the rules defined in paragraph 2.4 and 2.6.2.

The Minimum Protected Fund increases annually on policy anniversary at the same benefit escalation rate applicable to the Life Fund. If you have selected the Minimum Protected Fund on your Cover Integrator and/or Financial Integrator Fund, it will increase annually on policy anniversary at the same benefit escalation rate applicable to these benefits.

2.9 DOLLAR SWAP OPTION (ONLY AVAILABLE ON THE CLASSIC AND PURPLE LIFE PLANS)

As a Classic Life Plan or Purple Life Plan client, you will be eligible to swap a portion or all of your Rand cover (including Cover Integrator and Financial Integrator components) to a Dollar Life Plan at any point, free of underwriting, provided certain qualifying criteria (provided below) are met. After exercising the Dollar Swap Option, you may also receive the benefit of a locked in R/$ exchange rate for up to nine years. This feature is described in more detail in your Dollar Life Plan Guide at the time when the Dollar Swap Option is exercised.

QUALIFYING CRITERIA

- You are age 66 next birthday or younger at the time of exercising the Dollar Swap Option.
- The swap is free of underwriting only if the amount is less than or equal to $3.5m (using the last available forward R/$ exchange rate applicable at the time of the swap) after which you will need to go for underwriting.
- You have not claimed under the Severe Illness or Capital Disability benefits on any of your Life Plans.
- You must have an A1 risk rating on all the benefits on your Classic or Purple Life Plan.
- The Dollar Swap Option may only be exercised by principal or spouse lives insured on your Classic or Purple Life Plan.
- You may not exercise the swap within one year of the commencement date of your Purple Life Plan.
- You may exercise a Dollar Swap Option on multiple occasions. However, you will only receive the benefit of the locked in R/$ exchange rate on one Classic or one Purple Life Plan, subject to the maximum of $3.5m above.
- You are within the minimum and maximum limits on the Dollar Life Plan.
- All exclusions imposed on your benefits on your Classic or Purple Life Plan will apply to benefits on your Dollar Life Plan.

The qualifying criteria above may be changed from time to time.

SECTION 2

WHAT IS THE IMPACT OF THE DOLLAR SWAP OPTION ON YOUR CLASSIC OR PURPLE LIFE PLAN?

- If you decide to exercise the Dollar Swap Option, you will lose some or all of your Vitality Fund amount (depending on whether you convert some or all of your Life Fund to a Dollar Life Plan). We will however allow you to increase your Dollar Life Fund (at the time of the swap) by the Vitality Fund Sum Assured amount, which would result in a higher Dollar Life Fund than your Classic or Purple Life Fund at the time of the swap.
- Should the equivalent benefit(s) not exist on the Dollar Life Plan at the time of the swap, these benefit(s) may remain on the exsiting Classic or Purple Life Plan (subject to qualifying criteria and general servicing rules). After exercising the Dollar Swap Option, should the remaining benefits on your Purple Life Plan no longer meet the qualifying criteria for a Purple Life Plan, the remaining benefits will be moved to a Classic Life Plan.
- In some cases where the exact versions of the benefit are not available on the Dollar Life plan, we may provide options of other benefit versions to choose from at the time of the swap request. If you choose an equivalent but not identical benefit, we reserve the right to request additional underwriting at that point.
- Any accumulated PayBack fund on your existing Classic or Purple Life Plan policy may be reduced when exercising the Dollar Swap Option.
- If you exercise the Dollar Swap Option on only a portion of your Purple Life Fund and the remaining portion does not qualify for a Purple Life Plan anymore, the remaining Purple Life Fund will automatically be converted to a Classic Life Fund.

WHEN YOUR COVER STARTS AND ENDS

WHAT LIFE-CHANGING EVENTS AM I COVERED FOR?

A life-changing event is defined as:

Death, or an illness or disability that is severe enough to affect your lifestyle or your ability to earn an income and lowers your standard of living. Policy terms and definitions apply – please refer to the specific sections as well as the definitions in the Appendices.

If all your premium payments are up-to-date, Discovery Life will compensate you for the occurrence of life-changing events covered by the benefits indicated on your Policy Schedule.

Benefit payments for benefits detailed in your Policy Schedule are limited to the total value of your Life Fund, Cover Integrator and Financial Integrator Fund at the time when the benefit payment is made for a particular life-changing event, even if the life-changing event qualifies for benefit payments from multiple benefits. Any exception to this is clearly outlined in each benefit section of this guide and applies to benefits such as non-accelerated Severe Illness or Capital Disability benefits, the Income Continuation Benefit, Overhead Expense Benefit and LifeTime benefits.

3.1 CAN I INSURE MY SPOUSE, CHILDREN AND PARENTS ON THE SAME POLICY?

Yes. A single Life Fund is used to provide benefits for all members of your family unit. Instead of having to take out separate policies for each family member, Discovery Life can cover your spouse, children and parents under one policy. A 'spouse' is defined as a person who is the permanent life partner or spouse or civil union partner of a member in accordance with the Marriage Act, the Recognition of Customary Marriages Act, or the Civil Union Act or the tenets of any religion.

A 'child' is defined as a biological child of the life assured or a child that has been legally adopted. Unless explicitly otherwise stated, a 'child' is considered as such where they are younger than 18.

3.2 WHAT BENEFITS DOES THE LIFE PLAN OFFER?

Your Life Plan offers you a number of valuable benefits, all supported by the Life Fund, Cover Integrator and Financial Integrator Fund. They are:

3.2.1 LIFE COVER BENEFIT

- Available for the principal life and spouse
- Premium Waiver on the death of the principal life (only applicable if you have selected benefits for your spouse and/or children)
- The AccessCover benefit is automatically included on all qualifying life cover benefits, including the Life Fund, Cover Integrator Fund and Financial Integrator Fund (excluding the Buy-up Cover Integrator and Financial Integrator Cash Conversion benefits). AccessCover Plus applies to the same qualifying life cover benefits as AccessCover for an additional premium
- The Vitality Fund benefit is available to the principal life on qualifying Purple Life Plans or Classic and Essential Life Plans with the Bank Integrator. This benefit provides additional life cover at no initial additional premium for a limited term, after which the cover will continue at a premium calculated using new business rates at the time the new premium becomes payable.
- The Legacy Fund Benefit is available to the principal life on qualifying Purple Life Plans and provides additional, non-accelerated Life Cover for which no premium will be charged.

3.2.2 SEVERE ILLNESS BENEFITS

- The Severe Illness Benefit available for the principal life and spouse
- Family Illness Benefits including the Female Benefit, Family Trauma Benefit, Childbirth Benefit and the Global Health Protector
- Premium Waiver on the severe illness of the principal life
- The Child Protector Benefit
- The Global Education Protector.

3.2.3 DISABILITY BENEFITS

Available for the principal life and spouse:

- Capital Disability Benefit
- Income Continuation Benefit and Top-Up Income Continuation Benefit, with or without Overhead Expenses Benefit
- Premium Waiver on the disability of the principal life.

3.2.4 ESTATE PLANNING BENEFIT

Available jointly for the principal life and spouse.

3.2.5 DISCOVERY RETIREMENT OPTIMISER

Available for the principal life.

3.3 HOW LONG WILL YOUR POLICY BE VALID FOR?

Your policy commences on the inception date and remains in force until:

- You have given us one calendar month's notice to cancel your policy. No benefits are payable on or after the cancellation of your policy.
  - Note that in some instances, we reserve the right to request written confirmation of your request to cancel your policy.
  - These instances include when your policy has multiple owners, is owned by a trust, is owned by a juristic person and when it is collaterally ceded (in which case we will also require a written confirmation of the removal of the cession).
- Your Life Fund, Cover Integrator and Financial Integrator Fund is depleted due to a benefit payment.
- The policy is terminated with immediate effect due to fraud or dishonesty as described in Sections 15.2 and 15.3.
- You have failed to pay your premiums for three months cumulatively (please refer to section 4.7.3).

Certain benefits may remain in force even after the Life Fund has been depleted due to a claim.

3.4 THE PRINCIPAL AND SPOUSE CONTINUATION OPTIONS

Should the Life Fund, Cover Integrator and Financial Integrator funds be depleted due to death, disability, or severe illness of the principal life, or due to an AccessCover or AccessCover Plus claim, the spouse and children may elect to continue their cover, without underwriting. The spouse will then become the principal life on the policy and the premiums payable by the spouse for all benefits will be the same as the premiums that would apply to a principal life for the same benefits.

Where the spouse had previously claimed or the spouse had previously had a premium loading as a result of a health condition, hazardous activity or occupation, the premiums on the continuation of the policy will allow for this. The spouse has 90 days to elect to continue the policy following the death of the principal life.

Where there is a Minimum Protected Fund included on the policy before the death of the principal life and the spouse has ancillary benefits, the Minimum Protected Fund will be included on the policy after the death of the principal life. The percentage of Minimum Protected Fund selected on the original policy will be applied to the new Life Fund. The new Life Fund will be equal to the benefit percentage applicable to the spouse's Life Cover Benefit multiplied by the Life Fund before the principal life's death.

Should the Life Fund be depleted due to the death, disability, severe illness of the spouse, or AccessCover or AccessCover Plus claim, the principal life and children may elect to continue with their cover, without underwriting.

Should the Life Fund be reduced due to the death of the spouse, or due to the spouse claiming on AccessCover or AccessCover Plus on a policy where there are no other benefits that accelerate the Life Fund, the principal life may choose to reinstate the Life Fund to its original level before the death of the spouse, without underwriting.

PREMIUMS

HOW DO MY DISCOVERY LIFE PREMIUMS INCREASE?

Premium and benefit increases depend on the Life Plan you selected on your application form. Please refer to your Policy Schedule for the details applicable to your policy. Discovery Life will notify you annually of the amount of the increased premium and benefits.

Note: In establishing the various plans on offer, Discovery Life has calculated your monthly premium so that it should be sufficient to sustain your contract for your lifetime. Please see section 4.8 for an explanation of how Discovery Life may adjust your premium if certain events lead to this no longer being the case.

4.1 AUTOMATIC INCREASES

Discovery Life offers three funding plans from which to choose. These plans, known as the Standard, AcceleRater and FlexRater plans, allow you to select the rate at which your premiums increase each year. As shown in the table below, an annual premium increase may also provide for an annual benefit increase.

The premium and benefit increases will occur at each policy anniversary, with the first increase occurring 12 months after the start dateof the policy.

FUNDING PLAN	ANNUAL BENEFIT INCREASE	ANNUAL PREMIUM INCREASE
STANDARD	No increase in Life Fund	No annual premium increase
	Life Fund increases annually at 6.5%	Compulsory annual increase of between 7.75% and 12.875% depending on age at anniversary (see Appendix 8)
	Life Fund increases annually at CPI	Compulsory annual increase of CPI rate plus an age factor, where the age factor is between 1.25% and 6.375%, depending on age at anniversary (see Appendix 8)
ACCELERATER	Life Fund increases annually at 3%	Compulsory annual increase of between 6% and 12% depending on age at anniversary (see Appendix 8)
	Life Fund increases annually at CPI	Compulsory annual increase of CPI rate Plus an age factor, where the age factor is between 3% and 9%, depending on age at anniversary (see Appendix 8)
FLEXRATER	Life Fund increases annually at 3%	During the first 20 years, compulsory annual increase of between 8.25% and 14.25%, depending on age at anniversary (see Appendix 8) with AcceleRater increases thereafter. After 20 years, compulsory annual increase of between 6% and 12%, depending on age at anniversary (see Appendix 8).
	Life Fund increases annually at CPI	During the first 20 years, compulsory annual increase of CPI rate Plus an age factor, where the age factor is between 5.25% and 11.25%, depending on age at anniversary (see Appendix 8) with AcceleRater increases thereafter. After 20 years, compulsory annual increase of CPI rate Plus an age factor, where the age factor is between 3% and 9%, depending on age at anniversary (see Appendix 8).

Notes:

Where Annual CPI increases are selected:

- The CPI component of annual CPI increases will never exceed 15% or be below 0%.
- Waived premiums cannot increase by more than 20% per year.

The premiums for your Income Continuation Benefit, Top-Up Income Continuation Benefit, Performance Bonus Protector and Buy-up Income Continuation Fund will increase annually according to the plan type selected on you policy as described above plus an additional 0.5% each year.

Premiums for the Global Health Protector and the Global Education Protector increase annually at a rate determined by Discovery Life, which may differ from the automatic annual premium increase rates relevant to other benefits on your Life Plan.

4.2 HOW DOES THE FLEXRATER PLAN DIFFER FROM THE STANDARD AND ACCELERATER PLANS?

The FlexRater plan has the same annual increases as the AcceleRater plan as reflected in paragraph 9.1. However, because the initial premiums for certain benefits are below those of the AcceleRater plan, an additional compulsory increase of 2.25% every year for the first 20 years is required for these benefits. This means that 20 of these extra increases will apply. When adhoc benefit increases or additions are made, 20 extra increases will apply to the premium of each adhoc addition. After these 20 extra increases have been applied, the additional annual FlexRater Plan increase of 2.25% will fall away.

Note that this additional increase is not applicable to the premiums for the following benefits:

- Overhead Expenses Benefit
- Global Education Protector
- Global Health Protector
- Discovery Retirement Optimiser.

4.3 VITALITY PREMIUM LEVELLER (ONLY AVAILABLE ON THE CLASSIC AND PURPLE LIFE PLANS)

The Vitality Premium Leveller allows you to reduce your future Life Plan premium increases through the Vitality Premium Leveller discount. The Vitality Premium Leveller discount is accumulated by managing and improving your health before and during retirement. For each year that you qualify, you will accumulate a discount, which will be added up and applied to your Life Plan premium from the next policy anniversary after you turn age 66 next birthday or 10 years after your policy commenced, if this occurs later. This is summarised in the table below:

AGE NEXT AT POLICY COMMENCEMENT	AGE NEXT AT WHICH VITALITY PREMIUM LEVELLER DISCOUNT IS APPLIED
<=56	66
>56	10 years older than the age you were when the policy commenced

The Vitality Premium Leveller discount will apply additively to your Life Plan premium increase before integration and other adjustments and will continue to accumulate after the age when it begins to apply.

EXAMPLE

After your 65th birthday, assume that your Life Plan premium increase before the premium leveller, and excluding premium adjustments from Integration is 10% and your accumulated Vitality Premium Leveller discount is 3%. This means that the actual increase that will be applied at your Life Plan anniversary is 7% (10%-3%). If in the following year you accumulate an additional 0.2%, the Vitality Premium Leveller discount will increase to 3.2% and the actual increase that will be applied is 6.8% (10%-3.2%).

QUALIFYING CRITERIA FOR THE VITALITY PREMIUM LEVELLER DISCOUNT:

- Your Life Plan needs to qualify for Comprehensive Integration (see Section 10)
- If you have selected the Standard Funding Plan, you must have selected a non-zero annual benefit increase option.

The discount accumulated each year depends on your Funding Plan and Vitality/Vitality Active status. The current values are illustrated in the following table:

	COMPREHENSIVE INTEGRATION	
VITALITY / VITALITY ACTIVE STATUS	ACCELERATER/FLEXRATER	STANDARD PLAN
NONE	0%	0%
BLUE	0.04%	0.03%
BRONZE	0.08%	0.06%
SILVER	0.12%	0.09%
Gold	0.14%	0.105%
DIAMOND	0.16%	0.12%

Please note that the values in the above table are annually reviewable, taking into account emerging experience as well as consideration for the general economic and regulatory environment.

EXAMPLE

Suppose your Life Plan has Comprehensive Integration with an AcceleRater Funding Plan. The build-up of your Vitality Premium Leveller discount could look as follows:

POLICY YEAR	VITALITY STATUS	ANNUAL VITALITY PREMIUM LEVELLER DISCOUNT	ACCUMULATED VITALITY PREMIUM LEVELLER DISCOUNT
1	Blue	0.04%	0.04%
2	Blue	0.04%	0.08%
3	Silver	0.12%	0.20%
4	Gold	0.14%	0.34%
5	Gold	0.14%	0.48%
6	Diamond	0.16%	0.64%
7	Diamond	0.16%	0.80%
8	Diamond	0.16%	0.96%
9	Diamond	0.16%	1.12%
10	Diamond	0.16%	1.28%

If you choose to remove Vitality while your Vitality Premium Leveller discount applies, you will maintain your accumulated discount percentage and will not accrue further discounts going forward.

Regardless of whether your spouse is insured on your policy, the Vitality Premium Leveller discount will apply when you turn age 66 next birthday (or 10 years after the policy commenced if this occurs later) , irrespective of your spouse's age. In addition the annual Vitality Premium Leveller discount will only be based on your Vitality/Vitality Active status.

The Vitality Premium Leveller discount will apply to all your Life Plan premiums with the exception of:

- Vitality (including Vitality Active and Vitality Purple)
- Discovery Retirement Optimiser.

Once the Vitality Premium Leveller discount is applied, your total Life Plan premium will be subject to an overall minimum. This minimum is defined as 60% of the total Life Plan premium without the Vitality Premium Leveller discount. If this point is reached the annual Vitality Premium Leveller discount percentage will be set to 0%. Please note that this minimum is annually reviewable, taking into account emerging experience as well as consideration for the general economic and regulatory environment. The accumulated Vitality Premium Leveller discount in any year cannot exceed the Annual Contribution Increase that applies at that point.

EXAMPLE

Suppose your Life Plan premium is R1 000 and increases by 10% every year. Assume that your accumulated Vitality Premium Leveller discount is 5% and for simplicity remains constant with time. In Year 12 the premium reaches the specified minimum. At this point the Vitality Premium Leveller discount is set to 0% and the premium going forward will be 60% of the Life Plan premium without the Vitality Premium Leveller discount.

YEAR THAT THE DISCOUNT APPLIES	VITALITY PREMIUM LEVELLER DISCOUNT	PREMIUM	DISCOUNT-ED PREMIUM (BEFORE OVERALL MINIMUM)	PRE MINIMUM RATIO (DISCOUNTED PREMIUM/ PREMIUM)	FINAL LIFE PLAN PREMIUM	POST MINIMUM RATIO (FINAL LIFE PLAN PREMIUM/PREMIUM)
1	5%	1 000	1 000	100%	1 000	100%
2	5%	1 100	1 050	95%	1 050	95%
3	5%	1 210	1 103	91%	1 103	91%
4	5%	1 331	1 158	87%	1 158	87%
5	5%	1 464	1 216	83%	1 216	83%
6	5%	1 611	1 276	79%	1 276	79%
7	5%	1 772	1 340	76%	1 340	76%
8	5%	1 949	1 407	72%	1 407	72%
9	5%	2 144	1 477	69%	1 477	69%
10	5%	2 358	1 551	66%	1 551	66%
11	5%	2 594	1 629	63%	1 629	63%
12	5%	2 853	1 710	60%	1 712	60%
13	0%	3 138	1 796	57%	1 883	60%
14	0%	3 452	1 886	55%	2 071	60%
15	0%	3 797	1 980	52%	2 278	60%

In addition to the 60% minimum applied to the Vitality Premium Leveller on its own, there is a further minimum applied when considering the combined impact of the Vitality Premium Leveller and the discounts from Integration and Vitality Rating. After allowing for all Integration benefits, your Vitality Rating Discount (discussed in the next section) and your Vitality Premium Leveller discount, your Integrated premium may be no less than 40% of the comparative non-Integrated premium. This includes the initial Integrator adjustments that you may have been eligible for under the Health Integrator (Section 10.1.1), the Vitality Integrator (Section 10.2.1), the Active Integrator (Section 10.3.1) and / or the Bank Integrator (Section 10.4.1), as well as any annual adjustments you may have received through these Integrators. Please note that the above minimum premium is annually reviewable, taking into account emerging experience as well as consideration for the general economic andregulatory environment.

4.4 VITALITY RATING

4.4.1 VITALITY RATING DISCOUNT

Vitality Rating rewards clients who demonstrate a low risk of future lifestyle related diseases, by providing them with an upfront premium reduction. This discount (referred to as the Vitality Rating discount) is applied multiplicatively to your Integrator premium reduction (see Section 10 for more information about the various Integrators available on your Life Plan). Only certain premiums qualify for Vitality Rating. Your premiums that qualify are detailed in your Policy Schedule.

You will qualify for Vitality Rating, subject to the following being met:

- The Health, Vitality or Active Integrator needs to be selected on your policy; and
- The qualifying benefit should be assigned an A1 risk rating. For example, if your Life Cover benefit is assigned an A1 risk rating, and your Severe Illness benefit is not, then only your Life Cover premium will receive the Vitality Rating discount (subject to the other criteria above being met).

We are able to assess your risk more accurately by using your results for the following health measures:

- Random Glucose (mmol/L) and HbA1c (%)
- Fasting/Random Cholesterol and LDL (mmol/L)
- Body Mass Index
- Blood Pressure (mm Hg).

Each health measure will be assigned a Vitality Rating class (Standard, Select or Lifetime Select), which will depend on its result.

The specified healthiest range is Lifetime Select, the next specified healthiest range is Select and anything outside of Lifetime Select or Select will be defined as Standard. You will be assigned a single Vitality Rating, which depends on the Vitality Rating assigned to each health measure. This Vitality Rating will be determined as follows:

- Your Vitality Rating will be Lifetime Select if the Vitality Rating for each health measure is Lifetime Select
- Your Vitality Rating will be Select if your worst Vitality Rating class for any of the measures is Select
- Your Vitality Rating will be Standard if your worst Vitality Rating class for any of the measures is Standard.

Your Vitality Rating discount will depend on your Funding Plan and whether you have the Health, Vitality or Active Integrator. For Life Plans with the Health Integrator the Vitality Rating Discount will further depend on the life assured's qualifying health plan on participating medical schemes administered by Discovery Health. The tables below illustrate how the Vitality Rating discount differs by the factors mentioned above. Note that Core Integrators will receive half the Vitality Rating discount reflected in the tables below.

Health Integrated Policies

FUNDING PLAN	VITALITY RATING DISCOUNT – COMPREHENSIVE/ EXECUTIVE/PRIORITY HEALTH PLAN	VITALITY RATING DISCOUNT – SMART/SAVER HEALTH PLAN	VITALITY RATING DISCOUNT – CORE HEALTH PLAN
Standard/AcceleRater	15%	12.5%	10%
FlexRater	12.5%	10%	7.5%

Vitality Integrated Policies

FUNDING PLAN	VITALITY RATING DISCOUNT
Standard/AcceleRater	10%
FlexRater	7.5%

Active Integrated Policies

FUNDING PLAN	VITALITY RATING DISCOUNT
Standard/AcceleRater	7.5%
FlexRater	5%

EXAMPLE

If you have selected the Standard funding plan and are on the Vitality Integrator, you will qualify for a Vitality Rating discount of 10%. If your monthly non-Integrated premium is R1 000 and the Vitality Integrator discount is 17.5%, your resulting initial risk premium will be R743 (R1 000 x [1 - 17.5%] x [1 - 10%])

If you are assigned Lifetime Select then your Vitality Rating discount will remain for your policy lifetime. If you are assigned either Select or Standard, your Vitality Rating discount will be reduced by a percentage at each of your first five policy anniversaries. If you are assigned Select, half of your Vitality Rating discount will be reduced by the end of your five-year period and if you are assigned Standard your Vitality Rating discount will be reduced completely by the end of the five-year period. The manner in which your Vitality Rating discount will be reduced at each of your first five policy anniversaries is detailed in your Policy Schedule. Your discount will be reduced by applying specified increases to the relevant premiums at each of your first five policy anniversaries. The size of the specified increases depend on your Vitality Rating discount.

EXAMPLE

Assume you are 40 years old, your policy is Health Integrated and you selected a Standard Funding Pattern (Annual Benefit Increase of CPI + 3%, where CPI is 5%). You qualified for a 15% Vitality Rating discount, and you are assigned a Standard Vitality Rating class. Your entire Vitality Rating discount will be reduced over the first five years of your policy, by applying specified increases to your policy at each of your first five policy anniversaries. At your first policy anniversary a 7.5% increase will be applied to premiums that received the Vitality Rating discount. At each of the next four policy anniversaries the same premiums will receive a 2.28% increase. At policy anniversary, your premium will increase as follows: premium x (1 + Annual Contribution Increase) x (1 + Health Integrator premium adjustment) x (1 + Vitality Rating premium adjustment). If your monthly premium is R1 000, and your annual Health Integrator premium adjustment is 0% based on your Vitality Status and Health Plan claims, your monthly premium in year two will be R1 201 (R1 000 x (1 + 11.75%) x (1 + 0%) x (1 + 7.5%).

YEAR	PREMIUM	HEALTH INTEGRATOR PREMIUM ADJUSTMENT	ANNUAL CONTRIBUTION INCREASE	VITALITY RATING PREMIUM ADJUSTMENT
1	R1 000	0%		
2	R1 201	0%	11.75%	7.5%
3	R1 375	0%	11.875%	2.28%
4	R1 575	0%	12%	2.28%
5	R1 806	0%	12.125%	2.28%
6	R2 073	0%	12.25%	2.28%

You have the opportunity to improve your Vitality Rating class (and therefore improve your Vitality Rating discount) if you were assigned a Select or Standard Vitality Rating class. You are able to submit new Vitality Health check results in order to improve your Vitality Rating class. If upon submission, your Vitality Rating class improves, your current Vitality Rating discount will be updated to correspond to that of the improved Vitality Rating class. Your improved Vitality Rating discount will only apply to the relevant premiums from this point onwards i.e. no retrospective adjustments will apply. Note that Discovery Life will only cover the cost of the Vitality Health Check at inception of your policy and when elective servicing events result in these tests being required. If you go for a Vitality Health Check at any other point, Discovery Life will only cover the cost of the Vitality Health Check required for a Vitality Rating review if the check is performed at the Discovery Life test centres (located at the Discovery Life stores). Discovery Life will not cover the Vitality Health Check if all a client's cover has been issued as Lifetime Select.

If your premium increases through elective servicing events, the increase in your premium will receive the full Vitality Rating discount (provided the qualifying criteria are met). If your Vitality Rating class is Select or Standard this premium will receive its own Vitality Rating increases. It's first Vitality Rating increase will occur at the first policy anniversary that falls at least six months from the servicing event. Note that your health check results will only be valid for two years from the date of your Vitality Health Check. If your premium increases through elective servicing events within this period, then the Vitality Rating class corresponding to these health check results will apply. If elective servicing events occur after the two year period, you will have to complete a new Vitality Health Check, whereby these results will be used to determine a new Vitality Rating class for this increased premium. Your premiums relating to cover before elective servicing events will not be affected, unless your Vitality Rating class has improved. In this case, the Vitality Rating discount applicable to these premiums will be updated to correspond to that of the improved Vitality Rating class.

4.4.2 VITALITY RATING LONGEVITY DISCOUNT

In addition to the Vitality Rating Discount, you may be eligible for a further premium reduction through the Vitality Rating Longevity discount. You can receive this discount on qualifying benefits on the policy anniversary after you turn age 66 next birthday or 10 years after Vitality Rating was added to the cover if this is later. The qualifying benefit must have had Vitality Rating for at least 10 years in order to be eligible for the discount. This means that the Vitality Rating Longevity discount may apply at different points in time, depending on when Vitality Rating was added to the cover or when the cover was added. A summary of this can be seen below:

AGE NEXT AT COVER INCEPTION	AGE NEXT AT WHICH DISCOUNT IS APPLIED
<=56	66
>56	10 years older than when Vitality Rating was added to the cover

Similar to Vitality Rating, we are able to assess your risk more accurately by using your Vitality Health Check for 65+ results. The health check includes the same health measures as the Vitality Rating Discount, shown above. We may require additional tests if your results for any of these tests are out of range.

You will be eligible to complete a Vitality Health Check for 65+ at any time after you have turned age 66 next birthday. In order to qualify for the discount, you must notify Discovery Life of having done the Vitality Health Check for 65+.

The process of assigning you a Vitality Rating Longevity class (Standard, Select or Lifetime Select), will be the same as per Vitality Rating above, although this class may differ from your Vitality Rating class depending on the outcomes of your Vitality Health Check for 65+.

Your Vitality Rating Longevity discount will depend on your Integration type (Comprehensive or Core) and your allocated Vitality Rating Longevity class. The table below illustrates how the Vitality Rating Longevity discount differs by the factors mentioned above. Please note that the values in the table are annually reviewable, taking into account emerging experience as well as consideration for the general economic and regulatory environment.

	PREMIUM DISCOUNT APPLICABLE AT AGE 65 NEXT	
VITALITY RATING LONGEVITY CLASS	COMPREHENSIVE INTEGRATED	CORE INTEGRATED
Lifetime Select	10%	5%
Select	5%	2.5%
Standard	0%	0%

EXAMPLE

If your Life Plan qualifies for Comprehensive Health Integration and you are assigned the Lifetime Select Vitality Rating Longevity class based on the results of your Vitality Health Check for 65+, you will qualify for a Vitality Rating Longevity discount of 10%. If your qualifying monthly premium at age 65 is R2 000, the effective premium after the discount will be R1 800 (R2000 x [1-10%]).

You have the opportunity to improve your Vitality Rating Longevity class (and therefore improve your Vitality Rating Longevity discount) if you were assigned a Select or Standard Vitality Rating class. You are able to submit new Vitality Health Check for 65+ results within two years of you submitting your first set of Vitality Health Check for 65+ results in order to improve your Vitality Rating Longevity class. If upon submission, your Vitality Rating Longevity class improves, your current Vitality Rating Longevity discount will be updated to correspond to that of the improved Vitality Rating Longevity class. Your improved Vitality Rating Longevity discount will only apply to the relevant premiums from this point onwards i.e. no retrospective adjustments will apply. Discovery Life will only cover the cost of the Vitality Health Check for 65+ required for a Vitality Rating Longevity review if the check is performed at the Discovery Life test centres (located at the Discovery Life stores).

The Vitality Rating Longevity discount is applied differently to the Vitality Rating discount in that the Vitality Rating Longevity class determines the initial discount that is applied to qualifying premiums. This discount then applies for the remaining duration of the policy. All other rules including the eligibility criteria will be as per the Vitality Rating Discount.

VITALITY RATING LONGEVITY DISCOUNT EXCLUSIONS

If you claim under the following benefits on any of your Life Plans, you will not qualify for the discount:

- Severe Illness Benefit: Severities A to D for all conditions
- Severe Illness Benefit: Severities E to G for Cancer and Heart and Artery conditions
- Capital Disability: Categories A to D
- Income Continuation Benefit: Categories A and D
- Income Continuation Benefit: Claims longer than 6 months
- Income Continuation Benefit underpins (excluding injury and hospitalisation)
- Medical AccessCover
- Terminal Illness.

4.5 WHAT COULD RESULT IN AN INCREASE OR RECALCULATION OF YOUR PREMIUM?

You can add new benefits to the Life Plan at any time. Additional benefits will result in a higher premium. These additions will be subject to underwriting.

When any of the factors influencing your premium change, your premium could increase. For example, if you or your spouse are the assured lives on the policy and are paying non-smokers' premiums, it's essential that you notify us immediately should either of you ever take up smoking or use any other form of tobacco. If you or any of the lives insured under this policy undertake hazardous pursuits, such as extreme sport or dangerous hobbies on a regular basis, eg motocross, skydiving, underwater diving, rock climbing, private aviation or if your occupation now entails more travel or manual duties including travel outside the borders of South Africa. In addition, if you have indulged in or consumed narcotics (that were not prescribed by a medical practitioner) it is essential that you notify us. Discovery Life may then adjust, review and amend your premiums accordingly. If Discovery Life is not notified within a reasonable time, some or all of your benefits may be adjusted or removed.

4.6 YOU CAN SELECT THE PAID-UP OR LOCK-IN OPTION

4.6.1 PAID-UP OPTION

This option is applicable to the Standard Plan only and, if selected, will apply to the premiums of the following benefits (referred to as the qualifying risk benefits):

- Life Cover
- AccessCover Plus
- Capital Disability Benefit
- All Principal and Spouse Severe Illness Benefits (including the Female Severe Illness Benefit and the Family Trauma Benefit)
  that have expiry ages selected as Whole of Life
- Income Continuation Benefit
- Minimum Protected Fund
- Global Education Protector
- Premium Waiver on Death
- Estate Planning Benefit
- 50% and 100% Buy-up Cash Conversion on Cover Integrator and Financial Integrator
- Vitality Fund, if a premium becomes payable for Vitality Fund before the client's 56th birthday.

Note that the premiums for the following benefits are specifically excluded from the Paid-up benefit and therefore do not form part of the qualifying risk benefits:

- Vitality
- Vitality Active
- Discovery Retirement Optimiser

Should the Paid-up option be selected, the premiums for all qualifying risk benefits on your policy will cease at the Paid-up maturity date. The Paid-up maturity date is determined as follows:

AGE NEXT WHEN THE PAID-UP OPTION WAS ADDED	PAID-UP MATURITY DATE
45, or younger than 45	The end of the month in which you turn 65
Older than 45	The end of the month in which you turn 20 years older than you were when the Paid-up option was added

An additional monthly premium is charged for this benefit from the date at which this benefit is added.

EXAMPLE

If you take out a Life Plan at age 40 and select the Paid-up benefit, the premiums for your qualifying risk benefits will cease at the end of the month in which you turn 65. However, if you are age 50 when selecting the Paid-up benefit, your premiums would cease at the end of the month in which you turn 70.

The Paid-up option may not be added to a policy where the 200% Buy-Up Cash Conversion benefit is active. You will have to cancel your 200% Buy-up Cash Conversion benefit in order to add the Paid-up option. Further you will not be able to have the Paid-up option, the Buy-up Income Continuation Fund (see Section 7.27) and the 50% or 100% Buy-up Cash Conversion benefit on your policy at the same time.

Each qualifying risk benefit added (or electively increased) on your policy after the policy start date will have an individually calculated Paid-up maturity date for that benefit amount. This means that the premiums for different benefits or benefit amounts may become Paid-up at different times.

EXAMPLE

You take out a Standard Plan at age 40 with life cover only, and you select the Paid-up benefit. You add the Severe Illness Benefit (whole of life expiry) at age 50. At age 65 your life cover premium will cease, however, your Severe Illness Benefit premium will continue. At age 70 (after the minimum 20 year term), the remaining premium will cease. Similarly, if you were to increase your life cover at age 60, the portion of your life cover premium for this additional cover amount will only cease at age 80.

At the end of the month in which you turn age 65 your qualifying risk benefits will cease increasing annually by the benefit escalation rate. Your Integrated Cover Adjustments on your Cover Integrator Fund and Financial Integrator Fund (if applicable) will also cease at age 65.

In the case of your death before the Paid-up maturity date, your beneficiaries or estate will receive a refund of 100% of your Paid-up premiums paid (without interest). As the different premiums may become paid up at different times, this return of premiums will only apply to the portions that haven't reached Paid-up maturity yet at the time of death.

If you have selected the Premium Waiver on death benefit (see Section 5.4) on your policy, this benefit will automatically terminate once you have reached the latest Paid-up maturity age on your policy.

EXAMPLE

You take out a Standard Plan at age 43 with life cover for you and life cover for your spouse (also aged 43), and include the Premium Waiver on death benefit. At age 47, you increase your and your spouse's life cover. Part of your premiums will therefore become paid-up at age 65 and part will become paid-up at age 67. Should you die at age 64, the Premium Waiver on death benefit will waive all of your spouse's life cover premiums until age 67 (after which point all premiums are paid up in any case).

Please note that the premium guarantees described in Section 4.8 do not apply to this option and the premium for this option may be annually reviewable in light of a significant difference between current experience and the assumptions used when pricing, and with due consideration to the general economic and regulatory environment.

4.6.2 LOCK-IN OPTION

This option is available on the AcceleRater plan only and must be selected from inception of your policy. Should this option be selected, automatic annual premium and benefit increases will cease at the point in time selected by you on your policy. This may be after 20 years or at the end of the month in which you turn 65.

The Health Integrator, the Vitality Integrator, the Active Integrator and the Bank Integrator annual premium adjustments (if applicable) will continue to be applied to any premium payable after reaching the duration or age applicable to the Lock-in option. Please refer to your Policy Schedule for the adjustments applicable to your Life Fund.

Please note that the Lock-in option will not apply to any cover added through Cover and Financial Integrators after the end of the month in which you turn 56.

The benefit does not apply to Vitality and Vitality Active premiums or to contributions to the Discovery Retirement Optimiser.

Please note that the premium guarantees described in Section 4.8 do not apply to this option and the premium for this option may be annually reviewable in light of a significant difference between current experience and the assumptions used when pricing, and with due consideration to the general economic and regulatory environment.

4.7 TERMS AND CONDITIONS RELATING TO PREMIUM PAYMENTS

4.7.1 WHO IS RESPONSIBLE TO PAY THE PREMIUMS?

The owner of the Life Plan must pay the premium of the total amount stated in the Policy Schedule, as amended from time to time. Premiums are payable monthly in advance each calendar month for the duration of the policy.

4.7.2 WHAT ASPECTS DETERMINE THE AMOUNT OF THE PREMIUM?

The following factors all influence the level of premiums charged for the various benefits:

- Age, gender and marital status
- Total gross monthly income
- Health condition and medical history
- Previous and current assurance records
- Claim experience on your health plan, if you are a member of a participating health plan on a medical scheme administered
  by Discovery Health
- Any other information that comes to the notice of Discovery Life
- Smoking and lifestyle habits
- Occupation
- Participation in dangerous activities
- Credit rating as per the National Credit Bureau.

Discovery Life may take some or all of these factors into account in determining your premium.

4.7.3 WHAT HAPPENS IF MY PREMIUMS ARE NOT PAID BY THE DUE DATE?

Discovery Life's normal practice is to notify you in writing of the non-payment of a premium. If a premium is not paid on time, Discovery Life allows you a 30-day grace period from when the premium was due to settle your arrear payment. Should an insured event occur during this period, Discovery Life will consider a claim (subject to the terms of the policy) but will deduct any arrear premium due from the claim amount.

Should a second premium not be received (in other words you have failed to pay two premiums) your policy is suspended and no benefit under the policy would be payable should an insured event occur while the policy is two payments in arrears.

Should a third premium not be received (you have failed to pay three premiums), your policy will automatically lapse and your policy will be cancelled from the date at which the premiums were outstanding, whether or not you received a notification of your failure to pay. In this case no benefit is payable if the insured event occurred during the period from the date that you failed to pay your first premium.

If the policy is suspended (in other words you have failed to pay two premiums) or lapsed (you have failed to pay three premiums), you may apply to Discovery Life to continue the cover that was provided by your suspended or lapsed Life Plan (as applicable) by the tender of payment of the outstanding premiums together with the completion of whatever underwriting requirements Discovery Life may deem necessary from time to time.

4.7.4 HOW DO I PAY MY PREMIUM?

Discovery Life will only collect your premiums via a debit order lodged on your bank account. Cash premiums will not be allowed.

4.7.5 WHAT IF I CANNOT AFFORD MY INCREASED PREMIUM ON POLICY ANNIVERSARY?

Each year, 31 days before your policy anniversary date, Discovery Life will forward a letter and Policy Schedule to you, detailing the changes to be effected to the policy. The automatic premium increases applied to your policy are compulsory and if for any reason you are unable to afford the automatic premium increases you should notify us before the next anniversary date. Should the automatic premium increase be cancelled or lowered in order to suit what you can afford, the cover amount of the benefit will be lowered to allow for this change. A new Policy Schedule will be sent to you confirming the changes made.

Depending on the Life Plan selected, adjustments may be made to your policy to suit what you can afford, and a new Policy Schedule will be forwarded to you confirming the changes made.

4.7.6 CAN I RECEIVE A PREMIUM REFUND IF I CANCEL MY POLICY?

Should you voluntarily choose to cancel your Discovery Life Plan you will not receive a return of any premiums paid throughout the duration of the Life Plan.

4.8 CAN DISCOVERY LIFE CHANGE MY PREMIUM AND BENEFITS?

In calculating the premiums, Discovery Life has tried to ensure that your policy will not require additional premium adjustments for its duration. We therefore guarantee that premiums will not be increased for the first 10 years, except for any contractual premium increases. In addition, Discovery Life guarantees that if any premium increases are required at the end of the first 10 years and any 10-year period thereafter, these increases will not exceed 25% of your premiums being paid at that time.

Please note that these guarantees (including the additional certainty for engaging in Vitality as described below) do not apply to the Child Protector, Global Health Protector, Global Treatment Benefit, Global Education Protector, Paid-up Option or Lock-in Option, Estate Planning Benefit, Medtech Booster or Buy-Up Income Continuation Fund in the first 10-year period, nor any time thereafter.

Additional certainty by engaging with Vitality

As a member of Vitality, you have the potential to provide additional certainty to your Life Plan. At the end of each 10-year period, Discovery Life will determine the number of years you have been at each Vitality status level over the previous 10-year period, and will use this to ensure that the maximum potential increase of 25% at the end of each 10-year period is reduced in line with your health management. Please note that this percentage reduction does not apply to the Buy-up Cash Conversion premiums for the Cover Integrator and Financial Integrator benefits.

The percentage reduction for each year that you are on a particular Vitality status is as follows:

VITALITY STATUS	PERCENTAGE REDUCTION
BLUE	0%
BRONZE	0.5%
SILVER	1.5%
GOLD	2.5%
DIAMOND	2.5%

For example, at the end of 10 years, assuming you were on Blue status for two years, Bronze status for three years, Silver status for three years and Gold status for two years, the maximum potential premium increase is as follows:

25% - (2 x 0%) - (3 x 0.5%) - (3 x 1.5%) - (2 x 2.5%) = 14%

If your premiums on your Life Plan are being waived at the time of any potential premium increase (as a result of a claim on the Premium Waiver benefits on death, disability or severe illness) these increases will be fully covered by the waiver benefits. Where a client has a health loading due to the fact that they are HIV+, the guarantee period is just one year. The additional guarantee that can be earned through Vitality will not apply.

LIFE COVER BENEFITS IN MORE DETAIL

The Life Cover Benefit provides a benefit payment to your family should you die. If the spouse's Life Cover Benefit has been selected, the death of your spouse will also be covered.

5.1. LIFE COVER FOR THE PRINCIPAL LIFE

Upon your death, the owner or nominated beneficiaries of the policy will be paid the value of the amount in the Life Fund at the date of death as follows:

(i) Initial Life Fund value

Plus

(ii) Any amount by which your Life Fund has changed at each policy anniversary due to annual automatic benefit escalations and Cover and Financial Integrator adjustments

Plus

(iii) Any additions as a result of the Vitality Fund benefit (if applicable)

Plus

(iv) Any additions as a result of the Legacy Fund benefit (if applicable)

Plus

(v) Any other ad hoc increases or decreases made by you to your Life Fund since the policy commenced, including any increases from the Future Fund Benefit (see Section 9.2)

Less

(vi) Any benefit payments and fees previously deducted from the Life Fund offset by any Minimum Protected Fund reinstatements

Less

(vii) Reductions to your Life Fund as a result of the Discovery Retirement Optimiser (see Section 11)

Less

(viii) Reductions to your Life Fund as a result of an AccessCover or AccessCover Plus claim

Less

(ix) Reductions to your Life Fund as a result of advances paid on your Life Cover claims (see Section 5.3).

5.2 SPOUSE'S LIFE COVER BENEFIT

On the death of the spouse, a benefit payment equal to the amount of the spouse's Life Cover Benefit will be made to the owner of the policy. The amount of this benefit payment is calculated using the same formula as in paragraph 4.1.1, but is multiplied by the benefit percentage applicable to the spouse's Life Cover Benefit at the time of claim. This benefit payment will reduce the Life Fund.

Please note that the Spouse Life Cover Benefit does not receive the Vitality Fund benefit or the Legacy Fund benefit on Purple Life Plans or Classic and Essential Life Plans with the Bank Integrator.

5.3 ADVANCES ON LIFE COVER CLAIMS

In an effort to support your nominated beneficiaries with funeral arrangements, your Life Cover (and spouse's Life Cover) benefit automatically includes an upfront benefit. With this benefit, a nominal amount will be paid within 48 hours of submitting a valid death certificate. The upfront amount will reduce the Life Cover claim payment. Please refer to your policy quotation for details on the size of this nominal amount.

In order to qualify for the upfront benefit, your Life Plan must have been in force for at least two years and the cause of death must not be unnatural. Note that this advance is subject to the claim being approved by Discovery Life to ensure all requirements are met.

Should the claim be deemed invalid following our assessment criteria Discovery reserves the right to claim the payment back.

5.4 THE PREMIUM WAIVER ON DEATH ASSISTS YOUR FAMILY IN A TIME OF NEED

This benefit protects your family from financial distress in the event of the death of the principal life. If you have selected this benefit and the principal life dies, Discovery Life will pay the premiums for all benefits that were related to the spouse and children under the contract. A Life Fund will be established at a level sufficient to sustain the remaining benefits that were covered by the policy before the principal life's death. The premiums for Vitality will be waived if your policy is Health or Vitality Integrated. The premium for Vitality Active will also be waived if your policy is Active Integrated. The premiums for Vitality drive and Vitality Money will not be waived. The Childbirth Benefit will fall away unless the spouse is pregnant, in which case the benefit will terminate after childbirth.

If no claim has been paid under the Premium Waiver, the benefit will terminate at the end of the month in which you turn 75. If the Premium Waiver is active due to a claim, the payments made from the Premium Waiver will cease at the end of the month in which the principal life would have turned 75. Discovery will no longer charge you a premium for the benefit if your premiums are being waived. Premiums will not be waived where the death of the principal life occurred as a result of suicide within two years of the policy commencement date or policy reinstatement date.

Assuming a plan was selected with the premium escalating at one of the premium escalation rates, the Premium Waiver covers these increases to a maximum of 20% per year. Discovery Life's premium guarantee as detailed in Section 4.8 will be fully covered by this waiver benefit.

Please note that the Global Education Protector benefit will not be included in the Death Premium Waiver benefit (as no further premiums are payable on this benefit following the death of the first spouse).

5.5 THE TERMINAL ILLNESS BENEFIT GIVES YOU COVER FOR YOUR LIFE, NOT YOUR DEATH

This benefit is designed to help a life assured who need Funds – for whatever reason – before death, once they have been diagnosed with a terminal illness. This benefit is applicable to any assured life that has the Life Cover Benefit and is included at no additional cost.

This benefit pays the full value of the Life Fund if a life assured has been diagnosed with a terminal illness and is deemed by the medical panel of Discovery Life in their sole discretion to have a survival period of 12 months or less.

On the Estate Planning Benefit, in the event of the surviving spouse suffering a terminal illness after the first spouse has passed away, the payout from the Estate Planning component will be accelerated to the date of the Terminal Illness diagnosis.

The Funds available for a full payment only from the Life Fund will be the equivalent of the balance of the Life Fund (including any applicable Financial Integrator, Cover Integrator, Vitality Fund amounts and Legacy Fund amounts) at the time of claim.

There will be no further benefit on death should the total Life Fund be claimed for the Terminal Illness Benefit.

5.6 THE ACCESSCOVER AND ACCESSCOVER PLUS BENEFITS GIVE YOU THE OPTION TO CONVERT A PERCENTAGE OF YOUR LIFE COVER INTO CASH FOR SPECIFIED EVENTS

This benefit converts a percentage of your Life Fund into cash and reduces the Life Fund by the percentage that was converted to give you early access to your life cover while you are still alive for a range of specified events as specified in Appendix 6. You may convert a percentage of your life cover into cash at a specified conversion rate as defined by Discovery Life. For every R1 of life cover that you choose to convert, you will receive a certain value (in cents) depending on the condition. These conversion rates may be amended by Discovery Life from time to time in their sole discretion.

Medical AccessCover is automatically included on your policy at no extra charge if you meet certain underwriting criteria and gives you the option to convert a percentage of your life cover into cash for a range of medical definitions. In order to qualify you cannot have any premium loading on your Life Cover benefit due to a health condition.

You may also purchase AccessCover Plus which gives you early access to a percentage of your life cover for a range of additional events:

- Longevity AccessCover gives you the option to convert a percentage of your life cover into cash on reaching certain age milestones in your life. Up to 50% of your total qualifying life cover can be converted at each of the specified ages.
- Family Debility AccessCover gives you the option to convert a percentage of your cover into cash if you, your spouse or your children are permanently disabled as a result of accident or being a victim of violence.
- Spouse Accidental Death AccessCover gives you the option to convert a percentage of your life cover into cash if your spouse dies as a result of accident or violence.

- The percentage of life cover that you may convert for each event as well as the conversion rates are described below:

ACCESSCOVER EVENT*		TOTAL PERCENTAGE OF LIFE COVER THAT CAN BE CONVERTED INTO CASH	CONVERSION RATE (AMOUNT YOU WILL RECEIVE FOR EACH R1 OF LIFE COVER CONVERTED INTO CASH)	
			ACCESSCOVER	ACCESSCOVER PLUS
MEDICAL ACCESSCOVER CATEGORIES	A	• Up to 100% of your total qualifying life cover including your Cover Integrator and Financial Integrator if you have qualifying ancillaries • Up to 50% of your total qualifying life cover including your Cover Integrator and Financial Integrator if you don't have qualifying ancillaries.	70c	85c
	B		65c	80c
	C		60c	75c
	D		50c	65c
	E		45c	60c
	F		40c	50c
	G		30c	35c
	H		20c	25c
LONGEVITY ACCESSCOVER	Life Assured reaches age 80	Up to 50% of your total qualifying life cover including your Cover Integrator and Financial Integrator.	Not applicable	40c
	Life Assured reaches age 85		Not applicable	70c
	Life Assured reaches age 90		Not applicable	100c
FAMILY DEBILITY ACCESSCOVER		Up to 5% of your total life cover including your Cover Integrator and Financial Integrator for each family member.	Not applicable	80c
SPOUSE ACCIDENTAL DEATH ACCESSCOVER		Up to 5% of your total life cover including your Cover Integrator and Financial Integrator.	Not applicable	80c

* See Appendix 6 for definitions.

PLEASE NOTE:

- Medical AccessCover is available to the principal and spouse on a policy until the end of the month in which they turn 80.
- Family Debility AccessCover is available to the principal and spouse until the end of the month in which they turn 65 and any biological or legally adopted children until the end of the month in which they turn 19.
- Spouse Accidental Death AccessCover is available until the end of the month in which the spouse turns 65.
- Your Policy Schedule will indicate the amount of your total life cover that you qualify for and the percentage that you may convert.
- You may not access any cover added by the Future Fund benefit if you have previously claimed on the AccessCover or AccessCover Plus benefits.
- For an AccessCover or AccessCover Plus claim to be considered, the claim must be submitted and received by Discovery Life within three months of the event that resulted in the claim. The AccessCover or AccessCover Plus event date is defined as the date of the first diagnosis which would have met the criteria under the AccessCover or AccessCover Plus definition in Appendix 6. For example, if the definition requires two measurements, the AccessCover or AccessCover Plus event date is when the result of the second measurement is made known to the client, provided that both measurements meet the qualifying criteria.
- Any applications for an increase in the Life Fund after the end of the month in which the applicant turns 65 will not contribute towards the Longevity AccessCover payout.
- If you die or are diagnosed with a terminal illness within three months of converting a percentage of your life cover on any of the Medical AccessCover criteria, the death payout will be increased to the amount that would have been received had that cover been converted at a conversion rate of R1 to the rand.
- If the Life Fund is depleted due to a claim on AccessCover or AccessCover Plus, the spouse (if applicable) will have a guaranteed insurability option, as defined in Section 3.4.
- Please see Appendix 6 for a detailed description of the definitions.
- Discovery Life will review the medical conditions and categories from time to time after consultation with medical experts to reflect changes in prognosis and survival periods for each condition and if deemed necessary, will amend the medical conditions and categories.

EXAMPLE

You have R1 000 000 of life cover without any medical loadings on your premium of which R500 000 can be converted under the AccessCover Plus benefit according to your Policy Schedule. Upon being diagnosed with a Category C Medical AccessCover event you choose to convert R400 000 of your life cover into cash (the converted life cover).
Your life cover will reduce by R400 000 (the converted life cover) and you will receive a payment of R400 000 x 0.75 = R300 000.
Your life cover premium will also reduce proportionately.

Reductions in life cover due to a claim on AccessCover or AccessCover Plus will reduce the total Life Fund. All ancillary benefits which are expressed as percentages of the total Life Fund may also reduce. However, if you have the Minimum Protected Fund, these ancillaries may be reinstated. Your life cover premiums will reduce to reflect the reduction in life cover amounts. The premiums for the other ancillary benefits will however remain unchanged, even if their cover amounts may have been reduced.

AccessCover and AccessCover Plus payouts will not reduce the PayBack calculated (if applicable) in any five-year cycle.

Premiums for the AccessCover Plus benefit will cease at the end of the month you turn 90, unless the full available AccessCover Plus amount has been accessed at an earlier age.

If the AccessCover or AccessCover Plus condition also results in claim payment(s) under the Severe Illness and/or Capital Disability and/or Spouse Life Cover Benefits, these claims will be processed first, together with any applicable Minimum Protected Fund reinstatements. The AccessCover or AccessCover Plus converted life cover and payout will be calculated on the remaining life cover after any applicable Minimum Protected Fund reinstatements.

EXAMPLE

You have R1 000 000 of life cover without any medical loadings on your premiums with 50% Severe Illness Benefit cover and no Minimum Protected Fund. The full life cover amount can be converted through the AccessCover benefit according to your Policy Schedule, because you have sufficient qualifying ancillaries. If you are diagnosed with stage IV malignant melanoma, the Severity A Severe Illness Benefit payment of R500 000 will be made. The life cover will reduce to R500 000 and the remaining Severe Illness Benefit will be R250 000. Stage IV malignant melanoma is a Category C under the Medical AccessCover definitions. If you choose to convert R250 000 of this remaining life cover through the AccessCover benefit, your life cover will reduce to R250 000 and you will receive a payment of R250 000 x 0.6 = R150 000. Your life cover premium will reduce proportionately. Because your life cover has reduced by 50% as a result of you exercising AccessCover, your Severe Illness cover, which is half of your life cover, will also reduce by 50%. You will therefore have R125 000 Severe Illness Benefit remaining.

If you have claimed on AccessCover or AccessCover Plus, the Minimum Protected Fund will not reinstate the life cover that you have accessed. It will, however, reinstate all applicable ancillaries.

EXAMPLE

You have R1 000 000 of life cover (the full amount which can be converted through the AccessCover benefit as per your Policy Schedule, because you have sufficient qualifying ancillaries). In addition, you have 50% Severe Illness Benefit Cover and 100% Minimum Protected Fund. If you are diagnosed with stage IV Malignant Melanoma, the Severity A Severe Illness Benefit payment of R500 000 will be made, with the life cover being reinstated to R1 000 000 (and the Severe Illness Benefit cover to R500 000) after 14 days. If you choose to convert 50% of this life cover through the AccessCover benefit, your life cover will reduce to R500 000 and you will receive a payment equal to R500 000 x 0.6 = R300 000. Your life cover premium will reduce proportionately. However, your Severe Illness Benefit cover will be reinstated back to R500 000 (with the Severe Illness Benefit's premium remaining unchanged). The premium for your Minimum Protected Fund benefit will also remain unchanged in this case.

AccessCover and AccessCover Plus payments will have no effect on the Life Plan Optimiser of the Discovery Retirement Optimiser or the Buy-up Cash Conversion benefits on the Cover Integrator and Financial Integrator. In the event that an AccessCover claim reduces the Life Fund to R0 where there is Buy-up Cash Conversion on the policy, we will return the Buy-up Cash conversion premiums paid to date adjusted by the AccessCover conversion rate that was applied to the Life Fund.

If an ancillary claim is paid out after you have claimed on the AccessCover or AccessCover Plus benefits, the amount of life cover remaining may be less than the reinstated Minimum Protected Fund.

SEVERE ILLNESS BENEFITS

6.1 WHAT SEVERE ILLNESS BENEFITS DOES DISCOVERY LIFE OFFER?

Discovery Life offers a Comprehensive and LifeTime Severe Illness Benefit that includes a range of standard benefits to protect your family. The Child Protector and Global Education Protector benefits may be chosen for an additional premium.

6.1.1 THE SEVERE ILLNESS BENEFIT (INCLUDING FAMILY ILLNESS BENEFITS)

The Severe Illness Benefit pays a capital amount in the event of you meeting the criteria for specified severe illnesses as defined in Appendix 1 and Appendix 2. You may select a benefit expiry age of 65, or you may choose for the cover to remain for whole of life.

In addition, Discovery Life offers the following:

- a wide range of family focused benefits, described in Section 6.4, which allow you to tailor your cover to your family's needs
- The Cancer Exome Sequencing benefit which is available to clients on the Purple Life Plan and is described in Section 6.7
- The Global Treatment Benefit, which is automatically included in the Severe Illness Benefit and is described in Section 6.14
- The Cancer Relapse Benefit which is automatically included for clients on the Classic or Purple Life Plan who select the Lifetime Severe Illness Benefit, and is described in Section 6.15.1.1

6.1.2 THE CHILD PROTECTOR BENEFIT

The Child Protector Benefit is a non-accelerated benefit which is designed to cover various severe illnesses, trauma and injury events that affect your children. This benefit pays out a lump sum if your child's condition fulfils the criteria for one of the defined events listed in Section 18 of Appendix 1. The Child Protector Benefit automatically includes the Global Treatment Benefit. The Child Protector Benefit is described in Section 6.13.

6.1.3 THE GLOBAL EDUCATION PROTECTOR

The Global Education Protector pays for your children's education if you or your spouse, depending on the option selected, becomes severely ill or disabled or dies. The insured events on which your children's education will be covered may be selected to be either of the following options:

- Death only;
- Severe illness and disability; or
- Death, severe illness and disability.

The Global Education Protector automatically includes the University Funder benefit, which is payable if you do not claim under any of the insured risks listed above. This benefit will pay out a proportion of your child's tertiary tuition fees when he/she begins tertiary education, depending on your Vitality status over the duration of the Global Education Protector. The Global Education Protector is described in Section 6.17.

6.2 WHAT IS A SEVERE ILLNESS?

A severe illness is an illness or disorder that significantly affects a person's lifestyle. Please refer to Appendices 1 and 2 for the terms and definitions of illnesses and disorders covered by the Severe Illness Benefit.

6.3 HOW DOES THE SEVERE ILLNESS BENEFIT WORK?

Discovery Life offers two types of Severe Illness Benefits:

- The Comprehensive Severe Illness Benefit
- The LifeTime Severe Illness Benefit.

Both of these benefits pay out a lump sum if your condition fulfils the criteria for one of the defined severe illnesses listed in Appendices 1 and 2. In the case of the Comprehensive Severe Illness Benefit, the lump sum payment takes into account the lifestyle impact of the life-changing event at the time of the event, whereas in the case of the LifeTime Severe Illness Benefit, the lump sum payment takes into account the lifestyle impact of the life-changing event at the time of the event as well as the expected lifestyle impact after the life-changing event.

You may also choose whether you want the accelerated or non-accelerated Severe Illness Benefit. If you have chosen the accelerated Severe Illness Benefit, claims from the Severe Illness Benefit will reduce your Life Fund. If you have chosen the non-accelerated Severe Illness Benefit, claims from the Severe Illness Benefit will not reduce your Life Fund. If you have selected the Classic or Purple Life Plan, your non-accelerated Severe Illness Benefit will reinstate 14 days after each claim to 100% of its level before the claim for all possible future claims subject to the rules in Section 6.15.

If you have selected the Essential Life Plan, the maximum payment for any set of related claims (see Section 6.15) is 100% of the benefit amount for the non-accelerated benefit. Future payments will only be possible for subsequent claims for unrelated conditions in other body systems subject to the rules in Section 6.15.

The claims definitions within the Discovery Life Severe Illness Benefit are compliant with those set out in the Standardised Critical Illness Definitions Project (SCIDEP).

6.4 FAMILY ILLNESS BENEFITS

Discovery Life's Standard and LifeTime Severe Illness Benefits cover a wide range of medical conditions from life-changing to terminal. In addition, Discovery Life offers a wide range of family focused benefits which allow you to tailor your cover to your family's needs.

The Family Illness Benefits are as follows:

- Female Benefit
- Family Trauma Benefit
- Childbirth Benefit
- Global Health Protector.

The Family Illness Benefits can be selected individually and a separate premium will be charged for them. Please refer to the remainder of this section as well as Section 6.12 for a comprehensive explanation of these benefits. Additionally, Appendix 1 provides all the definitions covered under these benefits.

FEMALE BENEFIT

The Female Severe Illness Benefit is a whole of life accelerated benefit which covers females for severe illness conditions which may pose a risk to them such as cancers, complications associated with pregnancy and osteoporosis.

This benefit provides cover for Severities A to G, as specified in Section 16 of Appendix 1.

FAMILY TRAUMA BENEFIT

This benefit covers accidental injuries and certain medical emergencies due to trauma for severities A to G as specified in Section 15 in Appendix 1; including burns, coma due to trauma requiring resuscitation or ICU stay. The claimant must be treated by a specialist in a recognised trauma or intensive care unit. For claims due to ICU admission, the ICU must be a recognised ICU unit as defined by the Critical Care Society of South Africa. A 10% additional benefit will be payable for any reconstructive surgery needed as a result of major trauma.

The family is defined to include the principal life, spouse and children up to age 18, irrespective of whether other benefits were selected for the spouse and children on the policy.

This is an accelerated benefit which covers each family member involved in a traumatic event. If more than one member of your family is involved in a traumatic event and a simultaneous claim is submitted, the proceeds will be paid on an accelerated basis.

For example, if the Family Trauma Benefit has been selected at 30% of a Life Fund of R1 000 000 and two family members submit a 100% claim, the benefit payments are calculated as follows:

Claim 1: 30% of R1 000 000 = R300 000

Balance of Life Fund after claim 1 = R700 000

Claim 2: 30% of R700 000 = R210 000

Balance of Life Fund after claim 2 = R490 000

A unique feature of your policy is cover for trauma resulting from participation in a hazardous activity. Discovery Life provides you with cover as long as you notify us of your regular participation in the hazardous activity upfront. This enables us to adjust your premiums to accommodate these activities.

CHILDBIRTH BENEFIT

The Childbirth Benefit is an accelerated benefit which will help relieve some of the financial burden associated with a specified condition, for Severities A to G, as defined in Section 17 in Appendix 1.

In addition, as per the definitions outlined in Appendix 1, you may receive a lump sum benefit payment or for certain diseases, monthly payments from your Life Fund. Your monthly payment will be 1% of the benefit amount, and will be increased by 5% every year on the anniversary of when the benefit commenced.

The Childbirth Benefit does not cover surrogate motherhood.

The Childbirth Benefit terminates at the end of the month in which the insured female life turns 40. Thereafter you will no longer be required to pay premiums for this benefit. Should you reduce or remove the Childbirth Benefit from your policy, you will not be able to increase it or add it to the policy at a later time.

The following benefits are automatically included under Discovery Life's Standard and LifeTime Severe Illness Benefits and no separate premium is charged for them.

AUTOMATIC COVER FOR CHILDREN (ONLY AVAILABLE ON THE CLASSIC AND PURPLE LIFE PLANS)

Should the principal or spouse have purchased cover for either the Standard or LifeTime Severe Illness Benefits, an amount of Severe Illness cover is automatically included for their children. The children will be covered for all conditions listed under Sections 1 to 14 in Appendix 1. If you would like to purchase an additional amount covering your children, you may select the Child Protector Benefit as described above.

The automatic cover for each child in the family is provided without medical underwriting, but all claims which arise directly or indirectly from any physical defects, illnesses, bodily injuries or diseases, that your child suffered from, or has received treatment or advice for or that you or your child were aware of, before the commencement of the policy, are excluded.

This cover expires at the end of the month in which the child turns 18.

To qualify for a benefit payment the child must be the biological child of the life assured or must have been legally adopted prior to the life changing event.

The benefit payment for any child is 10% of the parents' aggregate sum assured across all policies for the Severe Illness Benefit multiplied by the relevant Severe Illness Benefit percentage, per claim event. These claims have no impact on the Life Fund. This payout will be made provided that it is lower than the specified maximum amount for automatic cover for children. The maximum amount payable per child, will apply across all policies with Discovery Life where either parent is insured under the Severe Illness Benefit. Please refer to your Policy Schedule for this maximum amount. Discovery Life reserves the right to review this maximum each year. Additionally, multiple claims are allowed under this benefit – however only up to this maximum amount.

EXAMPLE

A principal and a spouse purchase a Life Fund of R1 000 000. The principal has 60% Severe Illness Benefit (R600 000) and the spouse has 50% Severe Illness Benefit (R500 000). The specified maximum is R135 000.
Their child undergoes a craniotomy and qualifies for a Severity C (50%) claim.
The payout is calculated as follows:
10% of the Principal Severe Illness benefit x Severity of the claim = 10% x R600 000 x 50% = R30 000
10% of the Spouse Severe Illness Benefit x Severity of the claim = 10% x R500 000 x 50% = R25 000.
The benefit amount is therefore R55 000 (R25 000 +R30 000). This will be paid since it is less than the R135 000 maximum. The Life Fund is not reduced by this payout.

PARENTCARE (ONLY AVAILABLE ON THE CLASSIC AND PURPLE LIFE PLANS)

Should the principal or spouse have purchased cover for either the Standard or LifeTime Severe Illness Benefits, an amount of cover is automatically included for the parents of the life assured.

ParentCare is provided without medical underwriting, but all claims which arise directly or indirectly from any physical defects, illnesses, bodily injuries or diseases, that the parent of the life assured suffered from, was aware of, or has received treatment or advice for before the commencement of the policy, are excluded.

ParentCare only applies to parents aged 70 and below at the time of inception of the principal's or spouse's Severe Illness Benefit. The automatic cover expires for each parent at the end of the month in which they turn 80.

HOW PARENTCARE WORKS

- A claim for any parent is limited to 5% of that parent's child's Severe Illness Benefit, up to R100 000 per parent.
- Where a parent is covered through more than one policy, a benefit payment may be made from each policy, subject to the aggregate payment not exceeding R100 000 per parent across all policies with Discovery Life. The benefit payment will then be proportioned across each relevant policy in relation to the amount of the Severe Illness Benefit on each policy.
- The ParentCare benefit will be payable if the parent meets the criteria for an event listed under Severity A to D in Appendix 1. The parent must also be unable to perform three out of six Self-care Activities of Daily Living as indicated in Appendix 5, which must be measured three months after the claim event. No benefit is payable in the event of the parent's death within three months of the claim event.

- Multiple claims are permitted subject to the overall maximum of R100 000 per parent.
- Benefit payments have no impact on the Life Fund.
- The automatic cover for parents covers the biological/adoptive parents of the insured life. A step-parent can also be covered provided that they have been nominated in writing prior to the step-parent meeting the criteria for a valid ParentCare claim. When you nominate a step-parent, you are required to declare any medical conditions which exist and which the step-parent, or you, know about or ought to know about, or for which the step-parent has sought medical attention for. Claims arising directly from these medical conditions are excluded from the automatic cover. A maximum of two parents may be covered for each assured life.

6.5 HOW DO THE SEVERITY LEVELS AFFECT BENEFIT PAYMENTS?

The Severe Illness Benefits have been designed so that benefit payments are proportional to the lifestyle impact of the severity of the illness itself. The assessment of the severity levels that apply to specific medical conditions is detailed in Appendices 1 and 2 and is based on objective medical definitions.

There are seven severity levels used to determine benefit payments. These levels have been set to ensure that benefit payments provide adequate cover for the impact that the severe illness is expected to have on your lifestyle.

The severity levels are as follows:

Severity Level A: pays 100% of the benefit cover

Severity Level B: pays 75% of the benefit cover

Severity Level C: pays 50% of the benefit cover

Severity Level D: pays 25% of the benefit cover

Severity Level E: pays 15% of the benefit cover

Severity Level F: pays 10% of the benefit cover

Severity Level G: pays 5% of the benefit cover.

There are four cover options available:

- Comprehensive: covering severities A – D; or
- Comprehensive Plus: covering severities A – G; or
- LifeTime: covering severities A – D; or
- LifeTime Plus: covering severities A – G.

The LifeTime and LifeTime Plus Severe Illness Benefits include the LifeTime Severity Upgrades, applicable to severities A – D. Please refer to the Policy Schedule to see the option you chose when applying for your policy.

As mentioned in Section 2, the benefit cover is always expressed as a percentage of the Life Fund unless you have chosen the non-accelerated Severe Illness Benefit, in which case the benefit cover is expressed separately from your Life Fund.

6.6 EARLY CANCER BENEFIT

If you have selected the Comprehensive Plus or LifeTime Plus Severe Illness Benefit on your Life Plan, the Early Cancer Benefit will automatically be included. The benefit provides cover for qualifying in situ cancers and precancerous prostatic lesions. Please refer to Appendix 2 for the full set of definitions covered.

Claims under the Early Cancer Benefit will be subject to an overall maximum claim amount. At benefit inception, this maximum amount will be determined (and will increase multiplicatively with the Cover and Financial Integrator percentages added to your policy). Multiple payments will be possible, subject to this overall maximum. Please note that this maximum will be reviewed annually. Please refer to your Policy Schedule for the maximum amount relating to your policy.

EXAMPLE

Discovery Life stipulates that the maximum claim amount under the Early Cancer Benefit is R100 000. In this example, a client has taken out a Life Plan with Comprehensive Plus Severe Illness Benefit of R6 400 000. The client adds Cover Integrator at 40% and Financial Integrator at 20%. She later claims for a Severity G in situ cancer. The maximum claim amount will be set as follows: R100 000 x (1 + 40% + 20%) = R100 000 x 160% = R160 000. The pay-out will work as follows: Minimum (5% x R6 400 000, R160 000) = Minimum (R320 000, R160 000) = R160 000

Additionally, please note that the claims under the Early Cancer Benefit will be treated as part of the normal progressive claims process as described in Section 6.15. Furthermore, when paying out a claim in a set of progressive cancer claims, where one of the previous

claims was an early cancer claim under the Early Cancer Benefit, the severity percentage of this early cancer claim may be adjusted to allow for the fact that the full severity percentage may not have been paid out (due to the maximum claim amount). Please refer to the flowchart in Appendix 11 for a summary of how cancer claims under the Severe Illness Benefit are assessed and paid.

EXAMPLE

Ten months later, in the example above, the client's cancer progresses to Severity A.
Her payouts will work as follows:
Second pay-out: [100% - (R160 00/R6 400 000)] x R6 400 000 = [100% - 2.5%] x R6 400 000 = 97.5% x R6 400 000 = R6 240 000

If your Severe illness Benefit is accelerated, the Early Cancer claim will reduce your Life Fund and your Minimum Protected Fund reinstatements will apply as usual, as described in section 2.6.2. If you select non-accelerated Severe Illness option, claims under the Early Cancer Benefit will not reduce your Life Fund.

No claims will be payable for any diagnosis in the first six months following the commencement of your Comprehensive Plus or LifeTime Plus Severe Illness Benefits. This will apply to any new benefits, additional cover as well as any reinstatements on your policy.

6.7 CANCER EXOME SEQUENCING BENEFIT (ONLY AVAILABLE ON THE PURPLE LIFE PLAN)

The Cancer Exome Sequencing Benefit provides a payout to assist you with the cost of tumour sequencing for the principal, spouse and child lives assured (only if they are insured on your policy, excluding children only covered by the Automatic Child Severe Illness benefit) and will be automatically included in the Comprehensive, Comprehensive Plus, LifeTime and LifeTime Plus Severe Illness Benefits.

Upon having the cancer exome sequencing performed and providing Discovery Life with an invoice (or other documentation as required) as proof of sequencing, the benefit payment will be made to you directly. This will be a non-accelerated pay-out and will not reduce your Life Fund. Please refer to your Policy Schedule for the size of this benefit. This amount may change from time to time.

The Cancer Exome Sequencing Benefit covers a pre-defined list of cancers (as described in the list below) if:

1. Your treating specialist has recommended sequencing; and
2. The test has been performed.

The following cancers have been identified for exome sequencing:

- All stage 3 and 4 cancers except prostate cancer
- Stage 1 and 2 cervical cancer
- Stage 1 and 2 breast cancer with a high risk of recurrence according to genotyping.

Please note that this list may be reviewed from time to time – please refer to your Policy Schedule for the latest list.

Multiple claims for unrelated events will be allowed up until a maximum of three times the Cancer Exome Sequencing benefit amount per life assured (as specified on your Policy Schedule), after which the life assured will no longer qualify for the Cancer Exome Sequencing Benefit. Please refer to Section 6.15 for a definition of unrelated claims. Please note that Discovery Life reserves the right to adjust this maximum per life assured over time.

CONDITIONS THAT WILL NOT BE CONSIDERED AS UNRELATED CLAIMS:

- A relapse of a previous cancer or condition
- Two cancers present at the same time.

6.8 HOW DOES THE LIFETIME SEVERE ILLNESS BENEFIT WORK?

If you have selected the LifeTime or LifeTime Plus Severe Illness Benefit, your Severe Illness Benefit payment may be increased.

The extent to which your benefit payment may be increased depends on the following:

6.8.1 THE NUMBER OF LIFETIME SEVERITY UPGRADES FOR THE ILLNESS FOR WHICH YOU ARE CLAIMING

The number of LifeTime Severity Upgrades applicable to the life-changing event that you have suffered is calculated by taking into account:

- the expected duration of severe illness;
- the invasiveness of any surgery required;
- the impact of any therapy and rehabilitation required and its associated discomfort; and
- the impact of any assisted care and devices.

Each applicable LifeTime Severity Upgrade adds 25% to your severity level percentage. The LifeTime Severity Upgrades for each illness are listed in Appendix 1. These LifeTime Severity Upgrades determine the additional payment percentage as defined in the table below and are only applicable for illnesses qualifying for at least a Severity D claim. To ensure that the LifeTime Severe Illness Benefit is in line with rapidly advancing medical technology, Discovery Life will from time to time alter the LifeTime Severe Illness Benefit after consultation with medical specialists.

Discovery Life will ensure that any changes to the scores and LifeTime Severity Upgrades will not reduce the SCIDEP (as at October 2016) payout percentages below 100% on the LifeTime Severe Illness Benefit, where the resultant payout percentage was 100% or higher prior to the changes.

The following table shows the number of LifeTime Severity Upgrades and the resulting additional percentage:

NUMBER OF LIFETIME SEVERITY UPGRADES	ADDITIONAL PAYOUT PERCENTAGE
0	0%
1	25%
2	50%
3	75%
4	100%

6.8.2 THE LIFETIME MAX THAT YOU HAVE SELECTED

You can choose a LifeTime Max of 100% or 200%. The LifeTime Max percentage represents the highest payment you will receive for your severe illness claim. Your LifeTime Max also determines the maximum number of LifeTime Severity Upgrades that you can receive for any set of related claims.

You can receive a maximum of:

- Four upgrades if you selected a LifeTime Max of 200%; or
- Three upgrades if you selected a LifeTime Max of 100%.

EXAMPLE

Consider the case where a client selects a LifeTime Max of 200% and claims for stage III cancer (Severity A). Stage III cancer qualifies for two LifeTime Severity Upgrades, so the benefit payment percentage is 150% (100% {Severity A} + 2 x 25% {two LifeTime Severity Upgrades}). Since this benefit payment percentage does not exceed the selected LifeTime Max, the full percentage will be paid out. However, if the client had selected a LifeTime Max of 100%, the benefit payment percentage will be limited to 100%.

6.8.3 THE NUMBER OF LIFETIME SEVERITY UPGRADES THAT HAVE BEEN PAID FOR PREVIOUS RELATED CLAIMS

Each LifeTime Severity Upgrade that you are paid will reduce the maximum number of LifeTime Severity Upgrades applicable to future related claims. Please note that on Classic, Purple and Essential Life Plans, all strokes will be deemed related to one another and all claims in the Heart and Artery category will be deemed related to one another in determining the impact on the maximum number of LifeTime Severity Upgrades. For a set of progressive claims, the maximum number of LifeTime Severity Upgrades payable will not be reduced by any LifeTime Severity Upgrades that had been paid out for earlier claims for that specific progression. In addition, only the most recent claim in a set of progressive claims will be used to reduce the maximum number of LifeTime Severity Upgrades payable for other related claims. This is illustrated in the following examples.

EXAMPLE

A client (with no dependants) selects the accelerated LifeTime Severe Illness Benefit with a LifeTime Max of 200% as well as a Minimum Protected Fund of 100%. The choice of the 200% LifeTime Max means that the client may receive a maximum of four LifeTime Severity Upgrades for any set of related claims.

The client first claims for stage II cancer, which qualifies for two LifeTime Severity Upgrades. The benefit payment is 100% (50% {Severity C} + 2 x 25% {two LifeTime Severity Upgrades}) of the Severe Illness Benefit amount. The Life Fund is reduced by the first claim, and then reinstated after 14 days to the original level by the Minimum Protected Fund.

The cancer then progresses to stage III Severity A cancer, which qualifies for two LifeTime Severity Upgrades. Although the client has already received two upgrades for a related claim, the fact that this new claim is a progression of the previous claim means that the previous claim has no impact on the number of LifeTime Severity Upgrades that the client may receive. As a result, the benefit payment percentage is 150% [Min (200%; 100% {Severity A} + 2 x 25% {two LifeTime Severity Upgrades})], so the final payment will be the difference of the two payments (150% - 100%).

Effectively only two LifeTime Severity Upgrade of 25% has now been paid out for this set of related claims, which means the client still has the opportunity to claim a further two LifeTime Severity Upgrades for future related claims.

EXAMPLE

A client (with no dependants) selects the LifeTime Severe Illness Benefit with a LifeTime Max of 200% as well as a Minimum Protected Fund of 100%. The choice of the 200% LifeTime Max means that the client may receive a maximum of four LifeTime Severity upgrades for any set of related claims.

The first claim is for a Severity C heart attack, which qualifies for two upgrades. The benefit payment is 100% (50% {Severity C} + 2 x 25% {two LifeTime Severity Upgrades}) of the Severe Illness Benefit amount. The Life Fund is reduced by the first claim, and then reinstated after 14 days to the original level by the Minimum Protected Fund.

The second claim is a Severity D heart attack which qualifies for three upgrades. The client has already used two upgrades on a previous claim related to this one. Since the client qualifies for a maximum of four upgrades and has already used two upgrades on the first heart attack, which was related to this claim, the client has only two upgrades for this claim. The benefit payment is 75% (25% {Severity D} + 2 x 25% {two LifeTime Severity Upgrades}).

Since all four upgrades have been paid out for this set of related claims no further claims related to the heart attacks will receive a LifeTime Severity Upgrade. Any unrelated claim is still able to receive the four LifeTime Severity upgrades.

6.8.4 YOUR NUMBER OF FINANCIAL DEPENDANTS AT THE TIME OF CLAIM

Your financial dependants include your unmarried children who are younger than 18 and your spouse.

Your benefit payment may be further increased according to the number of financial dependants you have at the time of your claim. In order to receive a dependant increase, the following criteria need to be met:

- The condition is a Severity A or B illness (as defined in Appendix 1); and
- The condition qualifies for at least two LifeTime Severity Upgrades.

If the above criteria are met an additional 5% for each dependant will be paid (subject to a maximum of 15%). This percentage will be added to the LifeTime Severity percentage after the LifeTime Severity Upgrades have applied. Only one dependant increase will be payable for a set of related claims, and this will be paid on the first claim which satisfies the above criteria.

EXAMPLE

Continuing with the cancer example, if the client has two financial dependants at the time of the claim, a further 10% {2 x 5%} will be paid out. This would give a total benefit payment percentage of 160% under the 200% LifeTime Max, or 110% under the 100% LifeTime Max.

In the case of the accelerated option, the Life Fund will be reduced by the full claim payout including the LifeTime Severity Upgrades and payouts for dependants. In the case of the LifeTime and LifeTime Plus Severe Illness Benefits, benefit payments may exceed the Life Fund. In this case, the Life Fund will terminate. However, should the Minimum Protected Fund have been selected, the Life Fund will be reinstated to the selected level after claim, irrespective of whether the benefit payment exceeded the Life Fund or not.

Please note that the LifeTime Severity Upgrades will not be applied to the automatic Child benefit as well as the ParentCare Benefit.

6.9 WHEN DOES THE SEVERE ILLNESS BENEFIT TERMINATE?

Discovery Life offers two options:

- Expiry at the end of the month in which you turn age 65: this means that claims submitted before the end of the month in which you turn 65 will be assessed and paid, but claims after the end of the month in which you turn 65 will not be accepted. You will therefore not be charged any premiums for the Severe Illness Benefit after the end of the month in which you turn 65.
- Whole of life: this allows cover for the whole of your life and requires payment of premiums until death.

For the Severe Illness Benefit on the Essential Life Plan, your cover and premiums will also cease if you claimed the full benefit amount (see section 6.16).

6.10 HOW DOES THE PREMIUM WAIVER ON SEVERE ILLNESS WORK?

The Premium Waiver on severe illness pays all premiums for benefits on the lives of the principal life, spouse and children in the event that the principal life becomes severely ill, according to the definitions of severe illnesses in Appendix 1. This includes waiving of the contributions for Vitality, if the policy is Health or Vitality Integrated, and waiving the contributions for Vitality Active if the policy is Active Integrated. This does not include the waiving of the Vitality drive or Vitality Money premiums.

There is no waiting period before commencement of premiums being waived. Premiums are only waived if the principal life meets Severity Level A of a severe illness defined in Appendix 1.

Assuming a plan was selected with premiums escalating annually at one of the premium escalation rates, the Premium Waiver covers these increases to a maximum of 20% per year. Discovery Life's premium guarantee as detailed in Section 4.8 will be fully covered by this waiver benefit.

The benefit terminates at the earlier of principal life's death and the end of the month in which the principal life turns 65, whether or not this benefit is in claim at that point in time.

6.11 WHAT OTHER FACTORS INFLUENCE MY SEVERE ILLNESS BENEFITS?

6.11.1 CHANGE IN OCCUPATION:

There are certain high-risk occupations for which Discovery Life applies premium loadings for the Severe Illness Benefit.

Discovery Life reserves the right to amend your premiums or benefits should you alter your occupation to one considered to be of higher risk than your previous occupation.

6.11.2 MEDICAL UNDERWRITING:

Should Discovery Life decline or exclude cover for any previous or pre-existing medical condition, a claim that arises under any other body system that is directly related to or a consequence of the conditions or body system declined or excluded, will not qualify for a benefit payment.

6.12 HOW DOES THE GLOBAL HEALTH PROTECTOR WORK?

Discovery Life, in cooperation with a leading network of hospitals incorporating centres of excellence in the United States of America, can insure you and your family for medical procedures which, in the sole opinion of Discovery's medical panel, are necessary and cannot be performed in South Africa, or where the probability of surviving such a procedure performed in the United States of America is significantly higher than if the procedure were performed in South Africa. These procedures include, amongst others, the following:

CANCER:

- Paediatric solid tumours
- Radiation oncology for brain tumours
- Paediatric leukaemias: T and B cell ALL (Acute Lymphoblastic Leukaemia) and AML (Acute Myeloid Leukaemia).

TRANSPLANTS:

- Liver
- Heart
- Heart and lung
- Lung
- Pancreas
- Kidney or bone marrow – only if a suitable donor is not found
- Kidney – in diabetic patients.

CARDIAC SURGERY: Children with congenital defects (atrial and ventricular septal defects and patent ductus arteriosus excluded).

FOETAL SURGERY (IN-UTERO)

CEREBROVASCULAR ANEURYSMS: Areas with high incidence of mortality, eg, Circle of Willis.

LUNG: Lung volume reduction surgery.

PARKINSON'S: Thallidotomies in early onset Parkinson's (younger than 60 years).

EPILEPSY: Surgery in children younger than 18 years.

THE DISCOVERY MEDICAL PANEL, TOGETHER WITH CERTIFICATION IN WRITING FROM THE ASSURED'S REGISTERED SOUTH AFRICAN MEDICAL SPECIALIST, MUST AGREE THAT:

- the assured requires the procedure.
- failure to undergo the procedure will result in premature death.
- the procedure is not experimental in nature.
- the procedure has a reasonable prospect of success and the assured has a high probability of surviving the procedure.
- the procedure can be performed in the United States of America.
- the necessary follow-up treatment can be performed in South Africa.
- in the case of organ transplants, there is a reasonable prospect of the required organ being obtained.

THE GLOBAL HEALTH PROTECTOR COVERS:

- the full costs of transporting the assured and, if medically necessary (in Discovery's sole opinion), a family member and/or organ donor, and/or doctor, and/or nurse on a commercial airline to the applicable hospital facility in the USA.
- a daily allowance as stated in your Policy Schedule per day for accommodation and meal expenses of those accompanying the assured subject to an overall limit per person. Discovery reserves the right to review the allowances from time to time.
- the full cost of medically necessary healthcare services performed, including pre-return flight recuperation, necessary medications and treatments at a designated facility covered by the healthcare network. Should the assured require the procedure to be performed in the USA by a medical practitioner or medical facility other than those designated by the healthcare network, an excess of US$10 000 as well as 30% of all costs must be paid by the assured.

THE FOLLOWING LIMITS ARE APPLICABLE:

- all cover per procedure will cease 90 days after the commencement of the relevant medical procedure, except for organ transplants where cover ceases after 120 days.
- an overall lifetime limit of US$1 million in respect of each family member assured.
- in the event of a transplant, cover is extended for a maximum of 120 days before the commencement of the transplant, during which time costs are limited to US$60 000.

Benefit payments under the Global Health Protector have no impact on your Life Fund. Premium increases will not follow the automatic annual premium increases applicable to other benefits, but will increase annually according to a rate determined by Discovery Life. Further note that the premium guarantees described in Section 4.8 do not apply to this benefit and the premium for this benefit may be annually reviewable in light of a significant difference between current experience and the assumptions used when pricing, and with due consideration to the general economic and regulatory environment. The Global Health Protector expires at the end of the month in which the assured life turns 65, or the end of the month in which a child turns 18 in the case of children. Discovery Life does not accept any responsibility or liability for the quality of medical procedures, treatment or advice provided to the assured.

6.13 THE CHILD PROTECTOR BENEFIT

The Child Protector Benefit is a non-accelerated benefit which is designed to cover various severe illnesses, trauma and injury events that affect your children.

The Child Protector Benefit is offered as an ancillary benefit on your Life Plan and a separate premium will be charged for it. Please note that the premium guarantees described in Section 4.8 do not apply to this benefit and the premium for this benefit may be annually reviewable in light of a significant difference between current experience and the assumptions used when pricing, and with due consideration to the general economic and regulatory environment.

This benefit pays out a lump sum if your child's condition fulfils the criteria for one of the defined events listed in Section 18 of Appendix 1.

This benefit also has a payout in the event of the death of your child. The amount paid is based on your child's age at death

and can be found in your policy schedule. These amounts are subject to the maximums defined by legislation. Please note that these death payout amounts will be reviewed annually in line with any legislative changes, and this may be accompanied with a change in the Child Protector Benefit premium.

The Child Protector Benefit automatically includes the Global Treatment Benefit (described in Section 6.14) and provides your children with access to a range of hospitals in the USA used by Discovery Life at the time.

To qualify for a benefit payment the child must be the biological child of the life assured or must have been legally adopted prior to the life-changing event.

For the first six months of your child's life, only accidental trauma conditions will be covered. The list of conditions can be found in the appendix mentioned above. Further, any condition manifesting within these six months will be excluded going forward.

The benefit will expire at the end of the month in which your child turns 18 and no further premiums will be payable thereafter.

6.14 GLOBAL TREATMENT BENEFIT (ONLY AVAILABLE ON THE CLASSIC AND PURPLE LIFE PLANS)

The Global Treatment Benefit is automatically included in Severe Illness Benefits and the Child Protector Benefit and provides you with access to a range of hospitals in the USA used by Discovery Life at the time.

Should a claim arise under the Severe Illness Benefits, you may choose to have your medical treatment performed in South Africa or at the network of hospitals in the USA. This choice, which affects your benefit payment amount, is defined in Option 1 and 2 described below:

OPTION 1: you choose to have all treatment performed in South Africa.

You will receive the normal benefit payment amount defined under paragraph 5.4 and 5.7 (if applicable), which is dependent on the severity and LifeTime Severity Upgrades (if applicable) of the illness.

OPTION 2: you choose to have treatment performed in the USA.

You receive the following benefit payment:

- A lump sum equal to 80% of what you would have received under Option 1.

Plus

- An amount equal to the actual cost of the treatment at the overseas facility, subject to a maximum of the benefit amount that would have been paid under Option 1.

Less

- A deductible, which is defined as the amount payable by the medical scheme administered by Discovery Health (at 100% of the Discovery Health rate), had the treatment been performed in South Africa (in Rand terms).

Plus (qualifying Purple Life Plans only)

- If your condition (or your Child's condition, in the case of the Child Protector Benefit) qualifies under the list specified in Appendix 3 for this component of the payout, an amount equal to the actual cost of the travel, accommodation and living expenses relating to the overseas treatment, up to a maximum of 70% of the benefit payment in Option 1. There is also a maximum benefit amount per day and an overall maximum as shown on your Policy Schedule – these may change from time to time. Your Policy Schedule will also state whether or not you qualify for this component of the payout.

In order to select Option 2, you (your child, in the case of the Child Protector Benefit) must be a member of a medical scheme administered by Discovery Health. In addition:

- The deductible under Option 2 will be equivalent to 100% of the Discovery Health Rate for the treatment had it been done in South Africa, irrespective of whether or not you receive payment from the medical scheme of which you are a member.
- Should the costs of treatment at the overseas facility exceed the amount payable under the Global Treatment Benefit, the excess will be for your account.
- The Global Treatment Benefit assists in funding the overseas treatment costs only. Discovery Life will not provide funding for any treatment performed in South Africa which precedes or is subsequent to the treatment at the overseas facility.
- You must satisfy the criteria under Severity A, B, C or D of the Severe Illness Benefit or Child Protector Benefit to qualify for Option 2.
- Only treatment approved by the American Medical Association and drugs approved by the Food and Drug Administration in the USA are covered.
- Therapy, for example physiotherapy, occupational therapy or equivalent, is excluded.
- The Global Treatment Benefit does not cover travel and accommodation costs relating to the overseas treatment on Classic Plans.

- You must notify Discovery Life of your choice between Option 1 and Option 2 at the time of claim notification.
- Apart from organ transplants, the overseas medical treatment must occur within three months of claim notification. In the case of organ transplants you must be placed on an organ transplant waiting list within six months of claim notification.
- Should your treatment not occur within these time periods, Discovery Life will pay you the remaining 20% of your lump sum due under Option 1. The Global Treatment Benefit will not be available thereafter for the event that led to claim.
- Discovery Life does not accept any responsibility or liability for the quality of medical procedures, treatment or advice provided to the assured.
- Irrespective of the amount paid out to you under the Global Treatment Benefit (Option 2), the amount deducted from your Life Fund will be the amount that would have been paid to you under Option 1.
- The Global Treatment Benefit allows you to have multiple treatments overseas. Irrespective of the number of times you are treated overseas, the maximum payment for treatment of a particular or related illness is capped at the benefit amount under Option 2, described above. The maximum payment for all life-changing events is capped at 2.5 times your initial Severe Illness Benefit sum assured or Child Protector Benefit Sum Assured, as applicable, increased by the annual benefit increase percentage. This maximum may change from time to time.
- The payment for treatment of a progressive illness will be based on the severity of the illness at the time of the treatment, less any payment for prior treatment at a lower severity.
- The additional payment of up to 70% for Purple Life Plans, under Option 2, to cover the travel, accommodation and living expenses relating to the overseas treatment will only be paid for specific conditions and is subject to a maximum that is shown on your Policy Schedule. Please refer to Appendix 3 for a list of these events as well as a detailed description of the expenses covered by this additional payment.
- The Global Treatment Benefit is available on the Classic and Purple Life Plans only on the Comprehensive, Comprehensive Plus, LifeTime and LifeTime Plus Severe Illness Benefit, including the automatic cover for children and ParentCare. It is available on the both the accelerated and non-accelerated Severe Illness Benefits.
- The premium for the Global Treatment Benefit is included in the premium for the Severe Illness Benefit and the Child Protector Benefit. Please note that the premium guarantees described in Section 4.8 do not apply to this benefit and the premium for this benefit may be annually reviewable in light of a significant difference between current experience and the assumptions used when pricing, and with due consideration to the general economic and regulatory environment.
- The Global Treatment Benefit expires at the earlier of the end of the month in which you reach age 75 and the benefit expiry age of your Severe Illness Benefit, as indicated on your Policy Schedule. The Global Treatment Benefit included on the Child Protector Benefit will expire at the end of the month in which your child turns 18.

6.15 HOW ARE SUBSEQUENT CLAIMS ON THE SEVERE ILLNESS BENEFIT PAID?

The payment of the subsequent claim is dependent on whether the claim is progressive, related or unrelated:

- A progressive claim refers to conditions where a worsening of symptoms or stages of the disease can be expected, for example the progression of cancer, connective tissue disease or respiratory disease. For the Severe Illness Benefit, a relapse of a previous cancer will be assessed as a progressive illness. See Appendix 1 for more information on how subsequent cancer claims will be paid.
- A related claim is a claim where there is a link to a previous claim, for example, complications or consequences of a disease or injury previously claimed for. This would be where the later claim would not have arisen it if was not for the initial condition or illness. It also includes side effects or complications of treatment of the previously claimed for condition. Progressive claims are not included in this definition.
- An unrelated claim is a claim which is not related or due to the original claim.

In the calculation of the subsequent claim payment, reference is made to the severity level of the claim, which includes:

- The percentage due to the severity of the condition (for example, 100% for a severity A condition);
- The additional claim percentages due to the LifeTime Severity Upgrades under the LifeTime and LifeTime Plus Severe Illness Benefits(if applicable);

The claim payment formula for a subsequent claim will be made using the following formula:

Claim payment = Claim percentage x Benefit Sum Assured

This payment is made subject to the maximum payment on a benefit not being exceeded (as defined in Section 6.15).

Please note that various symptoms and signs of a syndrome, overlapping syndromes, associated conditions or treatments thereof, will be regarded as one condition. A syndrome is defined as a group of symptoms that consistently occur together or a condition characterised by a set of associated symptoms. Manifestations of other conditions as a result of the original condition will also be regarded as part of the original condition. Examples are, kidney failure due to severe systemic lupus erythematosis or manifestations of metastases in various organs. In addition, all cardiac and nervous system pathologies or procedures that occur within 30 days of each other will be regarded as a single event. Where a claim is defined for both a condition and its treatment, only the claim with the higher applicable category payout percentage will be paid. If you have selected the LifeTime Severe Illness benefit, any LifeTime Severity upgrades that either the claim or the treatment qualify for will be taken into account when determining the total payout percentage.

6.15.1 PROGRESSIVE CLAIMS

If the subsequent claim is a progressive claim, progressing to a higher severity level, then the claim payment formula for a Classic, Purple and Essential Life Plan is:

- Claim percentage = Difference in the applicable severity levels between the current claim and the highest severity level of previous claims paid in this progression
- Benefit Sum Assured = The sum assured calculated as if all the previous claims which form part of the set of progressive claims had not occurred.

EXAMPLE

You have a policy with the following details:

- Life Fund = R1 000 000
- Accelerated Comprehensive Severe Illness Benefit = R500 000.

You claim for stage I cancer, where your claim percentage will be 25% (as this is a Severity D claim) and your benefit sum assured will be R500 000. Therefore, your benefit payout will be R125 000.

The illness then progresses to stage III cancer, which is a Severity A claim. The claim percentage for this second claim will be 75% (100% - 25%) and your benefit sum assured will still be R500 000, giving you a benefit payout of R375 000.

6.15.1.1CANCER RELAPSE BENEFIT (CLASSIC AND PURPLE PLANS ONLY)

The Cancer Relapse Benefit will automatically form part of your LifeTime and LifeTime Plus Severe Illness Benefits. On recurrence of a cancer after at least a one-year remission period, you will receive an additional payment based on the LifeTime Max selected on your policy. To ensure that the Cancer Relapse Benefit is in line with rapidly advancing medical technology, Discovery Life may review the remission period from time to time, after consultation with medical specialists.

The payments will be based on the table below:

LIFETIME MAX OPTION	CANCER RELAPSE BENEFIT PERCENTAGE PAYOUT
100%	50%
200%	100%

The Cancer Relapse Benefit will be paid on the development of local, regional and distant recurrence of a cancer with same histology as previously claimed for after a one-year period of documented remission, irrespective of the stage of the recurrent cancer. Additionally, both the previous and recurrent cancer claims must qualify for at least a Severity D claim in order for a payment to be made.

Remission is defined as being cancer free after completion of chemotherapy, radiotherapy, surgical treatment and biological therapy (if indicated) and confirmed by subsequent absence of radiological or biochemical (including molecular) evidence of disease. Hormone treatment is not regarded as active treatment for purposes of the remission definition.

If your recurrent cancer is at a higher stage, you may additionally qualify for a payment under the cancer progression rules. Multifocal or more than one invasive solid cancer lesion within the same organ that occurs at the same time is seen as a single life event.

If you take out the accelerated Severe Illness Benefit, your payment is calculated on the Severe Illness Benefit sum assured if there is cover remaining at the time of qualifying for the Cancer Relapse Benefit (This means that the claim will be made on the Severe Illness Benefit sum assured before the normal progressive claim payment has been deducted from it). If you take out the non-accelerated Severe Illness Benefit, your payment is calculated on the full Severe Illness Benefit sum assured before any progressive claims were deducted from it. This payment will be made in addition to the normal progressive cancer claims. Please refer to the flowchart in Appendix 11 for a summary of how cancer claims under the Severe Illness Benefit are assessed and paid.

EXAMPLE

A client (with no dependants) on a Classic Life Plan selects the LifeTime Severe Illness Benefit with a LifeTime Max of 200%. His Life Fund is at R2 000 000 and his Severe Illness Benefit is at 50% of his Life Fund.

Claim 1:

The first claim is for a Severity D cancer, which qualifies for three upgrades. The benefit payment is 100% (25% {Severity D} + 3 x 25% {three LifeTime Severity Upgrades}) of the Severe Illness Benefit amount. The Life Fund is reduced by 100% x 50% x R2 000 000 = R1 000 000 and now is at R1 000 000.

Claim 2:

The client remains in remission for two years and then suffers a second progressive cancer claim. The second claim is diagnosed as a Severity A claim which qualifies for two upgrades. Since the claim is a progressive cancer claim, the full applicable LifeTime Severity upgrades are applied on each progressive claim (please see section 6.15 for further details). The benefit payment is (100% {Severity A} + 2 x 25% {two LifeTime Severity Upgrades}) - (100% {Claim 1}) = 150% - 100% = 50%. Ignoring the clients Annual Benefit Increases in this example, we will pay out 50% x 50% x R2 000 000 = R500 000. The sum assured of R2 000 000 is used because (for progressive claims) we assume all previous claims which form part of the set of progressive claims had not occurred. Please see Section 6.15 for more details.

Additionally, since the client remained in remission for at least one year, we will make an additional payment of 100% under the Cancer Relapse Benefit. This will be made on the reduced Life Fund amount (as described in 6.15) ie 100% x 50% x R1 000 000 = R500 000. So, in total, the client will receive R1 000 000 (Severity D claim) + R500 000 (Severity A progressive claim) + R500 000 (Cancer Relapse Benefit) = R2 000 000.

EXAMPLE

For the above example, the client now has the Minimum Protected Fund at 100%. His payouts will works as follows:

Claim 1:

The first claim is for a Severity D cancer, which qualifies for three upgrades. The benefit payment is 100% (25% {Severity D} + 3 x 25% {three LifeTime Severity Upgrades}) of the Severe Illness Benefit amount. The Life Fund is reduced by 100% x 50% x R2 000 000 = R1 000 000 and reduces to R1 000 000. After 14 days, it is restored to 100% of its value before the claim – back to R2 000 000.

Claim 2:

The client remains in remission for two years and then suffers a second progressive cancer claim. The second claim is diagnosed as a Severity A claim which qualifies for two upgrades. Since the claim is a progressive cancer claim, the full applicable LifeTime Severity Upgrades are applied on each progressive claim (please see section 6.15 for further details). The benefit payment is (100% {Severity A} + 2 x 25% {two LifeTime Severity Upgrades}) - (100% {Claim 1}) = 150% - 100% = 50%. Ignoring the clients Annual Benefit Increases in this example, we will pay out 50% x 50% x R2 000 000 = R500 000.

Additionally, since the client remained in remission for at least one year then we will make an additional payment of 100% under the Cancer Relapse Benefit. This will be made on the reduced Life Fund amount (and thereafter restored by the Minimum Protected Fund) ie 100% x 50% x R2 000 000 = R1 000 000.

So, in total, the client will receive R1 000 000 (Severity D claim) + R500 000 (Severity A progressive claim) + R1 000 000 (Cancer Relapse Benefit) = R2 500 000.

Please note that there will be a maximum of two cancer relapse payments, for each set of related cancer illnesses, over the duration of your policy.

6.15.2 RELATED CLAIMS

The claim percentage and Benefit Sum Assured depends on whether you have a Classic, Purple or Essential Life Plan, and also whether your Severe Illness Benefit is accelerated or non-accelerated, and is determined as follows:

YOUR LIFE PLAN AND SEVERE ILLNESS BENEFIT	YOU MAY CLAIM	CLAIM PERCENTAGE IN THE CLAIM PAYMENT FORMULA =	BENEFIT SUM ASSURED IN THE CLAIM PAYMENT FORMULA =
Classic/Purple Life Plan with accelerated Severe Illness Benefit	Regardless of the applicable severity level of the subsequent claim	The applicable severity level of the subsequent claim	The sum assured reduced by previous claims and reinstated by the Minimum Protected Fund (if applicable) as described in Section 2.6.2
Classic/Purple Life Plan with non-accelerated Severe Illness Benefit; and the Child Protector Benefit	Regardless of the applicable severity level of the subsequent claim	The applicable severity level of the subsequent claim	The sum assured reduced by previous claims, and reinstated back to the full sum assured after 14 days
Essential Life Plan with accelerated Severe Illness Benefit	Only when the applicable severity level of the subsequent claim is higher than the highest severity level in the set of related claims that have been paid out previously	The applicable severity level of the subsequent claim	The sum assured reduced by previous claims and reinstated by the Minimum Protected Fund (if applicable) as described in Section 2.6.2.
Essential Life Plan with non-accelerated Severe Illness Benefit; and the Child Protector Benefit	Only when the applicable severity level of the subsequent claim is higher than the highest severity level in the set of related claims that have been paid out previously	The difference in the applicable severity levels between the subsequent claim and the related claim that has been paid prior to the subsequent claim	The sum assured reduced by previous claims, and reinstated back to the full sum assured after 14 days

Note that, on Classic, Essential and Purple Life Plans, all strokes will be deemed related to one another and all claims in the Heart and Artery category will be deemed related to one another.

EXAMPLE

You have chosen the Classic Life Plan with the Comprehensive Plus Severe Illness Benefit. If you have a heart attack of Severity C = 50%, followed by a subsequent heart valve repair (Severity B = 75%) at a later stage (where the second claim is not a progression of the first claim), these two claims would be regarded as related. The benefit payment for the first claim would be 50% of the sum assured. The benefit payout of the second claim will depend on whether you have the accelerated or non-accelerated benefit:

Accelerated Severe Illness Benefit

- Claim percentage = 75%
- Benefit sum assured = The Severe Illness Benefit remaining after your Life Fund was reduced by the 50% claim.

Non-Accelerated Severe Illness Benefit

- Claim percentage = 75%
- Benefit sum assured = The non-accelerated sum assured that was reduced by the 50% claim, before being reinstated 14 days later.

If you instead have chosen the Essential Life Plan with the Comprehensive Plus Severe Illness Benefit. The benefit payout of the second claim will depend on whether you have the accelerated or non-accelerated benefit:

Accelerated Severe Illness Benefit

- Claim percentage = 75%
- Benefit sum assured = The Severe Illness Benefit remaining after your Life Fund was reduced by the 50% claim.

Non-Accelerated Severe Illness Benefit

- Claim percentage = 75% - 50% = 25%
- Benefit sum assured = The non-accelerated sum assured that was reduced by the 50% claim, before being reinstated 14 days later.

6.15.3 UNRELATED CLAIMS

You may claim regardless of the applicable severity level of the subsequent claim.

In the formula above:

- Claim percentage = The applicable severity level of the subsequent claim
- The Benefit Sum Assured depends on whether your Severe Illness Benefit is accelerated or non-accelerated:
  - **On the accelerated Severe Illness Benefit:**

    Benefit Sum Assured = the sum assured reduced by previous claims and reinstated by the Minimum Protected Fund (if applicable) as described in Section 2.6.2.
  - **On the non-accelerated Severe Illness Benefit:**

Benefit Sum Assured = the sum assured reduced by previous claims, and reinstated back to the full sum assured after 14 days.

Simultaneous unrelated claims may occur as a result of the same event, for instance losing both an eye and an arm in the same motor vehicle accident. In this case, the claim with the highest severity level will be paid out first, and the second claim will be paid six months later, if the second condition is still present at the time. The second claim will be paid after the applicable reinstatement from the Minimum Protected Fund (on the accelerated Severe Illness Benefit) or after the full Sum Assured had been reinstated (on the non-accelerated Severe Illness Benefit).

The flowchart in Appendix 10 summarises the payment of subsequent claims as specified in this section.

6.16 WHAT ARE THE BENEFIT MAXIMUMS ON SUBSEQUENT CLAIMS?

The maximum amount that you can receive under the various Severe Illness Benefits is shown in the table below. Note you may be able to exceed these maximums if you have the LifeTime or LifeTime Plus Severe Illness Benefits.

YOUR LIFE PLAN AND SEVERE ILLNESS BENEFIT	MAXIMUM BENEFIT PAYMENT
Classic/Purple Life Plan with accelerated Severe Illness Benefit	No maximum. You can claim provided you have Life Fund available.
Classic/Purple Life Plan with non-accelerated Severe Illness Benefit; and the Child Protector Benefit	No maximum
Essential Life Plan with accelerated Severe Illness Benefit	The maximum amount that you may claim is 100% of the original sum assured, increased with annual benefit increases, for all claims. The Minimum Protected Fund can only increase the total claims payout for a related and progressive claim sequence to 200% of the original sum assured, increased with annual benefit increases.
Essential Life Plan with non-accelerated Severe Illness Benefit; and the Child Protector Benefit	The maximum amount that you may claim is 100% of your original sum assured (increased with annual benefit increases) for any set of related and progressive claims. There is no limit to the amount that you may claim for unrelated claims.

6.17 HOW DOES THE GLOBAL EDUCATION PROTECTOR WORK?

The Global Education Protector pays for your child's education should you or your spouse become severely ill, disabled or die. The insured event(s) on which your child's education will be covered may be selected to be either of the following options:

- Death only, or
- Severe illness and disability, or
- Death, severe illness and disability.

For the death only and death, severe illness and disability options, you also have the option to choose whether the above insured events relate to your life only or to both you and your spouse's lives. For the severe illness and disability option, the insured events relate only to your life.

Additionally, you may select between the two Global Education Protector benefit options:

- The Core Global Education Protector benefit option; or
- The Private Global Education Protector benefit option.

Both of these options will cover the official compulsory school or tertiary tuition fees charged by the education institution your child attends, subject to maximum benefit limits set by Discovery Life. Under both benefit options, an annual discretionary lump sum payment will be made directly to the legal guardian of the learner. The maximums and annual lump sum amounts will differ between the Core and Private benefit options.

There is also an University Funder benefit which is automatically included in the Global Education Protector benefit, subject to certain qualification criteria. This benefit will pay out a proportion of your child's tertiary tuition fees when he/she begins tertiary education.

For the purpose of the Global Education Protector benefit, a 'child' is defined as a biological child of the life assured, or a child that has been legally adopted, or a child for which the principal or spouse are financially responsible.

6.17.1 GLOBAL EDUCATION PROTECTOR RISK COVER

This component of the Global Education Protector benefit pays for your child's tuition (and, in the case of tertiary education, residence) as well as a lump sum amount for discretionary use, should the principal life or spouse become severely ill, disabled or die, as selected on the benefit.

Benefit payments cover the following years of education:

- Crèche – three years
- Pre-school – two years
- Primary school – seven years
- High school – five years
- Tertiary education – an undergraduate degree or recognised trade diploma or certificate.

All registered education institutions (public and private schools, schools for learners with special educational needs and home schooling) as set out in the South African Schools Act, 1996 are included in this benefit. Furthermore, all South African universities are included in this benefit, as well as universities of technology (technikons) and recognised institutions providing for a trade (such as plumbing and electrical). Overseas institutions are included in this benefit, provided they are accredited educational institutions.

Please note that the 'pre-school' phase of education covers Grade 00 and Grade 0 (R) (the two years preceding primary school). The crèche phase is defined to be the three years preceding Grade 00.

In the case of becoming severely ill or disabled, to qualify for a payment that covers the remaining years of education, you must meet the Severity A level definition as defined in Appendix 1 for the Severe Illness Benefit or the Category A or D (if applicable to your occupation) levels as defined in Appendix 4 for the Capital Disability Benefit.

If you change your occupation, Discovery Life must be notified in writing of this change (within six months of you changing your occupation).

To qualify for a benefit payment, the principal or spouse life (if applicable) must prove to be financially responsible for the child's education. A child born after the policy has commenced can be added to the policy, subject to Discovery Life's underwriting requirements at the time.

RISK COVER FOR TUITION AND RESIDENCE FEES (FOR TERTIARY EDUCATION)

Benefit payments will cover the actual compulsory education fees for tuition subject to maximums set out by Discovery Life per education phase.

The maximums set out by Discovery Life differ between the Core and Private options. Please refer to your Policy Schedule for the maximums applicable to your chosen option. These maximums will increase annually at a rate which is linked to education inflation (as determined by Discovery Life). The increases may also differ between different phases of education. The education inflation used in the annual premium increase will be limited to 20%.

Where a learner is the recipient of a partial or full exemption of school fees due to a bursary or other forms of assistance, Discovery Life will cover the reduced education fee, subject to the maximums set by Discovery Life. In addition to this, Discovery Life will make a payment to the learner or their legal guardian equal to the amount of the bursary subject to the specified tuition maximum amounts for that year.

If the severe illness and disability option is chosen, then, should you die without having suffered a qualifying severe illness or disability claim event, as defined in Appendix 1 and Appendix 4 respectively, then the total premiums paid in respect of this benefit will be refunded. This payment will be made to the beneficiary.

The Global Education Protector benefit will also cover the actual fees for university residence (provided a valid residence acceptance letter or lease agreement can be provided, excluding those offered by parents or extended family members), up to a specified residence maximum. Please note that this maximum is separate from the maximum specified for the tuition fees and will differ between the Core and Private benefit options. This maximum will increase annually at a rate determined by Discovery Life, which is linked to education inflation. In any year, the maximum increase will be 20%.

Benefit payments will not be made should the child not attend an education facility for any reason whatsoever.

The benefit payments are made on an annual basis to the institution where the child is being educated and not to the policyholder directly. Should any legislation prevent funds being remitted directly to the education facility, Discovery Life reserves the right to pay the policyholder or beneficiaries directly.

Discovery Life will require proof of enrolment, proof of fees and the previous year's schooling results, where applicable.

If the Private option is selected, the benefit payments may be based on the education fees of a select list of overseas universities, should the learner gain enrolment to a university on this list. The list of approved overseas universities may be altered by Discovery Life from time to time and can be obtained from your financial adviser or on the Discovery Life website. A different maximum based in US Dollars will apply if the child attends a university on the approved list.

Please note that if your child's studies are covered by the Global Education Protector on multiple policies, the Global Education Protector benefit will only be paid out on one policy and will be subject to the maximums set by Discovery Life for this benefit.

If the child has received a benefit from the University Funder Benefit (described in Section 5.15.2) and a claim is received under the risk cover component of the Global Education Protector, in the same education year, the benefit payment will be reduced by any amounts already paid from the University Funder Benefit.

ANNUAL DISCRETIONARY LUMP SUM PAYMENT

In addition to the above cover for tuition and residence fees, an annual discretionary lump sum payment will be made directly to the legal guardian of the learner. These amounts will differ between the Core and Private options, and between the different phases of education. These lump sum payments may be used at your discretion, but are intended to cover the additional costs associated with education, for example: uniforms; stationery and textbooks; transport; sportswear; career counselling; technology (such as laptops and iPads), excursion fees; au pair fees; aftercare fees; remedial lessons or extra lessons or lessons with a tutor.

Please refer to your Policy Schedule for reference of the amounts you shall receive on claim. These may also change from time to time.

EXAMPLE

A client purchases the Private Global Education Protector benefit when his child is 1 year old (age last birthday).
On his Policy Schedule are the following maximums for the Global Education Protector Indemnity Cover:

PHASE OF EDUCATION	ANNUAL MAXIMUM
Crèche	R40 000 p.a.
Pre-primary	R70 000 p.a.
Primary	R100 000 p.a.
High School	R125 000 p.a.
University Tuition (Local Universities)	R45 000 p.a.
University Residence (Local Universities)	R30 000 p.a.

In addition to this, his Policy Schedule records the following annual Discretionary Lump Sum payments:

PHASE OF EDUCATION	ANNUAL LUMP SUM
Crèche	R10 000 p.a.
Pre-primary	R10 000 p.a.
Primary	R10 000 p.a.
High School	R15 000 p.a.
University Tuition	R25 000 p.a.

EXAMPLE continued

Unfortunately, the client passes away when his child is 2 years old. Assume the child later studies a 4-year degree after having turned 18, and that education inflation is 0%. The following payments will be made in respect of the Global Education Benefit:

YEAR	CHILD AGE AT YEAR START	PHASE OF EDUCATION	APPLICABLE RISK MAXIMUM (TUITION)	ACTUAL TUITION FEES IN THE GIVEN YEAR	AMOUNT COVERED BY DISCOVERY
1	2	Crèche	R40 000	R38 000	R38 000
2	3	Crèche	R40 000	R38 000	R38 000
3	4	Pre-primary	R70 000	R30 000	R30 000
4	5	Pre-primary	R70 000	R30 000	R30 000
5	6	Primary	R100 000	R85 000	R85 000
6	7	Primary	R100 000	R85 000	R85 000
7	8	Primary	R100 000	R85 000	R85 000
8	9	Primary	R100 000	R85 000	R85 000
9	10	Primary	R100 000	R110 000	R100 000
10	11	Primary	R100 000	R110 000	R100 000
11	12	Primary	R100 000	R110 000	R100 000
12	13	High School	R125 000	R120 000	R120 000
13	14	High School	R125 000	R120 000	R120 000
14	15	High School	R125 000	R120 000	R120 000
15	16	High School	R125 000	R130 000	R125 000
16	17	High School	R125 000	R130 000	R125 000
17	18	Tertiary	R45 000	R42 000	R42 000
18	19	Tertiary	R45 000	R42 000	R42 000
19	20	Tertiary	R45 000	R42 000	R42 000
20	21	Tertiary	R45 000	R42 000	R42 000

While at university, the child attends residence. In addition to the above, the Global Education Risk Cover will pay out the following in respect of the residence fees:

YEAR	CHILD AGE AT YEAR START	PHASE OF EDUCATION	APPLICABLE RISK MAXIMUM (RESIDENCE)	ACTUAL RESIDENCE FEES IN THE GIVEN YEAR	AMOUNT COVERED BY DISCOVERY
17	18	Tertiary	R30 000	R27 000	R27 000
18	19	Tertiary	R30 000	R27 000	R27 000
19	20	Tertiary	R30 000	R32 000	R30 000
20	21	Tertiary	R30 000	R32 000	R30 000

EXAMPLE continued

During the course of the child's education, the following lump sum payments will be made at the start of each year to the child's legal guardian that can be used for the additional costs associated with education:

YEAR	CHILD AGE AT YEAR START	PHASE OF EDUCATION	ANNUAL DISCRETIONARY LUMP SUM PAYMENT
1	2	Crèche	R10 000
2	3	Crèche	R10 000
3	4	Pre-primary	R10 000
4	5	Pre-primary	R10 000
5	6	Primary	R10 000
6	7	Primary	R10 000
7	8	Primary	R10 000
8	9	Primary	R10 000
9	10	Primary	R10 000
10	11	Primary	R10 000
11	12	Primary	R10 000
12	13	High School	R15 000
13	14	High School	R15 000
14	15	High School	R15 000
15	16	High School	R15 000
16	17	High School	R15 000
17	18	Tertiary	R25 000
18	19	Tertiary	R25 000
19	20	Tertiary	R25 000
20	21	Tertiary	R25 000

OVERSEAS INSTITUTIONS

In the event of the child attending an overseas educational institution, benefits paid will be based on the maximum education fees for South African facilities, and not the rate of fees applicable to education in their new country of residence. These maximums are defined in Rand terms. The overseas benefit payments will thus be converted from foreign currency into Rand when comparing the fees to the maximums applicable. The overseas university needs to be an accredited educational institution. This will be verified as part of the claims process. However, if the child is enrolled in a university on Discovery Life's select list of overseas universities, and the Private option was chosen, benefit payments for the overseas university will be paid in full, subject to the maximums applicable to the overseas facilities at the time.

REPEATS AND FAILURES

For all the years up to the end of high school, the child may fail one year. In this case, Discovery Life will only pay 33% of the relevant fees and lump sum payment to repeat the year. Should the child fail again, benefit payments will cease until the child progresses to the next year of schooling.

Should a child attend a school which completes a grade over two years, the child will not be worse off than someone who has repeated a grade. Discovery Life will pay up to 133% of the applicable risk maximum over the two year period.

EXAMPLE

A child attends a school that completes grade 12 over a two year period. The school fees for each year are R85 000. Should the child's parent pass away the following payments will be made for each year of grade 12:

YEAR	APPLICABLE RISK MAXIMUM	ACTUAL TUITION FEES	AMOUNT COVERED BY DISCOVERY
1	R125 000	R85 000	Min(R125 000, R85 000) = R85 000
2	R125 000	R85 000	Min(R125 000 x 133% - R85 000, R85 000) = R81 250

Note that the risk maximum above is just for illustrative purposes.

In the event of failing a year of university, diploma, trade qualification, or similar qualification in full, Discovery Life will not pay any benefit to repeat the year and benefit payments will cease until the child progresses to the next year of education. Failing two-thirds or more of the subjects in a year will be regarded by Discovery Life as failing the year in full. Discovery Life will only pay twice for a specific subject in the case of where the child fails less than two-thirds of the subjects in a year.

If the child progresses to the next year of education, having passed more than one-third of the previous year's subjects, Discovery Life will continue to make benefit payments in full.

Discovery Life will only pay once for each year of tertiary education. For example, if the child changes course at the end of the first year when studying at university, Discovery Life will only pay for the new course once the child progresses to the second year of the new course.

BENEFIT EXPIRY AND THE CONVERSION FEATURE

Upon reaching the benefit expiry age of the Global Education Protector (the end of the year in which the child turns 24), or on earlier death of the child your premiums for this benefit will continue. These premiums are used to provide you with an additional amount of cover under the Life Cover Benefit, the Capital Disability Benefit and the Comprehensive Severe Illness Benefit on your existing policy. The premium will however be used to purchase cover on a separate policy in the following scenarios:

If you are older than the maximum entry age for additional cover on your policy.

- If the additional cover would result in you no longer qualifying for Comprehensive Integration.
- If the additional cover would result in an accelerated benefit exceeding the size of your Life Fund.

The details of the additional cover are as follows:

- If you selected the Global Education Protector to pay in the event of death only, the full premium is applied to purchase additional Life Cover and the benefit will be automatically converted to additional cover.
- If you selected the Global Education Protector to pay in the event of death, disability and severe illness, 40% of the premium is applied to purchase life cover, 40% is applied to purchase the Severe Illness Benefit and the remaining 20% is applied to purchase the Capital Disability Benefit. Should you be older than the maximum entry age for the Capital Disability Benefit on your policy, 60% of the premium will be applied to purchase the Severe Illness Benefit. Should you be older than the maximum entry age for Life Cover and the Severe Illness cover on your policy the premium will be applied to purchase the additional cover on a separate policy.
- If you already have existing cover under the Severe Illness Benefit or Capital Disability Benefit on the same policy as the Global Education Protector, the cover options selected for the additional cover will be consistent with your existing cover option selected on these benefits.
- If you do not have existing cover under the Severe Illness Benefit or Capital Disability Benefit on your policy, the cover options selected for the additional cover will be the non-accelerated Comprehensive Severe Illness Benefit and non-accelerated Core Capital Disability Benefit. The Severe Illness Benefit purchased is for whole of life. The Capital Disability Benefit purchased will convert automatically at the end of the month in which the principal life turns 65 to the Severe Illness Benefit.
- The amount of cover purchased is based on your age, gender, smoker status and Funding plan at the benefit expiry. The same health loadings, hazardous pursuit loadings, occupational loadings and exclusions that applied to your Global Education Protector will be applied in calculating the additional cover purchased, without any additional medical underwriting. Such loadings and exclusions are automatically tranferred to the additional cover.
- Should the Global Education Protector have been selected to cover the first of principal life and spouse to suffer a life-changing event, additional cover will be granted to both lives at the benefit conversion date. This will be done by splitting the premium to calculate the additional cover 50/50 for each of the principal or spouse.

- This conversion of benefit is automatic, although the policy owner has the option of cancelling this additional cover. In this case, premiums for this additional cover will cease.
- The conversion of the benefit will only occur where there has been no claim on the Global Education Protector before its benefit expiry age.
- The conversion will only provide the Life Cover element, should there have been any claim on the Severe Illness/ Family Benefits or on the Capital Disability Benefit before the benefit expiry date of the Global Education Protector.
- Your Minimum Protected Fund percentage (if applicable) will remain unchanged after the conversion. The premium will therefore be used to purchase this additional cover as well.

If Discovery Life accepts a claim, benefit payments will cease at the earlier of:

- the child completing the undergraduate degree/diploma/trade certification or similar qualification, and
- the end of the education year in which the child reaches age 24.

OTHER CONSIDERATIONS

Years of education must run consecutively. However, the child may take off one year between completion of high school and commencement of university or similar tertiary education. No benefit payments will be made for this year. The rules in the previous paragraph on cessation of benefit payments will still apply, which may result in benefit payments ceasing before the child completes his/her education.

Benefit payments for the Global Education Protector have no impact on the Life Fund.

The premiums for the Global Education Protector will increase annually at a rate determined by Discovery Life which is linked to education inflation plus an age-rated factor (which differs based on your selected funding plan). Please see Appendix 7 for details on the age-rated factors applied across funding plans. The education inflation used in the annual premium increase will be limited to 20%. In addition, the premium guarantees described in Section 4.8 do not apply to this benefit and the premium for this benefit may be annually reviewable in light of a significant difference between current experience and the assumptions used when pricing, and with due consideration to the general economic and regulatory environment.

6.17.2 UNIVERSITY FUNDER BENEFIT

The University Funder benefit is included automatically as a part of the Global Education Protector benefit subject to the following criteria:

QUALIFYING CRITERIA FOR PAYMENT OF THE UNIVERSITY FUNDER BENEFIT

- You must have an active Global Education Protector Benefit.
- You must be a member of Vitality for the full duration of the benefit.
- You have not claimed under the Global Education Protector Risk Benefit.
- Your child is 12 years old (age last birthday) or younger at the point where the Global Education Protector is taken out.
- Your Global Education Protector Benefit must be at least five years old.

These criteria may be amended from time to time.

HOW DOES THE UNIVERSITY FUNDER BENEFIT WORK?

This benefit will pay out a proportion of the child's tertiary tuition fees for a certain number of years (see table below), based on your Vitality Status over the course of the policy benefit. This will pay out only if no claim has been made on the Global Education Protector benefit.

The number of years for which Discovery Life will fund the child's tertiary education fees will be based on the child's age at the inception of the benefit:

CHILD'S AGE AT INCEPTION	MAXIMUM NUMBER OF YEARS
4 years old and younger	3
5 to 9 years old	2
10 to 12 years old	1

The above table may change from time to time. For the number of years that qualify for the University Funder Benefit,

Discovery Life will automatically fund 10% of the child's future tuition fees if the Private option is selected, and 5% if the Core option is selected. The percentage funded will be increased every year at policy anniversary, based on the client's Vitality status at that time as well as the Global Education Protector benefit option selected. The annual University Funder Benefit percentages which can be earned are as follows:

GLOBAL EDUCATION PROTECTOR BENEFIT OPTION	VITALITY STATUS				
	BLUE	BRONZE	SILVER	GOLD	DIAMOND
Private	0.5%	1.5%	3%	4%	5%
Core	0.25%	0.75%	1.5%	2%	2.5%

The table above may change from time to time. The University Funder Benefit percentages will stop accumulating at the policy anniversary following the year in which the child turns 18 (age last birthday) or the policy anniversary that falls within the year when the child begins their tertiary studies, whichever is earlier.

Please note that a payment from the University Funder Benefit will only be made if the Global Education Protector benefit has been in force for at least five consecutive years. Discovery Life will fund the accumulated percentage of the child's annual tertiary tuition fees for up to three years based on the child's age at inception. The amount paid out is equal to:

Minimum (Annual tertiary education fees, Specified tuition maximum) x Accumulated percentage

The accumulated percentage is the sum of all the annual University Funder Benefit percentages accumulated (as per the table above) in each policy year (up to the end of the accumulation period as described above).

Please note that the specified tuition maximum above depends on whether the Core or the Private GEP option was chosen. These maximums may be reviewed annually in line with education inflation (as set by Discovery Life) – at the sole discretion of Discovery Life and these maximums may on average not increase by more than CPI + 3% each year. Please refer to your Policy Schedule for the maximum applying to your policy.

EXAMPLE

A client purchases the Private Global Education Protector benefit when his child is 6 years old (age last birthday). Based on this age, Discovery Life will make two payments in respect of the University Funder Benefit when the child goes to university.

At the end of the year in which the child turns 18, the client has accumulated a University Funder Benefit percentage of 55%. The child's university tuition fees are R90 000 in their first year of tertiary studies. The maximum specified in his Policy Schedule is R100 000 at this point in time. Discovery Life will cover an amount of R49 500 = Minimum (R100 000, R90 000) x 55%.

In the child's second year of studies their tuition fees have increased to R120 000. The maximum specified in his Policy Schedule is R110 000 at this point in time. Discovery Life will cover R60 500 = Minimum (R110 000, R120 000) x 55% of the tuition fees.

An illustration of the build up of the accumulated University Funder Benefit percentage, as well as the payouts are as follows:

YEAR	CHILD AGE	VITALITY STATUS	PERCENTAGE ACCUMULATED IN YEAR	TOTAL ACCUMULATED PERCENTAGE	FINAL PERCENTAGE	TUITION FEES	APPLICABLE FEE MAXIMUM	UFB PAYMENT
1	6	Bronze	11.5%	10% + 1.5% = 11.5%	–	–	–	–
2	7	Bronze	1.5%	13%	–	–	–	–
3	8	Silver	3%	16%	–	–	–	–
4	9	Silver	3%	19%	–	–	–	–
5	10	Silver	3%	22%	–	–	–	–
6	11	Silver	3%	25%	–	–	–	–
7	12	Silver	3%	28%	–	–	–	–
8	13	Gold	4%	32%	–	–	–	–
9	14	Gold	4%	36%	–	–	–	–
10	15	Gold	4%	40%	–	–	–	–
11	16	Diamond	5%	45%	–	–	–	–
12	17	Diamond	5%	50%	–	–	–	–
13	18	Diamond	5%	55%	55%	–	–	–
14	19		–	–	55%	R90 000	R100 000	R49 500
15	20		–	–	55%	R120 000	R110 000	R60 500

Where a child is the recipient of a partial or full exemption of tuition fees in respect of their tertiary studies due to a bursary or other forms of assistance, Discovery Life will pay you directly an amount equal to the minimum of the bursary amount and the specified tuition maximum. If your child does not study at any tertiary institution, then a single, once-off payment will be made to you. This payment will be equal to the client's accrued University Funder benefit percentage multiplied by half of the applicable maximum as that point in time. You must inform Discovery Life if the child will not attend an institution of tertiary education, in order to receive this payment. If Discovery Life is not informed of this, then the payment will be made at the expiry of the Global Education Benefit. If the child has not attended tertiary education by age 24 last birthday, then this payment will be made automatically.

EXAMPLE

A client purchases the Private Global Education Protector benefit when his child is 6 years old. At the end of the year in which the child turns 18, the client has accrued a University Funder Benefit percentage of 55%. The child does not attend tertiary education.

The benefit expires when the child turns 24. The maximum specified in his Policy Schedule is R140 000 at this point in time. The client will then receive a once-off payment of R38 500 = 50% x R140 000 x 55%.

The University Funder Benefit will only cover the tuition fees in respect of the child's tertiary studies. Any further costs (for example, Residence, Textbooks and Stationery) will not be included in the University Funder Benefit and Discovery Life will not pay out any amount in respect of these costs.

The Vitality Statuses used in the calculation of the University Funder Benefit will always be those of the principal life insured.

In respect of the University Funder Benefit, 'Tertiary Education' will include all undergraduate degrees or recognised trade diplomas/certificates at all South African universities, as well as universities of technology (technikons). The overseas universities included in this benefit need to be accredited educational institutions. It does not include other local or overseas institutions providing trade qualifications (such as plumbing and electrical). If the child attends an overseas institution the University Funder Benefit payments will be limited to the applicable South African Tuition maximum (even if the institution is on Discovery Life's select list of overseas universities).

Please note that the client requires Vitality in order to receive the University Funder benefit. If a client cancels their Vitality membership during their policy term, their University Funder Benefit will fall away completely.

If the Global Education Protector Benefit is lapsed or cancelled then no University Funder Benefit payments will be made

If a claim is made under the Global Education Protector Benefit, the University Funder Benefit falls away completely.

If any of your children's studies are covered by the Global Education Protector benefit on multiple policies, the University Funder Benefit will only be paid out on one policy. In this scenario the University Funder Benefit with the highest accumulated fund at the time of pay-out will be paid. Should it become the case that tertiary education fees cease to be relevant in South Africa (for example, if the government fully funds tertiary institutions), then Discovery Life reserves the right to determine a different metric on which to base the calculation of the University Funder Benefit payment.

DISABILITY BENEFITS

7.1 WHAT DISABILITY BENEFITS DOES DISCOVERY LIFE OFFER?

Discovery Life offers you four kinds of Disability Benefits.

7.1.1 THE CAPITAL DISABILITY BENEFIT

The Capital Disability Benefit pays a capital amount in the event of you meeting the criteria for Category A, B,C or D (if applicable to your occupation) benefits as described under section 7.2 and 7.3. This medical impairment must be permanent. In the case of Category C, a percentage of the Capital Disability benefit amount will be paid while the permanency of your disability is being assessed. In addition, upon reaching the benefit expiry age of the respective disability benefit, the Capital Disability Benefit converts to the Severe Illness Benefit covering severity levels A and B only as defined in Appendix 1. For Capital Disability added through the Managed Care Integrator before 100% of the Life Fund was available, there will be no conversion to Severe Illness. The benefit expiry age of the Capital Disability Benefit may be 65 or 70 (i.e the benefit expires at the end of the month in which the individual turns 65 or 70).

7.1.2 THE ACCIDENTAL DISABILITY BENEFIT

If you do not qualify for Capital Disability, you may be offered the Accidental Disability Benefit. The Accidental Disability Benefit pays a capital amount in the event of you meeting the claim criteria for Accidental Disability as defined in Appendix 15. There is no conversion to the Severe Illness Benefits upon reaching the expiry age for the Accidental benefit.

7.1.3 THE INCOME CONTINUATION BENEFIT

The Income Continuation Benefit pays you a regular income should you experience an illness or injury preventing you from working and a loss of income upon becoming fully or partially unable to follow your nominated occupation, as indicated in the Policy Schedule, due to injury or illness. The benefit pays an income until the earlier of you having recovered sufficiently from the disability to return to work, or until the end of the month in which you turn 65. After age 65 your claim will be assessed according to the post-retirement claims criteria (as per Appendix 12) and you may qualify to receive a monthly benefit based on your Long-Term Care Benefit amount.

7.1.4 THE OVERHEAD EXPENSES BENEFIT

The Overhead Expenses Benefit pays you, or in the case of a business-owned policy, the business, a regular income should your share of the qualifying overhead expenses not be met as a result of your becoming fully or partially unable to follow your nominated occupation, due to injury or illness as indicated in the Policy Schedule. These monthly expenses must continue during the period of disability.

7.1.5 THE PREMIUM WAIVER ON DISABILITY BENEFIT

The Premium Waiver on Disability Benefit pays all premiums for benefits on the lives of the principal life, spouse and children in the event that the principal life becomes permanently disabled. The Vitality premium will be waived if your policy is Health or Vitality Integrated. The premiums for Vitality Active will also be waived if your policy is Active Integrated. The Vitality drive and Vitality Money premiums will not be waived.

In this case, disability is assessed on the same definitions of medical Impairment applying to the Capital Disability Benefit, as defined in Appendix 4.

There is no waiting period before the commencement of premiums being waived, but premiums will only be waived if the principal life meets the Category A level of medical Impairment, as defined in Appendix 4, or the Category D definition of the Capital Disability Benefit (if applicable to your occupation).

Assuming a plan was selected with premiums escalating annually at one of the Premium Escalation Rates, the waiver benefit will cover these increases, but will be limited to a maximum of 20% per year. Discovery Life's premium guarantee as detailed in Section 4.8 will be fully covered by this waiver benefit.

Discovery Life may ask you to provide satisfactory proof of your uninterrupted and continuous disability. If you cannot provide this proof, or if you perform any kind of work for payment or profit, your premiums will no longer be waived.

The benefit terminates at the earlier of:

- the end of the month in which the principal life turns 65, whether or not this benefit is in claim at that point in time;
- the principal life returning to work; and
- the principal life's death.

The Capital Disability Benefit, Accidental Disability and Income Continuation Benefit are further explained in Sections A, B and C in the following pages.

SECTION 7

A. THE CAPITAL DISABILITY BENEFIT

7.2 HOW DOES DISCOVERY LIFE ASSESS QUALIFICATION FOR A BENEFIT PAYMENT?

The Capital Disability Benefit is assessed on the severity of your medical Impairment. By focusing on the effect that your medical Impairment has on you and your lifestyle, Discovery Life has developed an evaluation system that is objective and fair. Please refer to Appendix 4 for the complete list of impairments you are covered for.

DEFINITION OF NOMINATED OCCUPATION

The disability benefits use your nominated occupation when specifying the applicable claims criteria, so it is important to define what is meant by 'nominated occupation'.

Your nominated occupation is the occupation that you are performing for all or the majority of your working hours and is as selected by you on the application form (you cannot select two occupations). It is the occupation that you are trained for, knowledgeable of and from which you derive all or the majority of your income and will be the occupation against which you are assessed under Category D (if applicable).

For any disability benefit assessed against the ability to perform the nominated occupation, disability will only be measured against the tasks and duties of the nominated occupation.

Should you change your occupation, Discovery Life must be notified in writing of this change (within six months of your changing your occupation).

7.3 AN OBJECTIVE AND FAIR SYSTEM IS USED TO ASSESS THE SEVERITY OF YOUR DISABILITY

Payments are evaluated on how severely your disability affects you. This benefit has four categories:

Category A – Pays out 100% of the benefit if your disability satisfies the criteria in Sections 1 to 12 of Appendix 4 for Category A.

Category B – Pays out 50% of the benefit if your disability satisfies the criteria in Sections 1 to 12 of Appendix 4 for Category B.

Category C – Pays out 2.5% of the benefit after a waiting period of four months if your condition does not satisfy the criteria for a claim under Category A or B as framed in Sections 1 to 12 of Appendix 4 but in the opinion of the medical panel of Discovery Life your condition may eventually satisfy the requirements for a valid claim under Categories A, B or D (if applicable) and subject to the further following conditions that:

- You continuously, for a period of four months, suffer from a medical impairment, injury or illness that, in the opinion of Discovery Life's medical panel, renders you unable to fulfil the material and substantial aspects of your nominated occupation; and
- You are complying with the treatment regime prescribed by your treating medical practitioner; and
- You have lost more than 80% of your income earned from your nominated occupation (excluding any Disability Benefit payments from your Group Risk Benefits or other disability income benefits) continuously during the four month period.

You may claim again every four months thereafter as long as you satisfy the above criteria continuously over the previous four months.

Category C benefit payments will reduce the Capital Disability Benefit and consequently, the Life Fund (if you have selected the accelerated Capital Disability benefit option). Each Category C claim is regarded as a separate life changing event for purposes of the Minimum Protected Fund so as to enable this benefit to re-instate cover, if applicable, after each Category C benefit payment has been made.

In a sequence of Category C claims for the same condition (or related conditions), the payment of each claim will be 2.5% of what the Capital Disability sum assured was immediately before the first Category C claim in that claim payment sequence. The onus will be on you to demonstrate every four months that you meet the criteria for another Category C claim.

You will receive a maximum of nine Category C payments regardless of whether or not such payments have been made for related or unrelated conditions.

Should you qualify for a Category A, B or D (if applicable) claim you will no longer be able to receive any further Category C payments for the same (or related) conditions. If the Category A, B or D (if applicable) claim is paid after any related Category C claim(s), the payment percentage will be reduced by 2.5% for every related Category C claim paid. In this case, the reduced payment percentage will be applied to the Capital Disability sum assured immediately before the first claim in the sequence of Category C claims for the same (or related) conditions was paid.

The Category C benefit is not available on the Essential Life Plan.

EXAMPLE:

Suppose that you take out a Life Fund of R1 000 000 with 80% Capital Disability Benefit, and suffer from a qualifying condition meeting the Category C claims criteria after policy inception.

Your Capital Disability sum assured is R1 000 000 x 80% = R800 000. Four months after your illness, the payment made to you will be 2.5% x R800 000 = R20 000, provided you meet the Category C claim criteria continuously for 4 months. This will reduce your Life Fund to R1 000 000 - R20 000 = R980 000 and your Capital Disability sum assured will reduce to R980 000 x 80% = R784 000.

If you claim again for the same (or related) condition four months later, and meet the Category C claim criteria, you will receive a further payment (calculated as if the Capital Disability sum assured had not been reduced by the first claim) equal to 2.5% x R800 000 = R20 000.

Your Life Fund will reduce to R980 000 - R20 000 = R960 000. If you continue to meet the Category C claim criteria for the same (or a related) condition on an ongoing basis, you will continue to receive payments up to a maximum of nine payments.

If after your second claim it becomes evident that your condition is not permanent and you recover, then payments will stop.

However, if you qualify for a related Category A disability claim after your second claim you will then receive [100% - (2 x 2.5%)] x [R800 000] = 95 % x R800 000 = R760 000. You will not be able to claim for this or related conditions under Category C (or B or D) again.

Category D – Pays out 100% once it is established, to the satisfaction of Discovery Life, that you are totally and permanently unable to perform your nominated occupation (as indicated on your Policy Schedule) due to sickness, injury, disease or surgery.

Chronic fatigue syndrome and fibromyalgia are excluded under Category C and D. Category C and D are not available for certain occupations and this will be reflected on your Policy Schedule.

Please refer to sections 1 to 12 of Appendix 4 for details of the objective criteria and how they are used to establish the category into which your disability falls. Note that certain occupations do not qualify for Category C or D claims, as illustrated on your Policy Schedule. In addition, Category C is not available on the Essential Life Plan.

There are certain high-risk occupations to which Discovery Life applies premium loadings for the Capital Disability Benefit or which are excluded under the Category C and/or D benefits. Discovery Life reserves the right to amend your premiums or benefits should you alter your occupation to one considered to be of a higher risk than your previous occupation.

Written notice of the event giving rise to a claim under Category C or D must be given to Discovery Life within four months after the date of the event.

7.4 THE CAPITAL DISABILITY BENEFIT OPTIONS AVAILABLE TO YOU

You have the option of selecting one of the following four benefit options:

- Core: covering Categories A and D only; or
- Comprehensive Plus: covering Categories A, B, C and D; or
- LifeTime 200: covering Categories A, B, C and D; or
- LifeTime 300: covering Categories A, B, C and D.

The Accidental Disability benefit may be available to you if you do not qualify for any of the Capital Disability benefit options above. Please refer to Section B below for more information.

The LifeTime 200 and LifeTime 300 Capital Disability Benefits options include additional unique benefit features that are explained in Section 7.5.

Please refer to the Policy Schedule to see the option you chose when applying for your policy.

You may select an accelerated or non-accelerated Capital Disability Benefit (on any of the four options above). Please refer to your Policy Schedule to see which option you chose when you applied for your policy. Where the non-accelerated Capital Disability Benefit has been chosen, the benefit ceases when 100% of the sum assured has been paid out.

Claims under the accelerated Capital Disability benefit will reduce the Life Fund, as described in Section 2 of the Individual Life Plan Guide. Where the non-accelerated benefit has been selected, benefit payments under this benefit will not affect your Life Fund or any of your other benefits under the Life Plan. Benefit payments from other accelerated benefits will likewise not affect your non-accelerated Capital Disability Benefit.

For young professionals, the non-accelerated benefit offers the option to take up Life Cover up to the Capital Disability Benefit amount, without medical underwriting, on the following events:

- Mortgage registration (limited to the bond amount)
- Marriage
- Birth or adoption of a child
- Professionals who establish a partnership
- Professionals who establish an incorporated practice.

A professional is defined in Appendix 13.

Discovery Life reserves the right to request an HIV test before granting increased cover. If the life assured tests HIV-positive, Discovery Life reserves the right to modify or cancel this increased amount. The option expires on your 30th birthday.

7.5 HOW DO THE LIFETIME BENEFIT OPTIONS WORK?

The LifeTime Capital Disability Benefit options provide you with enhanced payment(s) designed to reflect your financial needs at the time of claim and thereafter. You have the option of selecting either the LifeTime 200 or LifeTime 300 option. The unique additional features under these options are described below.

7.5.1 CATEGORY B CLAIM BOOST

Both the LifeTime 200 and LifeTime 300 options will boost all Category B claims from a 50% payment percentage to a 100% payment percentage. This boost will reduce the Life Fund where the accelerated Capital Disability benefit is selected.

7.5.2 MEDTECH BOOSTER

Discovery Life acknowledges that upon meeting certain medical criteria, you will potentially benefit from assistive devices utilising the latest medical technology. However, such devices carry significant upfront and ongoing maintenance and upgrade costs. The MedTech Booster, included in the LifeTime 200 and LifeTime 300 options, provides additional benefit upfront and ongoing payments for certain conditions, as specified in Appendix 4.

MEDTECH BENEFIT PAYMENTS

The MedTech Booster benefit payments will be paid out as an upfront payment, as well as ongoing payments. Under this benefit, you are eligible to receive a total of five ongoing MedTech Booster payments, payable every three years (while you are alive).

The first ongoing payment will be payable three years after the initial upfront payment is made. The ongoing payments are not adjusted by inflation or interest over time. Both the upfront and ongoing payments will be subject to a maximum lifetime amount, as specified on your Policy Schedule. At the time of a claim, should your upfront and ongoing payments exceed the maximum lifetime amount, the benefit payment will be reduced to the value of this cap. The maximum lifetime amount also represents the total benefit that a life insured can claim over their whole lifetime, so previous claims will count toward the maximum lifetime amount. Discovery Life reserves the right to update these maximum values at their sole discretion, from time to time and will notify you of any changes. In order to be eligible for the ongoing payments, your Life Plan must be in force at the time of payment.

MedTech booster payments will accelerate the Life Fund where the accelerated Capital Disability benefit is selected. Should the sum of the payments under the MedTech Booster Benefit exceed the total value of your Life Fund the payments will continue so long as they are below the maximum lifetime amount specified for this benefit as shown in your Policy Schedule.

The size of the upfront and ongoing payments will depend on whether you have selected the LifeTime 200 or LifeTime 300 option, as well as the MedTech group that your claim qualifies for, as specified in the next section.

MEDTECH GROUPS

The MedTech Booster will apply to a number of conditions specified in Appendix 4. The conditions in Appendix 4 have been segmented into four groups, each with a different payment structure. These groups were designed and the conditions categorised, based on the expected severity and cost of medical technology associated with the relevant conditions. To ensure that the MedTech Categories as well as the defined payments are in line with advances in medical technology, Discovery Life may, from time to time, alter the MedTech groups to be applicable to each condition (as defined in Appendix 4), after consultation with Discovery's medical specialists.

The MedTech payment structure is defined as follows, with the payment percentages in the matrix being applied to the Capital Disability sum assured at the time of calculating the Category A or B claim payment (without allowing for subsequent automatic benefit increases on the Life Plan), subject to the rules on subsequent claims and progressions as per section 7.6:

LIFETIME 200

MEDTECH GROUP	UPFRONT MEDTECH PAYMENT PERCENTAGE	PAYMENT IN YEAR 3	PAYMENT IN YEAR 6	PAYMENT IN YEAR 9	PAYMENT IN YEAR 12	PAYMENT IN YEAR 15
1	Category A – 50% Category B – 0%	5.00%	7.50%	10.00%	12.50%	15.00%
2	Category A – 37.5% Category B – 0%	3.75%	5.625%	7.50%	9.375%	11.25%
3	Category A – 25% Category B – 0%	2.50%	3.75%	5.00%	6.25%	7.50%
4	Category A – 12.5% Category B – 0%	1.25%	1.875%	2.50%	3.125%	3.75%

LIFETIME 300

MEDTECH GROUP	UPFRONT MEDTECH PAYMENT PERCENTAGE	PAYMENT IN YEAR 3	PAYMENT IN YEAR 6	PAYMENT IN YEAR 9	PAYMENT IN YEAR 12	PAYMENT IN YEAR 15
1	Category A – 100% Category B – 50%	10.00%	15.00%	20.00%	25.00%	30.00%
2	Category A – 75% Category B – 25%	7.50%	11.25%	15.00%	18.75%	22.50%
3	Category A – 50% Category B – 0%	5.00%	7.50%	10.00%	12.50%	15.00%
4	Category A – 25% Category B – 0%	2.50%	3.75%	5.00%	6.25%	7.50%

Please note that upon qualifying for a specified MedTech condition, you will receive the normal Capital Disability Benefit payment in addition to the upfront MedTech payment and ongoing MedTech payments. The Capital Disability Benefit will be paid as described in Section 7.3, with the exception of a Category B claim, which will be increased to 100% of your benefit amount.

MEDTECH BENEFIT CALCULATION

The upfront and ongoing MedTech payments will be calculated as follows:

Upfront MedTech payment

Upfront MedTech payment = Capital Disability Sum Assured x Upfront MedTech Payment Percentage

Ongoing MedTech payment

Ongoing MedTech payment in year t = Total Ongoing MedTech Payment x Ongoing MedTech Payment Percentage payable in year t ÷ Total Ongoing MedTech Payment Percentage

Where *Capital Disability Sum Assured is the sum assured used to calculate the base Capital Disability claim amount*

Total Ongoing MedTech Payment = Capital Disability Sum Assured x Total ongoing MedTech Payment Percentage

Total Ongoing MedTech Payment Percentage = MedTech Percentage in Year 3 + MedTech Percentage in Year 6 + MedTech Percentage in Year 9 + MedTech Percentage in Year 12 + MedTech Percentage in Year 15.

EXAMPLE:

Suppose that you take out a Life Fund of R1 000 000 with 80% Capital Disability Benefit, giving a Capital Disability Sum Assured of R800 000, as well as selecting the LifeTime 300 option. Three years after policy inception, you suffer from a qualifying Capital Disability condition.]The condition qualifies for a Category B Capital Disability claim as well as qualifying as a Group 1 MedTech claim.

Under the LifeTime 300 benefit the Category B qualifies for a boost from a 50% payment percentage to a 100% payment percentage. Therefore you will receive a Capital Disability payment of R 800 000 x 100% = R800 000 and also qualify for the upfront and ongoing MedTech payments under the LifeTime 300 option. The payout is calculated as follows:

Upfront MedTech payment

Upfront MedTech payment = Capital Disability Sum Assured x Upfront MedTech % = R800 000 x 50% = R400 000

This amount does not exceed the maximum lifetime amount for upfront payments, as specified on your Policy Schedule, so will be paid in full.

Ongoing MedTech payments

Total Ongoing MedTech percentage

= MedTech Percentage in Year 3 + MedTech Percentage in Year 6 + MedTech Percentage in Year 9 + MedTech Percentage in Year 12 + MedTech Percentage in Year 15

= 10% + 15% + 20% + 25% + 30%

= 100%

Total Ongoing MedTech payment

= Capital Disability Sum Assured x Total Ongoing MedTech percentage = R800 000 x 100% = R800 000.

These ongoing payments will be split into 5 payments payable every three years as seen below:

YEAR	TOTAL ONGOING MEDTECH PAYMENT	PAYMENT PERCENTAGE	TOTAL BENEFIT PAID
3	R800 000	10%	R80 000 (R800 000 x 10%)
6	R800 000	15%	R120 000 (R800 000 x 15%)
9	R800 000	20%	R160 000 (R800 000 x 20%)
12	R800 000	25%	R200 000 (R800 000 x 25%)
15	R800 000	30%	R240 000 (R800 000 x 30%)

The sum of the ongoing MedTech payments do not exceed the maximum lifetime amount applicable to this benefit, as specified in your Policy Schedule, so they will be paid in full.

In total, at claims stage, you will receive R800 000 (Category B claim) + R 400 000 (Upfront MedTech payment) = R1 200 000.

Additionally, over the 15 years following your claim event, you will receive R80 000 + R120 000 + R160 000 + R200 000 + R240 000 = R800 000. In total, you would have received R2 000 000, which is two and a half times your original sum assured amount.

The premium for the MedTech Booster is included in the premium for the LifeTime Capital Disability Benefit. The premium guarantees described in Section 4.8 do not apply to this component and the premium for this benefit may be annually reviewable in light of a significant difference between current experience and the assumptions used when pricing, and with due consideration to the general economic and regulatory environment.

7.6 HOW ARE SUBSEQUENT CLAIMS ON THE CAPITAL DISABILITY BENEFIT PAID?

The payment of the subsequent claim is dependent on whether the claim is progressive, related or unrelated:

- **A progressive claim** refers to conditions where a worsening of symptoms or stages of the disease can be expected, for example the progression of cancer, connective tissue disease or respiratory disease. A relapse of a previous cancer will be assessed as a progressive illness. See Appendix 4 for more information on how subsequent cancer claims will be paid.
- **A related claim** is a claim where there is a link to a previous claim, for example complications or consequences of a disease or injury previously claimed for. This would be where the later claim would not have arisen if it were not for the initial condition or illness. It also includes side effects or complications of treatment of the previously claimed for condition. Progressive claims are not included in this definition.
- **An unrelated** claim is a claim which is not related or due to the original claim.

In the calculation of the subsequent claim payment, reference is made to the category of the claim, which includes:

- The percentage due to the Category of the condition (for example, 100% for a Category A or D condition);
- The additional payments due to the MedTech Booster under the LifeTime 200 and LifeTime 300 Capital Disability Benefits (if applicable).

The claim payment formula for a subsequent claim will be made using the following formula:

Claim payment = Claim percentage x Benefit Sum Assured

This payment is made subject to the maximum payment on a benefit not being exceeded (as defined in section 7.7).

Note that various symptoms and signs of a syndrome, overlapping syndromes, associated conditions or treatments thereof, will be regarded as one condition. A syndrome is defined as a group of symptoms that consistently occur together or a condition characterized by a set of associated symptoms. Manifestations of other conditions as a result of the original condition will also be regarded as part of the original condition. For example, the depression that arises after diagnosis of Chronic Fatigue Syndrome will be considered as forming part of the Chronic Fatigue Syndrome. Another example is where you are unable to perform four Activities of Daily Living after claiming for paraplegia. In addition, all cardiac and nervous system pathologies or procedures that occur within 30 days of each other will be regarded as a single event.

PROGRESSIVE CLAIMS

If the subsequent claim is a progressive claim, progressing to Category A or D from Category B, then the claim payment formula for a Classic, Purple or Essential Life Plan is:

- Claim percentage = Difference in the applicable category payout percentages.
- Benefit Sum Assured = The sum assured calculated as if all the previous claims which form part of the set of progressive claims had not occurred.

EXAMPLE:

You have a policy with the following details:

- Life Fund = R1 000 000
- Accelerated Comprehensive Plus Capital Disability Benefit = R500 000.

You claim for Category B kidney failure, where your claim percentage will be 50% (as this is a Category B claim) and your benefit sum assured is R500 000. Therefore, your benefit payout will be R250 000.

The illness then progresses to Category A kidney failure. The claim percentage for this second claim will be 50% (100% - 50%) and your benefit sum assured will still be R500 000, giving you a further benefit payout of R250 000.

In the case of a series of Category C claims progressing to a Category A, B or D claim, the claim percentage will be calculated as the difference in the new claim's applicable category payout percentage and the total percentage of the benefit that has been paid out in the form of Category C payments. Please refer to the example in Section 7.3 for an illustration of how progressions from Category C claims are paid.

If you have selected the LifeTime 200 or LifeTime 300 options and your condition progresses from Category B to Category A, you will not qualify for another Capital Disability claim since a 100% claim would have already been paid for Category B conditions. However you may qualify for additional upfront payment from the MedTech Booster, subject to the applicable maximum amount specified in your Policy Schedule. Additionally, if your condition also progresses from one MedTech group to a higher MedTech group, you may also qualify for additional ongoing payments from the MedTech Booster, subject to the applicable maximum amount specified in your Policy Schedule.

EXAMPLE:

Suppose that you take out a Life Fund of R1 000 000 with 80% Capital Disability Benefit, giving a Capital Disability Sum Assured of R800 000, as well as selecting the LifeTime 300 option. Three years after policy inception, you suffer from a qualifying Capital Disability condition. The condition qualifies for a Category B Capital Disability claim as well as qualifying as a Group 1 MedTech claim. Under the LifeTime 300 benefit the Category B qualifies for a boost from a 50% payment percentage to a 100% payment percentage. Therefore you will receive a Capital Disability payment of R800 000 x 100% = R800 000 and also qualify for the upfront and ongoing MedTech payments under the LifeTime 300 option.

A year later your condition progresses to a Category A Capital Disability claim. No further payment will be made from the Capital Disability Benefit since a 100% payment has already been made for the Category B disability. However you qualify for further payments from the MedTech Booster Benefit as described below:

Upfront MedTech payment

Additional upfront MedTech payment = Capital Disability Sum Assured x Upfront MedTech % = R800 000 x (100% - 50%) = R400 000

This amount does not exceed the maximum lifetime amount for ongoing payments, as specified on your Policy Schedule, so will be paid in full.

Ongoing MedTech payments

Since the condition did not progress from one MedTech group to another you will not qualify for an increase on the ongoing MedTech payments that you would qualify for under a Category B Capital Disability. The first ongoing MedTech payment will still be paid in two years' time.

RELATED CLAIMS

YOUR LIFE PLAN AND CAPITAL DISABILITY BENEFIT	YOU MAY CLAIM:	CLAIM PERCENTAGE IN THE CLAIM PAYMENT FORMULA =	BENEFIT SUM ASSURED IN THE CLAIM PAYMENT FORMULA =
CLASSIC/PURPLE LIFE PLAN	Regardless of the applicable severity level of the subsequent claim, but only if no Category A or D claim had been paid in the related claim sequence	The applicable category payout level of the subsequent claim	The sum assured reduced by previous claims and reinstated by the Minimum Protected Fund (if applicable) as described in Section 2.6.2
ESSENTIAL LIFE PLAN	Only when the applicable severity level of the subsequent claim is higher than the highest severity level in the set of related claims that have been paid out previously	The applicable category payout level of the subsequent claim	The sum assured reduced by previous claims and reinstated by the Minimum Protected Fund (if applicable) as described in Section 2.6.2.

Note that, on Classic, Essential and Purple Life Plans, all strokes will be deemed related to one another and all claims in the Cardiovascular system category will be deemed related to one another.

Also note that the rules for related claims above will also apply to the benefit payments payable under the MedTech booster if you have selected the LifeTime 200 or LifeTime 300 options. Related claims will also be subject to the maximum lifetime amount for this benefit.

UNRELATED CLAIMS

In the formula above:

- Claim percentage = The applicable category payout level of the subsequent claim
- The Benefit Sum Assured depends on whether your Capital Disability Benefit is accelerated or non-accelerated:

On the accelerated Capital Disability Benefit:

Benefit Sum Assured = the sum assured reduced by previous claims and reinstated by the Minimum Protected Fund (if applicable) as described in Section 2.6.2.

On the non-accelerated Capital Disability Benefit:

Benefit Sum Assured = the sum assured reduced by previous claims.

EXAMPLE:

You have chosen the Classic Life Plan with the accelerated Comprehensive Plus Capital Disability Benefit. If you lost all sight in one eye (Category B – 50%), followed by a complete loss of the use of your hand (Category A – 100%) at a later stage (where the second claim is not a progression of the first claim), these two claims would be regarded as unrelated. The benefit payment for the first claim would be 50% of the sum assured. The benefit payout of the second claim will be 100% of the sum assured after the Life Fund was reduced by the first claim.

Note that the rules for unrelated claims above will also apply to the benefit payments payable under the MedTech booster if you have selected the LifeTime 200 or LifeTime 300 options. Unrelated claims will also be subject to the maximum lifetime amount for this benefit.

ADDITIONAL CLAIM CRITERIA

Once a 100% claim has been paid for Category A or D conditions (as defined in Section 1 to 12 of Appendix 4), a subsequent Category A, B or C claim will only be considered for conditions that are unrelated to the applicable Category A or D conditions or manifestations of those conditions.

In addition, no further claims will be payable under the Other claims definitions (as defined in Section 1 to 12 of Appendix 4) or under the Category D definition of disability.

After a Capital Disability claim for Category A, B or D has been made for any condition, subsequent claims for mental and behavioural disorders will only be considered if the criteria for a Category A claim in respect of mental and behavioural disorders as listed in the Mental and Behavioural Disorders section in Appendix 4 are met and are not a manifestation of the previous claim paid.

The flowchart in Appendix 10 summarises the payment of subsequent claims as specified in this section.

7.7 WHAT ARE THE BENEFIT MAXIMUMS ON SUBSEQUENT CLAIMS?

The maximum amount that you can receive under the various Capital Disability Benefits is shown in the table below. Note you may be able to exceed these maximums if you have the LifeTime 200 or LifeTime 300 Capital Disability Benefits, however the maximum lifetime amount will apply for payments from the MedTech Booster Benefit.

YOUR LIFE PLAN AND CAPITAL DISABILITY BENEFIT	MAXIMUM BENEFIT PAYMENT
CLASSIC/PURPLE LIFE PLAN WITH ACCELERATED CAPITAL DISABILITY BENEFIT	No maximum.
CLASSIC/PURPLE LIFE PLAN WITH NON-ACCELERATED CAPITAL DISABILITY BENEFIT	The maximum amount that you may claim is 100% of the original sum assured, increased with annual benefit increases.
ESSENTIAL LIFE PLAN WITH ACCELERATED CAPITAL DISABILITY BENEFIT	The maximum amount that you may claim is 100% of the original sum assured, increased with annual benefit increases, for all claims. The Minimum Protected Fund can only increase the total claims payout for a related and progressive claim sequence to 200% of the original sum assured, increased with annual benefit increases.
ESSENTIAL LIFE PLAN WITH NON-ACCELERATED CAPITAL DISABILITY BENEFIT	The maximum amount that you may claim is 100% of the original sum assured, increased with annual benefit increases.

7.8 HOW DOES THE CONVERSION TO THE SEVERE ILLNESS BENEFIT WORK?

For all Capital Disability Benefit options, upon reaching the benefit expiry age of the Capital Disability Benefit, your premiums for this benefit will continue. These premiums are used to provide you with an additional amount of cover under the Severe Illness Benefit and/or LifeTime Severe Illness Benefit (Severity Levels A and B only and excluding both the Cancer Relapse Benefit and the Global Treatment Benefit). For Capital Disability added through the Managed Care Integrator before 100% of the Life Fund was available, there will be no conversion to Severe Illness.

The Core and Comprehensive Plus Capital Disability Benefits convert to the Comprehensive Severe Illness Benefit, whereas the LifeTime 200 and LifeTime 300 Capital Disability Benefits convert to the LifeTime Severe Illness Benefit. In all cases, the additional Severe Illness Benefit cover will be for whole of life. Any non-accelerated Capital Disability Benefits will convert to provide you with non-accelerated Severe Illness Benefit on the same policy as your Life Fund.

For the Core and Comprehensive Plus options, the amount of Severe Illness Benefit that will be provided depends on the benefit expiry age of the relevant disability benefit and the claim categories covered:

- Disability Benefit expiry age of 65:
  - Core: 55% of disability benefit amount
  - Comprehensive Plus: 75% of disability benefit amount.
- Disability Benefit expiry age of 70:
  - Core: 70% of disability benefit amount
  - Comprehensive Plus: 90% of disability benefit amount.

For the LifeTime 200 and LifeTime 300 options, the amount of LifeTime Severe Illness Benefit that will be provided depends on the benefit expiry age of the relevant disability benefit and the benefit option selected. Your selected benefit option also determines the LifeTime Max that will apply:

- LifeTime Capital Disability Benefit expiry age of 65:
  - LifeTime 200: 75% of disability benefit amount, with a LifeTime Max of 100%
  - LifeTime 300: 80% of disability benefit amount, with a LifeTime Max of 200%.
- LifeTime Capital Disability Benefit expiry age of 70:
  - LifeTime 200: 90% of disability benefit amount, with a LifeTime Max of 100%
  - LifeTime 300: 95% of disability benefit amount, with a LifeTime Max of 200%.

This conversion in cover will be automatic, although the policy owner has the option of cancelling this additional Severe Illness Benefit cover. In this case, premiums for this benefit will no longer be payable and cancellation of this cover will have no impact on premiums for other benefits and premium guarantees on the policy. The converted accelerated Severe Illness Benefit will be the new qualifying benefit.

Life-changing events and related conditions which occur before the conversion will not be covered after conversion to the Severe Illness Benefit irrespective of whether the illness progresses to a higher severity after conversion.

If you also have a separate Severe Illness Benefit on your Life Fund, you will be able to claim for both that benefit and your converted Severe Illness Benefit (if you qualify for a Severity A or B severe illness). Both benefits will pay out the full sum assured, even if this exceeds the value of the Life Fund at the time of claim.

If you are receiving Ongoing MedTech payments when your Capital Disability benefit expires the payments will continue.

7.9 AUTOMATIC IMPAIRMENT COVER FOR CHILDREN (ONLY AVAILABLE ON THE CLASSIC AND PURPLE LIFE PLANS)

Should the principal or spouse be covered under the Capital Disability Benefit, an amount of Impairment cover is automatically included for their children. The children will be covered for all conditions found in Section 14 in Appendix 4. Discovery Life, may from time to time review these conditions to ensure they are up to date and relevant.

The Automatic Child Impairment Benefit has been designed so that the benefit payments are commensurate with the impact of the impairment itself. There are seven Impairment Severity levels used to determine benefit payments.

The impairment severity levels are as follows:

- Impairment Severity Level A: pays 100% of the benefit cover
- Impairment Severity Level B: pays 75% of the benefit cover
- Impairment Severity Level C: pays 50% of the benefit cover
- Impairment Severity Level D: pays 25% of the benefit cover
- Impairment Severity Level E: pays 15% of the benefit cover
- Impairment Severity Level F: pays 10% of the benefit cover
- Impairment Severity Level G: pays 5% of the benefit cover.

The cover for each child in the family is provided without medical underwriting, but all claims which arise directly or indirectly from any physical defects, illnesses, bodily injuries or diseases, that your child suffered from, or has received treatment or advice for or that you or your child were aware of, before the commencement of the policy, are excluded.

This cover expires at the end of the month in which the child turns 18.

To qualify for a benefit payment the child must be the biological child of the life assured or must have been legally adopted prior to the life changing event.

The benefit payment for any child is based on 10% of the parents' aggregate sum assured for the Capital Disability Benefit multiplied by the relevant Impairment Severity percentage, per claim event. These claims have no impact on the Life Fund. This payout is limited to the specified maximum amount for automatic cover for children. The maximum amount payable per child, will apply across all policies with Discovery Life where either parent is insured under the Severe Illness Benefit. Please refer to your Policy Schedule for this maximum amount. Discovery Life reserves the right to review this maximum each year. Additionally, multiple claims are allowed under this benefit – however only up to this maximum amount.

The flowchart in Appendix 10 summarises the payment of subsequent claims.

EXAMPLE:

A principal and a spouse purchase a Life Fund of R1 000 000. The principal has 60% Capital Disability Benefit (R600 000) and the spouse has 50% Capital Disability Benefit (R500 000). The specified maximum amount of automatic impairment cover for children is R135 000.

Their child loses a thumb and index finger due to a traumatic event and qualifies for an impairment Severity C (50%) claim.

The payout is calculated as follows:

10% of the Principal Capital Disability Benefit x Impairment payment percentage = 10% x R600 000 x 50% = R30 000

10% of the Spouse Capital Disability Benefit x Impairment payment percentage = 10% x R500 000 x 50% = R25 000. The payment amount is therefore R55 000 (R25 000 +R30 000).

This will be paid since it is less than the R135 000 maximum. The Life Fund is not reduced by this payout.

B. THE ACCIDENTAL DISABILITY BENEFIT

Accidental Disability will only be offered as an option to lives who apply for Capital Disability but are declined the cover as a result of a medical condition. The Accidental Disability Benefit will have the same rules applying to it as the Capital Disability Benefit except as specified below. Where the benefits differ, it is highlighted below.

7.10 HOW DOES DISCOVERY LIFE ASSESS QUALIFICATION FOR A BENEFIT PAYMENT?

An accident means a sudden and unforeseen event occurring at an identifiable place and time, which has a visible, violent and external cause, and results in the specified impairments. A claim for a qualifying Life Assured under this benefit will be considered if:

- The claimant suffers an injury that is directly the result of an accident.
- The injury satisfies the claims criteria framed in Appendix 15.
- The claimant survives for a period of three months after the accident which gave rise to the claim.

On meeting the criteria for a claim, 100% of the Accidental Disability Benefit is paid out.

Accidental Disability is an accelerated benefit and so the payout will reduce the Life Fund. In the event that both the Capital Disability and Accidental Disability Benefits are included for the same life assured on a policy, the payouts will both be based on the Life Fund before the claim.

EXAMPLE:

A Life Assured has a R1 000 000 Life Fund. They have selected 20% Capital Disability and 60% Accidental Disability. The Life Assured is in a car accident and qualifies for a claim under both the Capital Disability and the Accidental Disability. The claim payouts are both based on the Life Fund in force prior to the claim, R1 000 000. The payouts are:

Capital Disability: R1 000 000 x 20% = R200 000

Accidental Disability: R1 000 000 x 60% = R600 000

The Accidental Disability Benefit is not considered a qualifying ancillary for Comprehensive Integration or the Access Cover benefit. There is no conversion to Severe Illness upon reaching the expiry age of the benefit. The expiry age is indicated in your Policy Schedule.

7.11 HOW ARE SUBSEQUENT CLAIMS ON THE ACCIDENTAL DISABILITY BENEFIT PAID?

No subsequent claim will be made for related or progressive claims. For unrelated claims, you may qualify for a payment on a subsequent claim as long as there is sufficient Life Fund remaining to fund the additional benefit payments. This payment is made subject to the maximum payment on a benefit not being exceeded (as defined in section 7.12).

The claim payment formula for a subsequent unrelated claim will be made using the following formula:

Claim payment = Claim percentage x Benefit Sum Assured

In the formula above:

- Claim percentage = the applicable category payout level of the subsequent unrelated claim
- Benefit Sum Assured = the sum assured reduced by previous claims and reinstated by the Minimum Protected Fund.

7.12 WHAT ARE BENEFIT MAXIMUMS ON SUBSEQUENT CLAIMS?

The maximum amount that you may claim is 100% of the original sum assured, increased with annual benefit increases, for all claims. The Minimum Protected Fund can only increase the total claims payout to 200% of the original sum assured, increased with annual benefit increases.

C. THE INCOME CONTINUATION BENEFIT

The Income Continuation Benefit pays you a regular income if you are disabled and unable to perform your nominated occupation due to injury, illness or disability.

DEFINITION OF NOMINATED OCCUPATION

The Income Continuation Benefit uses your nominated occupation when specifying the applicable claims criteria, so it is important to define what is meant by 'nominated occupation'. Your nominated occupation is the occupation that you are performing for all or the majority of your working hours and is as selected by you on the application form (you cannot select two occupations). It is the occupation that you are trained for, knowledgeable of and from which you derive all or the majority of your income. For any claim assessed against the ability to perform your nominated occupation, inability to perform your nominated occupation will only be measured against the tasks and duties of your nominated occupation. The monthly income amount that you insure for your nominated occupation must be what you derive from or is in respect of the nominated occupation you have specified.

7.13 WHAT INCOME CAN BE PROTECTED BY THE INCOME CONTINUATION BENEFIT?

Since the Income Continuation Benefit is designed to protect your monthly income in the event of disability, it is important to define what is meant by income. Income is defined as follows:

- In the case of your being a salaried employee, it shall be your monthly cost-to-company less any PAYE tax, as per your payslip. Note that discretionary bonuses are not included in monthly cost-to-company but can be insured under the Performance Bonus Protector if you have the Comprehensive Income Continuation benefit (see Section 7.16.6).
- In the case of your being a sole proprietor, partner, member of a close corporation or director of a private company, it shall be your monthly share of fees for services rendered and gross profit from trading activities, less your monthly share of the business overhead expenses and tax. Gross profit from trading activities is defined as monthly sales less cost of sales. The tax is calculated using tax tables and is based on your income not reduced by tax. Where it is difficult to determine your share of the income or expenses of the business, it shall be any income, dividends, loan account repayments and other benefits you derive from the business in your personal capacity, less tax (as per tax tables).
- Income for the purposes of this definition shall exclude passive income from assets such as property or shares in a business acquired purely for investment purposes and where you are not engaged in the management of this business.

The definition above applies to all instances where 'income' is mentioned under the Income Continuation Benefit Section.

When a claim is submitted, Discovery Life will request your average monthly income from your nominated occupation for the 12 month period prior to your disability. This is referred to as your pre-disability income. Your pre-disability income will be adjusted with the applicable annual benefit escalation rate when used in the different claim payment calculations in the Income Continuation Benefit Section. If your income is of a variable nature, Discovery Life may determine a period other than 12 months to calculate average monthly income. Discovery Life will not take into account a sabbatical in the calculation of average income. Discovery Life will allow a maximum sabbatical term of six months every three years (a sabbatical is defined as a period of leave from employment which does not fall within the employee's employment contract). A claim submitted during a sabbatical will be assessed on whether you are medically certified to be able to perform your nominated occupation.

You have 90 days from the date of the event to prove your income over the last 12 months before disability. This 90-day period will remain unchanged even if you submit multiple claims relating to the same life changing event. Should you not have correctly disclosed your income to us at application stage or when you have effected changes to the policy, Discovery Life reserves the right to recoup any benefit overpayments as well as terminate the benefit with no further benefit payments. If you have no income at the time of the condition giving rise to the claim and you are not on a sabbatical you will not be able to claim as there is no loss of income due to the condition (for example if you have been retrenched or if you have resigned from your nominated occupation or if you are in prison). Any claim made within 12 months of returning to work following a period of retrenchment will exclude the period of retrenchment for the purposes of calculating your pre-disability income.

It is in your interest to provide Discovery Life with your latest monthly income at each policy anniversary. This will assist in preventing you from becoming over or under-insured. Note that only income received from your nominated occupation will be covered by this benefit.

7.14 THE INCOME CONTINUATION BENEFIT OPTIONS AVAILABLE TO YOU

Your Income Continuation Benefits will differ depending on whether you qualify for the Comprehensive option (i.e. you have a Classic or Purple Life Plan) or the Essential option (i.e. you have an Essential Life Plan). The differences will be explained in each relevant section below.

The Income Continuation Benefit has four waiting periods to choose from:

- Seven days
- One month
- Three months
- Twelve months.

The waiting period you select is the period for which you will need to be continuously and totally disabled due to injury or illness (after consulting with a registered medical practitioner) before you can start claiming for a temporary disability (as defined in Section 7.15.1). One month is considered to be 30 calendar days.

Note that only full days booked off contribute towards the waiting period. If you recover or are rehabilitated and claim again for the same cause which resulted in your original inability to perform your nominated occupation within three months of recovery, the waiting period will be waived for the subsequent claim. This is known as the 'off-period'.

At age 65, the Income Continuation Benefit will convert to the Long-Term Care Benefit.

You may also select the Top-Up Income Continuation Benefit. This benefit pays out an amount in addition to your Income Continuation Benefit amount when you claim under the Income Continuation Benefit, subject to the Maximum Benefit Amount (Section 7.22.3). The Top-Up Income Continuation Benefit will provide a payment for up to 24 months (less the selected waiting period, for temporary disability claims). The same waiting period applies to your Income Continuation Benefit and Top-Up Income Continuation Benefit. The Top-Up Income Continuation Benefit, along with its premiums, will cease at the end of the month in which you turn 65.

The premiums for your Income Continuation Benefit, Top-Up Income Continuation Benefit, Performance Bonus Protector and Buy-up Income Continuation Fund will increase annually according to the plan type selected on you policy (which are described in Appendix 8) plus an additional 0.5% each year. You may also select a different increase option for your Income Continuation Benefit and Top-Up Income Continuation Benefit than for the rest of the benefits on your policy. However for the AcceleRater and FlexRater Funding Plans you must select a premium increase option that depends on age.

Please refer to your Policy Schedule to see the options that you have selected.

7.15 WHAT HAPPENS IF I BECOME TEMPORARILY DISABLED BEFORE AGE 65?

This section explains the benefit payments made for temporary disability (as defined in Section 7.15.1) suffered prior to age 65.

7.15.1. HOW DO I QUALIFY FOR A TEMPORARY DISABILITY CLAIM?

There are a number of underpins which allow you to claim for a temporary disability. If you qualify for a claim under multiple underpins, your claim will be based on the underpin which pays out the highest benefit amount.

AUTOMATIC SICKNESS UNDERPIN

You can claim under the Automatic Sickness Underpin if you have been booked off by a medical professional due to illness. For this underpin, you will not be required to provide proof of loss of income for the first 24 months after the disability event. This underpin pays until the month in which you turn age 65. However, because you need to provide proof of loss of income after the first 24 months, you will effectively start claiming under the Loss of Income Underpin (see below) from that point onwards.

The disability event is the event that resulted in your inability to perform your nominated occupation. Your payments will also not be reduced by any earnings you generated during the benefit payment period. However, your payments will be reduced if you receive income in the form of other disability income/sickness benefits (see Section 7.22.5).

You and your treating doctor will still be required to complete Discovery Life's Income Continuation Benefit claim forms. Discovery Life's medical panel reserves the right to request any additional medical information that it deems necessary.

LOSS OF INCOME UNDERPIN

You can claim under the Loss of Income Underpin (after consulting a medical practitioner) by providing proof that you are unable to perform your nominated occupation due to your injury or illness, and as a result are unable to maintain your income level. You may only claim under the Loss of Income Underpin if you are unable to perform at least 25% of the main duties of your nominated occupation. This underpin pays until the month in which you turn age 65.

LIFETIME SEVERE ILLNESS BENEFIT UNDERPIN

If you suffer a Severity A severe illness (as defined in Appendix 1), the LifeTime Severe Illness Benefit Underpin pays 100% of your monthly Income Continuation Benefit amount and Top-Up Income Continuation Benefit amount (if selected), increased by an additional 25% for each LifeTime Severity Upgrade that applies to the specific claim definition of your illness. If your condition qualifies for a severity A Severe Illness Benefit claim with at least two LifeTime Severity Upgrades, you may also receive a further 5% of your benefit amount for each financial dependant you have at the time of your claim (up to 15%). Your benefit will be paid for six months for policies with a seven-day waiting period, or five months for policies with a one-month waiting period, once your selected waiting period has expired. This underpin does not apply to waiting periods longer than one month.

Please note that the Cancer Relapse Benefit, as discussed in section 6.15.1.1, does not apply to payments under the LifeTime Severe Illness Benefit Underpin.

EXAMPLE:

Consider the case where you have an Income Continuation Benefit with a R50 000 monthly benefit and a seven-day waiting period. If you suffer a Severity A heart attack (which qualifies for two LifeTime Severity Upgrades as per Appendix 1), you will receive R75 000 (R50 000 sum assured + R50 000 x 25% x 2 {two LifeTime Severity Upgrades}) for six months once your waiting period has expired.

If you had two financial dependants at the time of your claim, you would receive an additional monthly amount of R5 000 (2 x 5% x R50 000), giving a total benefit payment of R80 000.

INJURY AND HOSPITALISATION UNDERPIN

The Injury and Hospitalisation Underpin pays 100% of your monthly Income Continuation Benefit amount and Top-up Income Continuation Benefit amount (if selected) if you fracture certain bones or are hospitalised for longer than a week. Please refer to Appendix 4 for the list of fractures and medical events you can claim for and their associated payment periods. This underpin does not apply to waiting periods longer than one month.

Please note: All payments made will be subject to the Maximum Benefit Amount (Section 7.22.3).

7.15.2. CAN I PROTECT MY FULL INCOME IF I AM TEMPORARILY DISABLED?

You can insure up to 75% of your income with the Income Continuation Benefit. You may also select the Top-up Income Continuation Benefit and insure up to a further 25% of your income. If you qualify for a temporary disability claim, you will receive your selected Income Continuation Benefit and Top-up Income Continuation Benefit.

All payments made will be subject to the Maximum Benefit Amount (as defined in Section 7.22.3).

Any exclusion clauses that apply on your Income Continuation Benefit will also apply to your Top-up Income Continuation Benefit. Your benefit payments are made on the last business day of each calendar month. Each monthly payment will be pro-rated so that you are paid for the portion of the month for which you qualify for a benefit payment.

7.15.3. WAIT YOUR SELECTED WAITING PERIOD BEFORE TEMPORARY DISABILITY BENEFITS ARE PAID TO YOU

No benefit payment will be made for temporary disability claims during the waiting period and once the waiting period has ended and the benefit payments commence, no retrospective payments will be made in relation to the waiting period. In other words, the claim payments only commence after the expiration of the waiting period and will only be paid in respect of the period after the waiting period expires.

However, if you have selected the 7-day waiting period, benefit payments will be made retrospectively in certain instances. In this case, benefit payment amounts will be made retrospectively from day one of the illness or injury, provided the illness or injury has rendered you fully unable to perform your nominated occupation for at least seven consecutive calendar days. This is referred to as a retrospective payment, and it also applies to the Top-Up Income Continuation Benefit. Retrospective payments will only be made in the following instances:

- You have undergone medical treatment, and are complying with prescribed medication, that renders you unable to work, or
- You have been hospitalised for a continuous period of at least 24 hours (excluding fertility procedures, organ donation and cosmetic procedures), or
- You have an infectious disease such as chicken pox or measles (gastro-enteritis and upper respiratory tract conditions such as common colds and influenza are excluded unless they require you to be hospitalised for a continuous period of at least 24 hours), or
- In the case of back disorders, there is specialist (orthopaedic or neurosurgeon) confirmation of the inability to work as well as a confirmation of pathology on a medical imaging investigation such as an MRI scan, or
- In the case of anxiety, stress, depression and other mood related disorders, there is psychiatrist's confirmation of the diagnosis and inability to work (Please note that a medical certificate from a Psychologist will not be accepted), or

- There is a complication of pregnancy (a complication is defined as a rare and unexpected event related to pregnancy or childbirth. A caesarean section or assisted vaginal delivery is not regarded as a complication in this instance), childbirth, abortion, miscarriage or obstetrical procedures that has been confirmed by your gynaecologist and that requires you to be hospitalised for a continuous period of at least 24 hours, or
- You have undergone chemotherapy or radiotherapy.

Even if you have selected a 7-day waiting period, a one month waiting period will be applied to temporary disability claims arising from the following conditions:

- Fibromyalgia. Additionally, in order to qualify for a benefit payment after one month, a rheumatologist's confirmation of the diagnosis and inability to work is required.
- Chronic fatigue syndrome. Additionally, in order to qualify for a benefit payment after one month, a specialist physician's confirmation of the diagnosis and inability to work is required.

UNIQUE BENEFIT FOR CERTAIN PROFESSIONALS IN PRIVATE PRACTICE

If you are a professional (as defined in Appendix 13) in private practice or partnership, and you have chosen the one-month waiting period, benefit payment amounts will be calculated to include the time that you were temporarily disabled from the first day of the illness or injury, if the illness or injury has lasted at least 30 consecutive days. This is referred to as a retrospective payment, and it will only be made in the same instances as defined for the seven-day waiting period described above.

This benefit applies to the list of professionals in Appendix 13 in private practice/partnership, working in the selected occupation at the time of claim.

Discovery Life may review and amend this list of professionals from time to time.

7.15.4. WHEN DO MY INCOME CONTINUATION BENEFIT AND TOP-UP INCOME CONTINUATION BENEFIT PAYMENTS ON TEMPORARY DISABILITY END?

The Income Continuation Benefit pays out, as long as the benefit remains in force, until the earlier of:

- You having recovered sufficiently to return to work.
- The payment term of the underpin on which you are claiming expiring.
- The end of the month in which you turn 65.
- Your death.

The Top-up Income Continuation Benefit pays out, as long as the benefit remains in force, until the earlier of:

- You having recovered sufficiently to return to work.
- The payment term of the underpin on which you are claiming expiring.
- You receive 24 payments less your selected waiting period.
- You receive 24 payments less your selected waiting period for claims due to the same bodily injury or for the same or related condition, subject to necessary medical evidence as determined by Discovery Life. This limit will be waived for subsequent, related occupational disability claims, if your claim event has occurred at least 24 months after the maximum number of claim payments has been paid and you have been fully and continuously fulfilling the duties and responsibilities of your nominated occupation during this period.
- The end of the month in which you turn 65.
- Your death.

7.15.5. YOUR INCOME CONTINUATION BENEFIT AND TOP-UP INCOME CONTINUATION BENEFIT PREMIUMS WILL BE WAIVED DURING A CLAIM PERIOD

Your Income Continuation Benefit and Top-Up Income Continuation Benefit automatically include the feature that the premiums for your Income Continuation Benefit and Top-Up Income Continuation Benefit (if selected) will be waived until the benefit payments end if you are claiming under the following definitions:

- Automatic Sickness Underpin
- Loss of Income Underpin
- LifeTime Severe Illness Benefit Underpin
- Injury and Hospitalisation Underpin.

7.15.6. HOW DOES THE CONTRIBUTION PROTECTOR WORK?

This benefit is automatically included in the Comprehensive Income Continuation Benefit. You will be entitled to the benefits of the Contribution Protector if you are claiming under any of the following definitions:

- Automatic Sickness Underpin
- Loss of Income Underpin
- LifeTime Severe Illness Benefit Underpin
- Injury and Hospitalisation Underpin.

Discovery Life's Contribution Protector will pay up to 100% of all your premiums/contributions, which you were paying before the disability event for your Life Plan (excluding the premiums for the Income Continuation Benefit and the Top-Up Income Continuation Benefit that are waived in full), Discovery Retirement Optimiser, qualifying health plans on participating medical schemes administered by Discovery Health, Discovery Insure, Medical Premium Waiver, Gap Cover, Supplementary Gap Cover, Global Education Protector, Vitality, Vitality Active, Vitality drive and Vitality Money.

In order for the Contribution Protector to pay out the contributions for a certain Discovery product, the life who suffered the disability must be the premium-payer as well as the life assured (for Discovery Life products), member (for Discovery Health products, Vitality, Vitality Active and Vitality drive), account holder (for Vitality Money) or driver (for Discovery Insure products) of that product at the time of the disability.

Please note:

- If you are both the premium-payer and life assured on more than one Life Plan, only the premiums attributable to the policy under which you are claiming for the Income Continuation Benefit and Top-up Income Continuation Benefit will be returned to you.
- If you are both the premium-payer and driver on more than one Discovery Insure policy, only the premiums attributable to the policy with the highest premiums will be returned.
- Premiums for the Discovery Retirement Optimiser policy on your Life Plan will be returned to you. However, this only applies to Discovery Retirement Optimiser policies linked to the Life Plan under which you are claiming for the Income Continuation Benefit and Top-up Income Continuation Benefit.

Should you have insured less than 75% of your monthly income (100% of your income if you have also selected the Top-up Income Continuation Benefit), the Contribution Protector payout will be reduced proportionately. If you insure yourself at the maximum amount of Income Protection allowed and as a result are insured for less than 75% of your total monthly income, the Contribution Protector payout will not be reduced proportionately.

The Contribution Protector payment is determined based on your premiums/contributions being paid at the time of claim, including normal annual contribution increases. Only automatic annual contribution increases while in claim are taken into account. Elective increases to premiums/contributions while in claim are not taken into account; however, decreases in premiums/contributions during claim will reduce the amount of this additional payment. The additional payment is subject to a maximum of 33% of the Income Continuation Benefit amount plus the Top-Up Income Continuation Benefit amount (if selected).

The benefit payment will cease on the earlier of:

- You returning to work (or recovering sufficiently, in the opinion of the medical panel of Discovery Life, to be able to return to work).
- Your disability meeting the Category A, B or D (if applicable to your occupation) definitions of disability reflected in Appendix 4 of the Individual Life Plan Guide.
- 24 monthly payments. If you recover or are rehabilitated before the full number of monthly payments has been made and claim again for the same cause within three months of recovery (the 'off-period'), the subsequent claim will not be regarded as a new event and thus you will only qualify for the balance of the monthly payments that have not yet been made.
- The end of the applicable payment period, in the case of claims under the LifeTime Severe Illness Underpin or the Injury and Hospitalisation Underpin.
- You reach age 65.
- Your death.

Disability Benefit Underpin.

Please note: All payments made will be subject to the Maximum Benefit Amount (Section 7.22.3).

7.16 WHAT HAPPENS IF I BECOME PERMANENTLY DISABLED BEFORE AGE 65?

This section explains the benefit payments made for permanent disability suffered prior to age 65.

7.16.1. HOW DO I QUALIFY FOR A PERMANENT DISABILITY CLAIM?

Your disability will be regarded as permanent if:

- Your disability meets the Category A definition of disability, as defined in Appendix 4; or
- Your disability meets the Category D definition (if applicable to your occupation), namely that it is established, to the satisfaction of Discovery Life, that you are totally and permanently unable to perform your nominated occupation (as indicated on your Policy Schedule) due to sickness, injury, disease or illness. Chronic fatigue syndrome (and any manifestations thereof) and fibromyalgia are excluded under Category D. Please note that Category D is not available to certain occupations. Please refer to your Policy Schedule to see if your occupation qualifies for Category D.

CAPITAL DISABILITY BENEFIT UNDERPIN

If you do not meet the Category A or D definitions above, you may still claim under the Capital Disability Benefit Underpin. This underpin pays 50% of your monthly Income Continuation Benefit amount for five years, if you suffer a Category B disability (as defined in Appendix 4). You will also receive 50% of your monthly Top-Up Income Continuation Benefit amount for 24 months.

7.16.2. CAN I PROTECT MY FULL INCOME IF I AM PERMANENTLY DISABLED?

For the Comprehensive Income Continuation Benefit, if your disability meets either the Category A (as defined in Appendix 4) **or** Category D (if applicable to your occupation) definition of permanent disability, you will qualify for Discovery Life's unique upgrade on permanent disability.

For the Essential Income Continuation Benefit, if your disability meets both the Category A (as defined in Appendix 4) **and** Category D (if applicable to your occupation) definitions of permanent disability, you will qualify for Discovery Life's unique upgrade on permanent disability.

The monthly income received from your Income Continuation Benefit on permanent disability will immediately be increased to 100% of your monthly income last declared by you to Discovery Life as reflected on your Policy Schedule, increased from that date to the date of commencement of the claim payment by the applicable annual benefit escalation rate, if your benefit amount meets the following criteria:

- If you have selected a monthly Income Continuation Benefit amount of 40% or more of your monthly income on the Comprehensive Income Continuation Benefit; or
- If you have selected a monthly Income Continuation Benefit amount of 75% of your monthly income on the Essential Income Continuation Benefit.

If you have selected a monthly Income Continuation Benefit of less than the amounts described above (as applicable), your monthly income received on your Income Continuation Benefit will immediately be increased to the following multiples of your monthly Income Continuation Benefit amount at the time of claim:

- 2.5 times on the Comprehensive Income Continuation Benefit; or
- 1.333 times on the Essential Income Continuation Benefit.

This upgrade is further subject to Discovery Life's Permanent Disability Maximum. This Permanent Disability Maximum is determined as follows:

The annual Permanent Disability Maximum level set by Discovery Life as at inception of your Income Continuation Benefit, increased from the benefit inception date to the date of commencement of the claim payment, by the annual benefit escalation rate applicable to your Income Continuation Benefit.

If you have been granted a concession to exceed any maximums, the amount payable on permanent disability will be your Income Continuation Benefit amount and the Permanent Disability Maximum will not apply.

If you have selected the Top-Up Income Continuation Benefit, your Top-Up Income Continuation Benefit amount may also pay out for up to 24 months on permanent disability (if applicable and subject to aggregation rules defined in Section 7.22.5).

The upgrade on permanent disability does not apply to the Top-Up Income Continuation Benefit or to claims paid under the Capital.

7.16.3. THERE IS NO WAITING PERIOD FOR PERMANENT DISABILITY CLAIMS

In the event of a qualifying permanent disability, the waiting period selected by you will be waived. This will also apply to any additional payments made under the Top-Up Income Continuation Benefit on permanent disability (if applicable and subject to aggregation rules defined in Section 7.22.5).

7.16.4. WHEN DO MY INCOME CONTINUATION BENEFIT AND TOP-UP INCOME CONTINUATION BENEFIT PAYMENTS ON PERMANENT DISABILITY END?

The Income Continuation Benefit pays out, as long as the benefit remains in force, until the earlier of:

- You receiving payment for five years, if you are claiming under the Capital Disability Benefit Underpin.
- The end of the month in which you turn 65.
- Your death.

The Top-up Income Continuation Benefit pays an income, as long as the benefit remains in force, until the earlier of:

- You receive 24 payments.
- You receive 24 payments for claims due to the same bodily injury or for the same or related condition, subject to necessary medical evidence, as determined by Discovery Life. This limit will be waived for subsequent, related occupational disability claims, if your claim event has occurred at least 24 months after the maximum number of claim payments has been received and you have been fully and continuously fulfilling the duties and responsibilities of your nominated occupation during this period.
- The end of the month in which you turn 65.
- Your death.

7.16.5. YOUR INCOME CONTINUATION BENEFIT AND TOP-UP INCOME CONTINUATION BENEFIT PREMIUMS WILL BE WAIVED DURING A CLAIM PERIOD

Your Income Continuation Benefit and Top-up Income Continuation Benefit automatically include the feature that the premiums for your Income Continuation Benefit and Top-up Income Continuation Benefit (if selected) will be waived until the benefit payments end if you are claiming under the following definitions:

- Category A (as defined in Appendix 4)
- Category D (if applicable to your occupation)
- Capital Disability Benefit Underpin.

7.16.6. HOW DOES THE PERFORMANCE BONUS PROTECTOR WORK?

The Performance Bonus Protector is an optional benefit that is only available on the Comprehensive Income Continuation Benefit. If you become permanently disabled (as defined in section 7.16.1, excluding Category B disability), the Performance Bonus Protector provides you with an additional series of annual benefit payments, with the first benefit payment being made 12 months after the qualifying permanent disability event. The remaining payments will be made annually, every 12 months after the first payment is made. The Performance Bonus Protector will make five annual payments in total.

The Performance Bonus Protector Benefit payments will be based on the Performance Bonus Protector Benefit amount increased by any Annual Benefit Increases before the disability event or In-Claim Escalation increases once you are in claim, as selected on your Income Continuation Benefit. An additional premium will be paid for the Performance Bonus Protector Benefit, which will be paid until the age of 65.

The Performance Bonus Protector Benefit pays out, as long as the benefit remains in force, until the earlier of:

- You receiving five benefit payments.
- The end of the month in which you turn 65.
- Your death.

Your Performance Bonus Protector Benefit premium will be waived if you are temporarily or permanently disabled (as defined in sections 7.15 and 7.16 respectively) and your Income Continuation Benefit premiums are waived.

The Performance Bonus Protector will only be available to salaried employees. Please note that if you are no longer a salaried employee, you are required to inform Discovery Life. If this information is not disclosed to Discovery Life, then Discovery Life will be entitled to follow any of the procedures as described in section 15.1. Clients will also be required to provide proof of their net of tax bonuses received over the previous three years at claim stage.

The benefit amount payable for claims under the Performance Bonus Protector Benefit is subject to a minimum of:

- Your Performance Bonus Protector Benefit amount; and
- 120% of the maximum of:
  - The net of tax bonus you received in the past year; and
  - The average net of tax bonus you received in the past three years.

For the purposes of this benefit, bonus is defined as any additional income earned from your nominated occupation over and above your income as defined in Section 7.13, as reflected on your tax certificate.

EXAMPLE:

You have selected the Performance Bonus Protector benefit and have a Performance Bonus Protector sum assured of R100 000. You become permanently disabled and the disability event qualifies for a benefit payment under the Performance Bonus Protector.

You received the following net of tax bonuses in the previous three years (starting from the latest net of tax bonus): R50 000; R90 000; R100 000, where your bonus in the last year was the payment of R50 000. The Performance Bonus Protector benefit payment will therefore be the greater of the bonus you received in the last year and the average bonus you received in the last three years, multiplied by 120%. The benefit payment will be equal to R96 000 [120% x Max {R50 000, (R50 000 + R90 000 + R100 000) ÷ 3}].
Since the benefit does not exceed the maximum sum assured of R100 000 it will be paid in full.

Please note that:

- All Category D claims for Chronic Fatigue Syndrome, Fibromyalgia, Mental, Behavioural and lower back issues will be excluded for any claims pay-out under the Performance Bonus Protector Benefit.
- On permanent disability, the permanent upgrade will not be applied to the Bonus Protector sum assured.

7.17 WHAT HAPPENS IF I BECOME PERMANENTLY DISABLED AFTER AGE 65?

This section explains the benefit payments made for disability suffered after the end of the month in which you turn age 65.

7.17.1. HOW DO I QUALIFY FOR A POST-RETIREMENT DISABILITY CLAIM?

Your claims will be assessed according to post-retirement claims criteria (as per Appendix 12). Should you qualify for a claim, the monthly benefit payment will be based on your whole of life cover amount (as per section 7.17.2) and the payment percentage associated with your condition, where each condition is associated with a payment percentage of either 100%, 75% or 50% (as per Appendix 12). Should you meet multiple post-retirement claims criteria, your monthly payment will be based on the highest payment percentage for which you qualify.

If you are in claim for permanent disability when you reach the end of the month in which you turn 65 and you meet any of the post-retirement claims criteria, you will automatically qualify for whole of life payments based on the new insured amount and the payment percentage for which you qualify. In the event that your condition does not meet any of the post-retirement claims criteria at that the end of the month in which you turn 65, or if you are not in claim at that point, no claim will be payable at that time.

Note that a 14 day survival period applies to post-retirement disability claims. This means that you will have to survive for at least 14 days following the applicable disability event in order to qualify for a benefit payment.

7.17.2. HOW MUCH OF MY INCOME CAN I PROTECT AFTER AGE 65?

At the end of the month in which you turn 65, your Income Continuation Benefit cover amount will be converted into Long-term Care cover. The amount that will convert is based on your waiting period as at the end of the month in which you turn 65, and the Income Continuation Benefit option you qualify for as per the following table:

	PERCENTAGE OF YOUR INCOME CONTINUATION BENEFIT COVER AMOUNT THAT CONVERTS TO LONG-TERM CARE COVER	
SELECTED WAITING PERIOD	COMPREHENSIVE INCOME CONTINUATION BENEFIT	ESSENTIAL INCOME CONTINUATION BENEFIT
Seven days	70%	50.75%
One month	50%	36.25%
Three months	35%	25.375%
Twelve months	20%	14.5%

Your monthly premium for the Income Continuation Benefit will remain the same at the point of your cover converting to Long-Term Care cover and will continue to increase with Annual Contribution increases. If you are in claim at age 65 your Income Continuation Benefit Cover Amount that converts will be your Income Continuation Benefit when your claim began increased with Annual Benefit Increases up to age 65.

Once you qualify for a claim, your Long-Term Care benefit will increase with your selected in-claim escalation rate from that point onwards.

EXAMPLE:

Consider a client that is about to reach age 65 with the Comprehensive Income Continuation Benefit and a one month waiting period. Suppose further that the client has declared an income of R60 000 per month and has insured R40 000 per month.

At the end of the month in which the client turns age 65, the Income Continuation Benefit cover amount will convert to Long-Term Care cover. This means that the Income Continuation Benefit cover amount as at age 65 will be multiplied by 50%, giving the client whole of life cover of R20 000 (= R40 000 x 50%). If the client is in claim at this time, the claim will be reassessed according to the post-retirement claims criteria (as per Appendix 12). If the client qualifies for a claim, and the payment percentage associated with the claim condition is 50%, the client will be paid out R10 000 per month, increased with in-claim escalation, for the rest of their life. If the client qualifies for a claim condition with a payment percentage of 100% at a later date, the payment will increase to R20 000 from the time of qualifying for a claim at the higher severity (increased with annual benefit increases).

Note that your Top-Up Income Continuation Benefit and Performance Bonus Protector (if selected) as well as the premiums for these benefits will fall away at the end of the month in which you turn 65.

All payments made will be subject to the Maximum Benefit Amount (Section 7.22.3).

If you are in claim for permanent disability at age 65 or you qualify for a permanent disability claim after age 65, you will receive a once-off lump sum equal to 12 times the monthly Long-term Care cover amount, in addition to the monthly benefit payments. For claims arising after age 65 this payment is only made if you survive for at least 14 days following the applicable disability event. The payment percentage associated with each condition will not be applied to this benefit amount and this benefit amount will not be included in the calculation of the Maximum Benefit Amount (Section 7.22.3).

7.17.3. THERE IS NO WAITING PERIOD FOR DISABILITY CLAIMS AFTER AGE 65

In the event of a post-retirement disability (as specified in Section 7.17.1), the waiting period selected by you will be waived. However a 14 day survival period applies to post-retirement disability claims.

7.17.4. WHEN DO MY POST-RETIREMENT BENEFIT PAYMENTS END?

Your whole of life cover will pay an income, as long as the benefit remains in force, until death.

7.17.5. YOUR INCOME CONTINUATION BENEFIT PREMIUMS WILL BE WAIVED

Your Income Continuation Benefit automatically includes the feature that your premiums for your Income Continuation Benefit will be waived while you are claiming under the post-retirement claims criteria (as per Appendix 12).

7.17.6. HOW DOES THE CONTRIBUTION PROTECTOR WORK?

This benefit is automatically included in the Comprehensive Income Continuation Benefit i.e. if you have a Classic or Purple Life Plan. You will be entitled to the benefits of the Contribution Protector if you are claiming under the post-retirement claims criteria (as per Appendix 12).

Discovery Life's Contribution Protector will pay up to 100% of all your premiums/contributions, which you were paying before meeting the requirements for a post-retirement claim (as specified in Section 7.17.1) for your Life Plan (excluding the premiums for the Income Continuation Benefit that are waived in full), Discovery Retirement Optimiser, qualifying health plans on participating medical schemes administered by Discovery Health, Discovery Insure, Medical Premium Waiver, Gap Cover, Supplementary Gap Cover, Global Education Protector, Vitality, Vitality Active, Vitality drive and Vitality Money.

In order for the Contribution Protector to pay out the contributions for a certain Discovery product, the life who suffered the disability must be the premium-payer as well as the life assured (for Discovery Life products), member (for Discovery Health products, Vitality, Vitality Active and Vitality drive), account holder (for Vitality Money) or driver (for Discovery Insure products) of that product at the time of the disability.

Please note:

- If you are both the premium-payer and life assured of more than one Life Plan, only the premiums attributable to the policy under which you are claiming for the Income Continuation Benefit will be returned to you.

- If you are both the premium-payer and driver of more than one Discovery Insure policy, only the premiums attributable to the policy with the highest premiums will be returned.
- Premiums for the Discovery Retirement Optimiser policy on your Life Plan will be returned to you. However, this only applies to Discovery Retirement Optimiser policies linked to the Life Plan under which you are claiming for the Income Continuation Benefit, and only if your Discovery Retirement Optimiser remains in force and you have not reached your selected retirement age. You will not be able to extend your selected retirement age during the time that you are claiming for the Income Continuation Benefit.

The Contribution Protector amount will be limited as follows:

- Should you have insured less than 75% of your monthly income (100% of your income if you have also selected the Top-Up Income Continuation Benefit) prior to the cover converting to whole of life cover (at the end of the month before you turn age 65), the payout will be reduced proportionately. If you insured yourself at the maximum amount of Income Protection allowed and as a result were insured for less than 75% of your total monthly income at that time, the Contribution Protector payout will not be reduced proportionately.
- The Contribution Protector payment is subject to a maximum of 33% of the Income Continuation Benefit amount plus the Top-Up Income Continuation Benefit amount (if selected) prior to the cover converting to whole of life cover (at the end of the month before you turn age 65), increased at each anniversary by your selected annual benefit increase.

The benefit payment will cease on the earlier of:

- 24 monthly payments. You may only qualify for one Contribution Protector claim after your cover converts to whole of life cover Your death.

7.17.7. CAN I STILL CLAIM FOR OCCUPATIONAL DISABILITY POST 65?

Discovery Life offers occupational coverage for you if you are still working after age 65. The cover is offered for five years, until the end of the month in which you turn 70.

If you are in claim at age 65 under any occupational underpins, these will fall away after 65. No cover will be provided for these underpins after age 65.

Should you qualify for a claim before the age of 70 you will receive your monthly Long-Term Care Cover Amount (Section 7.17.2) increased with Annual Benefit Increases up to the time of the claim. Your Top-Up Income Continuation Benefit, if selected, will be excluded.

You will be able to claim for both Temporary and Permanent disability under the following underpins:

- Temporary Disability (as described in section 7.15)
  - Loss of Income Underpin
  - Automatic Sickness Underpin.
- Permanent Disability (as described in section 7.16)
  - This will be assessed under Category D definitions only.
- The Post-Retirement Claims criteria (as defined in Appendix 12).

These payments will be paid, as long as your Income Continuation Benefit remains in force, until the earlier of:

- You having recovered sufficiently to return to work.
- The end of the month in which you turn 70.
- Your death.

Should you meet the definitions of multiple claims criteria, your monthly payment will be based on the highest payment percentage for which you qualify.

Even though no waiting period applies, note that a 14 day survival period does apply to this benefit. This means that you will have to survive for at least 14 days following the applicable disability event in order to qualify for a benefit payment.

Please note that you will have to provide proof that you were still working at the point in time when the disability event occurred. Additionally, the permanent upgrades will not be applied to the benefit amount.

If you are in claim when you reach the end of the month in which you turn 70 and you meet any of the post-retirement claims criteria, you will automatically qualify for Long-Term Care cover payments based on the insured amount as described in section 7.17.2 and the payment percentage for which you qualify. In the event that your condition does not meet any of the post-retirement claims criteria at the end of the month in which you turn 70, no claim will be payable at that time.

7.18 GUARANTEED INSURABILITY BENEFIT

The Guaranteed Insurability Benefit is automatically included on both Comprehensive Income Continuation Benefit and Essential Income Continuation Benefit. This benefit allows you to increase your Income Continuation Benefit and/or Top-Up Income Continuation Benefit amounts by a maximum of 20% on every third anniversary before your 50th birthday, without evidence of health or insurability.

You will need to provide proof of income when increasing you cover through the Guaranteed Insurability Benefit.

Discovery Life reserves the right to request the assured lives to undergo a test for Human Immunodeficiency Virus (HIV) antibodies, before granting increased cover. If any of the assured lives tests HIV-positive, Discovery Life has the right to modify or cancel the Guaranteed Insurability Benefit. Premiums for cover resulting from exercising options will be payable from the date of the option being exercised. This benefit is only available if you have not been disabled or made a claim under the Income Continuation Benefit during the three-year period up to and including the relevant option date. The maximum number of options that may be exercised is six.

Note: You will still be subject to all maximum benefit amount rules that apply to the Income Continuation Benefit and Top-Up Income Continuation Benefit if you decide to exercise this option.

7.19 FAMILY PROTECTOR

The Family Protector Benefit is automatically included in the Comprehensive Income Continuation Benefit. This benefit will pay your Income Continuation Benefit amount and Top-Up Income Continuation Benefit amount (if applicable), increased by the applicable benefit escalation rate to the time of claim, for up to six months if your spouse or children suffer a severe illness (Severity A or B, as defined in Appendix 1). Claim payments will remain level and will not be increased by your benefit escalation rate or in-claim escalation rate while this benefit is being paid.

The Family Protector will also pay your Income Continuation Benefit amount and Top-Up Income Continuation Benefit amount (if applicable), increased by the applicable benefit escalation rate to the time of claim, for one month if your spouse dies.

A maximum of six monthly payouts for any related severe illness conditions or conditions in the same body system will apply. You may however claim for subsequent claims where the condition is unrelated to the previous claim and is in a different body system. Payments for severe illnesses will only be made if your spouse or child is alive at the time of payment. Payments will be made at the end of each month when claiming and will be paid pro rata for the month in which the spouse or child dies if death occurs before the end of the benefit payment period.

The waiting period does not apply to this benefit. A claim will be paid as soon as it has been approved, and irrespective of your chosen waiting period. These payments will also not be regarded as income received from a disability income/sickness benefit for aggregation purposes (see Section 7.22.5).

This benefit and all claim payments will expire on the earlier of:

- The end of the month in which you turn 65.
- Your death.
- If your spouse is older than you, both the spouse severe illness and spouse death benefits will expire at the end of the month in which your spouse turns age 65.
- For your child, the child severe illness criteria under the Family Protector expires at the end of the month in which your child turns 19.

The cover for your spouse and each child in the family is provided without medical underwriting, but excludes pre-existing medical conditions affecting your spouse or child that you or your spouse or child knew about or sought medical attention for at any time in the past or at the time of taking up the benefit.

A spouse is defined as a person who is the permanent life partner or spouse or civil union partner of a member in accordance with the Marriage Act, the Recognition of Customary Marriages Act, or the Civil Union Act or the tenets of any religion.

The child must be the biological child of the life assured or must have been legally adopted to qualify for a benefit payment.

7.20 MATERNITY PREMIUM WAIVER BENEFIT

The Maternity Premium Waiver Benefit is automatically included in the Comprehensive Income Continuation Benefit, with a waiting period of 7 days or 1 month, for females. If you give birth or adopt a child, we will waive your Discovery Life Plan premiums (excluding Discovery Retirement Optimiser, Vitality and Vitality Active premiums) for four months. You will need to provide a birth certificate or adoption papers in order to be able to claim under the Maternity Benefit. A maximum of two births/adoptions will qualify for the Maternity Benefit per insured life.

Maternities or adoptions that occur within the first year of the Income Continuation Benefit's inception will not qualify under the Maternity Benefit.

7.21 FACTORS AFFECTING THE BENEFIT AMOUNT PAYABLE BEFORE YOU CLAIM

7.21.1 BENEFIT ESCALATION RATE

Your Performance Bonus Protector, Income Continuation Benefit and Top-Up Income Continuation Benefit amounts will increase on each policy anniversary by the benefit escalation rate you chose. The benefit escalation rate will also apply during the waiting period. The same benefit escalation rate will apply to the Performance Bonus Protector, Income Continuation Benefit and Top-Up Income Continuation Benefit.

This benefit escalation rate need not be the same as that selected for other benefits on your Life Plan.

7.21.2 CAN I INCREASE MY MONTHLY INCOME BY MORE THAN THE BENEFIT ESCALATION RATE?

You may apply to Discovery Life to increase your Income Continuation Benefit and/or Top-Up Income Continuation Benefit amounts as well as your Performance Bonus Protector sum assured at any point in time. Granting these additional benefits will be subject to medical and financial underwriting (except if you are increasing your benefit through the Guaranteed Insurability Benefit), as well as the annual maximum benefit levels set by Discovery Life.

Any increase to your Income Continuation Benefit amount will be subject to Discovery's Income Continuation Benefit maximum of 75% of your income, while any increase to your Top-up Income Continuation Benefit amount will be subject to Discovery's Top-up Income Continuation Benefit maximum of 25% of your income. In addition, the increased Top-up Income Continuation Benefit amount plus your Income Continuation Benefit amount cannot exceed your total income. Changing your Income Continuation Benefit amount may also affect the upgrade you are entitled to on permanent disability (see Section 7.16.2).

Please note: Discovery Life will request confirmation of your income to determine the upgrade that you will qualify for in the event of a permanent disability claim.

7.22 FACTORS AFFECTING THE BENEFIT AMOUNT PAYABLE WHILE YOU ARE CLAIMING

7.22.1 IN-CLAIM ESCALATION RATE

Once your monthly income payments commence, your monthly Income Continuation Benefit and Top-up Income Continuation Benefit (if selected) will increase or remain level, depending on your chosen in-claim escalation rate. Your chosen in-claim escalation rate will also apply to Performance Bonus Protector payments on an annual basis.

You can choose for your payments to:

- Remain level, or
- Increase annually in line with inflation, subject to a maximum increase of 10% per year, or
- Increase annually at a rate of inflation plus 3%, subject to a maximum increase of 13% per year (this option is only available on the Comprehensive Income Continuation Benefit).

These increases will be effective after each 12-month period of benefit payments. Discovery Life will use the CPI figure as released by Statistics South Africa three months before the in-claim escalation anniversary.

If you recover and your income payments are stopped, the Income Continuation Benefit and Top-up Income Continuation Benefit will change back to the amount that would have applied if no claim had been submitted. In other words, your benefit amounts will revert to the benefit amount that applied at the start of your claim payments, increased by any applicable benefit escalation rates for the duration that you were receiving payments.

7.22.2 PARTIAL PAYMENTS

If you are claiming under the Automatic Sickness Underpin and you are only partially booked off work due to injury or disability, your monthly payments (including, where applicable, your Income Continuation Benefit, Top-up Income Continuation Benefit, Contribution Protector and Overhead Expenses Benefit) will be reduced proportionately for the period during which you are booked off work. For example, if your doctor indicates in the Claim Declaration Form that you were booked off for half a day's work, Discovery Life will pay 50% of your monthly payments. Discovery Life will determine the partial payment based on an eight hour working day.

The minimum payment will be 25% of your monthly Income Continuation Benefit and Top-up Income Continuation Benefit (if applicable). Amounts less than 25% will not qualify for payment. All partial payments are further subject to Discovery Life's Maximum Benefit Amount on temporary disability (defined in Section 7.22.3) and aggregation rules (defined in Section 7.22.5).

These rules will also apply to claims for occupational disability after age 65.

7.22.3 MAXIMUM BENEFIT AMOUNT

If you are temporarily disabled, the benefit amount payable for claims under the Income Continuation Benefit is subject to a maximum of 75% of your pre-disability income. The benefit amount payable under the Top-up Income Continuation Benefit is subject to a maximum of 25% of your pre-disability income. Additionally, for the first 24 months after the disability event, the sum of the benefit amounts payable for the Income Continuation Benefit and the Top-up Income Continuation Benefit is subject to a maximum of 100% of your pre-disability income. These maximum benefit amounts also apply to the Family Protector.

Discovery Life will pay your claim after your selected waiting period, as defined in Section 7.14, has expired and provided that you meet the requirements for a claim.

If you are permanently disabled (before age 65), this maximum is 100% of your pre-disability income if you have selected the following Income Continuation Benefit amounts (as applicable):

- Greater than or equal to 40% of your income on the Comprehensive Income Continuation Benefit; or
- Equal to 75% of your income on the Essential Income Continuation Benefit.

If you have selected an Income Continuation Benefit amount less than the amounts above, your benefit will be limited to the lower of your income and the sum of your Top-up Income Continuation Benefit amount (for the first two years of disability) and the following multiples of your monthly Income Continuation Benefit amount:

- 2.5 times on the Comprehensive Income Continuation Benefit; or
- 1.333 times on the Essential Income Continuation Benefit.

Payments from the Contribution Protector and once-off lump sum benefit under Long-term Care are not included in the above calculations. Therefore, you will receive these benefit payments in addition to the payments received under the Income Continuation Benefit and Top-up Income Continuation Benefit. However, if your payments from the Income Continuation Benefit and Top-Up Income Continuation Benefit (if applicable) are reduced, the payments from the Contribution Protector will be based on the reduced Income Continuation Benefit and Top-Up Income Continuation Benefit (if applicable).

If you have selected the Performance Bonus Protector benefit and you become permanently disabled, you will be entitled to a total of five annual payments which are subject to a minimum of:

- Your Performance Bonus Protector Benefit amount; and
- 120% of the maximum of:
  - The net of tax bonus you received in the past year; and
  - The average net of tax bonus you received in the past three years.

Your selected Performance Bonus Protector, Income Continuation Benefit and Top-up Income Continuation Benefit amounts, payable in the event of your disability, are stated on your Policy Schedule.

7.22.4 AGGREGATION OF INCOME EARNED WHILE DISABLED

The aggregation of the benefits on temporary disability will be calculated according to the following table:

DEFINITION UNDER WHICH YOU CLAIM	PERCENTAGE OF YOUR MAXIMUM BENEFIT AMOUNT ON TEMPORARY DISABILITY
Automatic Sickness Underpin	Not impacted
LifeTime Severe Illness Underpin	Not impacted
Injury and Hospitalisation Underpin	Not impacted
Loss of Income Underpin	• In the first 24 months after your disability, your claim amount will only be reduced to the extent that your Maximum Benefit Amount on temporary disability plus income earned, exceeds 105% of your pre-disability income. • Thereafter, your claim amount will be reduced to the extent that your Maximum Benefit Amount on temporary disability plus income still earned, exceeds 75% of your pre-disability income.

A claim amount will only be paid if you are unable perform more than 25% of the main duties of your nominated occupation.

The aggregation of benefits on permanent disability will be calculated according to the following table:

DEFINITION UNDER WHICH YOU CLAIM	PERCENTAGE OF YOUR MAXIMUM BENEFIT AMOUNT ON PERMANENT DISABILITY
Capital Disability Benefit Underpin	Not impacted
Category A disability (on Classic and Purple Life Plans) as defined in Appendix 4	Not impacted
• Category D disability as defined in Appendix 4 (if applicable to your occupation) (on the Comprehensive Income Continuation Benefit) • Category D disability as defined in Appendix 4 (if applicable to your occupation) **and** Category A disability as defined in Appendix 4 (on the Essential Income Continuation Benefit)	• In the first 24 months following your disability, your claim amount will only be reduced to the extent that your Maximum Benefit Amount on permanent disability plus income earned, exceeds 130% of your pre-disability income. • Thereafter, your claim amount will be reduced to the extent that your Maximum Benefit Amount on permanent disability plus income earned, exceeds 100% of your pre-disability income.
Post-retirement claims criteria as defined in Appendix 12	• N/A

Note:

You must notify Discovery Life if you start earning an income while a claim is in payment under the loss of income definition, Category D disability on the Comprehensive and Essential Income Continuation Benefits or Category A disability on the Essential Income Continuation Benefit. Should Discovery Life determine that we were not notified of this while a claim was in payment, Discovery Life may recover any amount that was paid in excess of the amount that would have been paid if you had notified us that you were earning an income.

Discovery Life will not reduce the benefit payments under the Loss of Income Underpin, Category D disability on the Comprehensive Income Continuation Benefit or Category A and D disability on the Essential Income Continuation Benefit as a result of the following earnings:

- Interest
- Rent
- Dividends (however, dividends payable by a private company/close corporation of which you are the owner and in terms of which you actively participate in the management of the company will not be excluded)
- Earnings generated before disability but only received after disability
- Additional payments from the Contribution Protector and once-off lump sum benefit under Long-term Care
- Any payments received from the Performance Bonus Protector.

7.22.5 AGGREGATION OF INCOME RECEIVED FROM OTHER INCOME OR SICKNESS BENEFITS

If you receive disability income or sickness benefits from other policies and these benefits together with your claim amount (as defined in Section 7.22.4) exceed the maximum benefit adjustment as defined below, the payment made to you will be adjusted proportionately. This adjustment will only apply up to the end of the month in which you turn 65. The formula to calculate the adjusted payment is as follows:

[(claim amount)/(claim amount + benefit amounts from other disability income or sickness benefits)] x maximum benefit adjustment

The claim amount, referred to in the above formula, is defined in Section 7.22.4 above. The maximum benefit adjustment in the above formula is calculated as follows:

- On temporary disability:
  - 100% of your pre-disability income in the first 24 months following your disability
  - 75% of your pre-disability income thereafter.
- On permanent disability (up to age 65):
  - 100% of your pre-disability income.

Finally, your payment will be subject to your Permanent Disability Maximum (as defined in Section 7.16.2), if you qualify for the upgrade on permanent disability.

If you claim under the LifeTime Severe Illness Benefit Underpin, the LifeTime Severity Upgrades applicable to your severe illness will only be applied to your benefit payment after your benefit amount has been aggregated with amounts received from other disability income or sickness benefits. This ensures that the LifeTime Severity Upgrades do not form part of the benefit amount that is aggregated.

7.22.6 YOU WILL RECEIVE THE HIGHEST PAYMENT

It is possible for you to meet more than one of the criteria for claims under the Income Continuation Benefit and Top-Up Income Continuation Benefit. In these instances, Discovery Life will always pay the higher of the payments applicable to the definitions under which you claim, after your claim amount has been calculated (see Section 7.22.4) and aggregation has been applied (see Section 7.22.5).

7.23 OVERHEAD EXPENSES BENEFIT

7.23.1 CAN I RECEIVE AN ADDITIONAL INCOME TO COVER MY MONTHLY BUSINESS OVERHEAD EXPENSES?

The Overhead Expenses Benefit pays you, or in the case of a business-owned policy, the business, a regular income should your share of the qualifying overhead expenses not be met as a result of your becoming fully or partially unable to follow your nominated occupation, due to injury or illness as indicated in the Policy Schedule. These monthly expenses must continue during the period of disability.

Your share of qualifying overhead expenses will be determined as follows:

- The normal running expenses of the business incurred by your carrying out your nominated occupation
- Less: your share of depreciation, capital repayments on any outstanding debt, lease payments where the lease is not an essential part of the business, the cost of stock or goods, professional and other fees incurred in the course of your business, drawing accounts, your salary or other earnings (including retirement funding contributions) or the salary or other earnings of any member of your family, or another assured member who is self-employed, as well as the portion of all other expenditure related to personal expenses rather than business expenses.

Note:

Should you not have correctly disclosed your share of qualifying overhead expenses to us at application stage or when you have effected changes to the policy, Discovery Life reserves the right to recoup any benefit overpayments as well as terminate the benefit with no further benefit payments.

The Top-Up Income Continuation Benefit does not apply to the Overhead Expenses Benefit.

The benefit will commence after being disabled due to injury or illness for at least the duration of the waiting period. You can select a waiting period of either seven days or one month.

If you have selected the seven-day waiting period, benefit payments may be made retrospectively from day one of the illness or injury, provided the illness or injury has lasted at least seven consecutive calendar days. Retrospective payments will only be made in certain instances. Please see Section 7.15 for the full set of circumstances under which we will make retrospective payments.

If you are a professional in private practice or partnership, and you have chosen the one-month waiting period, benefit payments will be made retrospectively from day one of the illness or injury, if the illness or injury has lasted at least 30 consecutive days. This retrospective payment will only be made in the same instances as defined for the seven-day waiting period described above. This benefit applies to the list of professionals in Appendix 13 in private practice/ partnership, working in the professional occupation at the time of claim. Discovery Life may review and amend this list from time to time.

In order to claim for the Overhead Expenses Benefit, you and your treating doctor will still be required to complete Discovery Life's Overhead Expenses Benefit claims forms. Discovery Life reserves the right to request additional medical information.

The benefit amount payable for claims under the Overhead Expenses Benefit is subject to a maximum of 100% of the average amount of your share of qualifying overhead expenses incurred during the 12-month period before disability. This is defined as your Overhead Expenses Benefit Maximum Benefit Amount. If your overheads are of a variable nature, Discovery Life may determine a period other than 12 months to calculate average monthly overheads. You have 90 days from the commencement of the benefit payments to prove your share of qualifying overhead expenses incurred over the last 12 months before disability. This is referred to as the evidence free period.

Should you not have correctly disclosed your share of qualifying overhead expenses to us during this evidence-free period, Discovery Life reserves the right to recoup any benefit overpayments.

Your benefit payment will not be reduced by income earned by your or your business during the period of disability. However, if you receive the same or similar benefits from other policies and these benefits together with the calculated claim amount for the Overhead Expenses Benefit above, exceed the Overhead Expenses Benefit Maximum Benefit Amount, payments made to you will be adjusted proportionately.

The formula to calculate the adjusted payment is as follows:

[claim amount for the Overhead Expenses Benefit/(claim amount for the Overhead Expenses Benefit + benefit amounts for the same or similar benefits under other policies)] x Overhead Expenses Benefit Maximum Benefit Amount

The benefit payments are also subject to Discovery Life's maximum monthly benefit limits, which are determined as follows:

- The maximum monthly benefit limit set by Discovery Life as at inception of your Overhead Expenses Benefit, increased from the benefit inception date to the date of commencement of the claim payment, by the annual benefit escalation rate applicable to your Overhead Expenses Benefit.

Any Overhead Expenses Benefit income payments will be limited by whichever of the following events occurs first:

- You recover sufficiently to return to work.
- A two-year benefit payment period from commencement of monthly benefit payments. This two-year period is deemed to be continuous if you have returned to work for a period of less than one year.
- Your share of the business being sold or if the business is no longer a going concern.
- At the end of the month in which you turn 60, 65 or 70 (depending on the benefit expiry age you selected).

Benefit payments will also cease in the event of any of the following:

- If you unreasonably refuse to undergo or are not complying with recommended medical treatment or rehabilitation to reduce your disability. Recommended medical treatment will be as defined by your treating HPCSA registered specialist in conjunction with the Discovery Life medical panel.
- If you fail to provide Discovery Life with satisfactory proof of your disability within 30 days of being requested to do so, and if you fail to submit to a physical examination and tests at Discovery Life's request and expense. If you cannot provide this proof, the payment of benefits will terminate.
- If you are not performing your nominated occupation for three consecutive months before your claim.
- If you fail to inform Discovery Life of a change in your occupation. We reserve the right to terminate your Overhead Expenses Benefit if your new occupation would not normally be covered by your policy.
- On your death.

7.23.2 HOW DOES THE 'ESCALATION IN CLAIM' BENEFIT WORK?

Once your monthly income payments commence, your monthly Overhead Expenses Benefit (if selected) will increase or remain level, depending on your chosen in-claim escalation rate.

You can choose for your payments to:

- Remain level, or
- Increase annually in line with inflation, subject to a maximum increase of 10% per year.

These increases will be effective after each 12-month period of benefit payments. Discovery Life will use the CPI figure as released by Statistics South Africa three months before the in-claim escalation anniversary.

If you recover and your payments are stopped, the Overhead Expenses Benefit will change back to the amount that would have applied if no claim had been submitted. In other words, your benefit amounts will revert to the benefit amount that applied at the start of your claim payments, increased by any applicable benefit escalation rates for the duration that you were receiving payments.

7.24 TAXATION OF INCOME CONTINUATION BENEFITS AND PREMIUMS

This Section details the tax treatment of your premiums and benefit payments, in accordance with current tax practice.

Discovery Life reserves the right to adjust the benefits and/or premiums applicable to your Income Continuation Benefit and Top-Up Income Continuation Benefit in the event of a change to the tax laws applicable to these benefits.

The benefit payments under the Income Continuation Benefit, Top-Up Income Continuation Benefit, Buy-up Income Continuation Fund and Performance Bonus Protector will generally not be subject to tax in most instances.

In addition, the premiums for the Income Continuation Benefit, Top-Up Income Continuation Benefit, Buy-up Income Continuation Fund and Performance Bonus Protector are not tax-deductible.

7.25 THE INCOME CONTINUATION BENEFIT AND THE LIFE FUND

Benefit payments for the Income Continuation Benefit, Top-Up Income Continuation Benefit and Overhead Expenses Benefit have no impact on your Life Fund cover amount.

Your Income Continuation Benefit, Top-Up Income Continuation Benefit and Overhead Expenses Benefit payments will also not be reduced if your Life Fund is entirely depleted as a result of a claim while receiving the Income Continuation Benefit, Top-Up Income Continuation Benefit and Overhead Expenses Benefit payments.

7.25.1 HOW LONG DO I HAVE TO SUBMIT A CLAIM?

You have three months from the date of your injury or illness to submit your claim.

7.25.2 ARE THERE ANY OTHER REASONS WHY MY BENEFIT PAYMENTS COULD END?

Payment of any benefits will be terminated in the following circumstances:

- If you unreasonably refuse to undergo or are not complying with recommended medical treatment or rehabilitation to reduce the extent of your disability or illness. Recommended medical treatment will be as defined by your treating HPCSA registered specialist in conjunction with the Discovery Life medical panel.
- If you fail to provide Discovery Life with satisfactory proof of your disability within 30 days of being requested to do so, and if you fail to submit to a physical examination and tests at Discovery Life's request and expense. If you cannot provide this proof, the payment of benefits will terminate.
- If you are not performing your nominated occupation for three consecutive months before your claim. Note that this requirement does not apply to clients who are on Sabbatical, or those who returned to work following a period of retrenchment, at the time of claim.
- If you fail to inform Discovery Life of a change in your occupation. We reserve the right to terminate your Income Continuation Benefit, Top-Up Income Continuation Benefit and Overhead Expenses Benefit if your new occupation would not normally be covered by your policy.
- On termination of your policy for any reason whatsoever.
- If you cancel your life cover. Your Life Fund needs to be active for you to continue receiving Income Continuation Benefit payments.
- If you are claiming under the Loss of Income Underpin or Category D (if applicable to your occupation) and you recover sufficiently to return to work (in the opinion of Discovery Life's medical panel).

7.26 ARE THERE ANY OTHER REASONS WHY MY CLAIM COULD BE REFUSED?

Discovery Life reserves the right to refuse claims for Income Continuation Benefit, Top-Up Income Continuation Benefit and Overhead Expenses Benefit when the claims are a result of any of the following:

- Treatment/rehabilitation for alcohol or substance abuse
- Routine pregnancy, including maternity leave (complications of pregnancy will be covered provided they are confirmed by your treating gynaecologist). The first 30 days after the birth of a baby will be regarded as maternity leave regardless of the waiting period selected.
- All cosmetic procedures (reconstructive surgical procedures where a medical condition is present will be covered)
- Organ donation.

The above exclusions apply in addition to the terms and conditions stated in Section 16.

7.27 INCOME CONTINUATION FUND

7.27.1 HOW DOES THE INCOME CONTINUATION FUND WORK?

This benefit is only available on the Comprehensive Income Continuation Benefit i.e. if you have a Classic or Purple Life Plan. If your Life Plan is Health, Vitality or Active Integrated, you automatically receive the Default Income Continuation Fund, which pays out as ten equal annual instalments from the end of the month in which you turn 65. The Default Income Continuation Fund automatically contributes 10% of your Income Continuation Benefit and Top-Up Income Continuation Benefit sums assured to your Income Continuation Fund at the start of each policy year until the policy year in which you turn age 65. Any increase in your Income Continuation Benefit and Top-up Income Continuation Benefit sums assured after the age of 56 will not be taken into account in calculating this benefit.

EXAMPLE:

If you have selected an Income Continuation Benefit amount of R15 000, R1 500 will be added to your Income Continuation Fund at the start of the year. If your Income Continuation Benefit sum assured increases to R16 000 in the second year, R1 600 will be added to your Income Continuation Fund at the start of the second year. This occurs at the start of each policy year until the policy year in which you turn age 65.

BUY-UP INCOME CONTINUATION FUND

You may add the Buy-up Income Continuation Fund to your policy, for an additional premium, if you qualify for the Default Income Continuation Fund and have selected a 7-day or 1-month Income Continuation Benefit waiting period. Under the Buy-Up Income Continuation Fund, 90% of your Income Continuation Benefit and Top-Up Income Continuation Benefit sums assured will also be added to your Income Continuation Fund. This will happen at the start of each policy year for 20 years, or until the start of the policy year in which you turn age 65 if earlier. No amounts will be added to the fund when you are in claim. An additional premium will be paid for the Buy-Up Income Continuation Fund.

EXAMPLE:

If you have selected an Income Continuation Benefit sum assured of R15 000 and add the Buy-Up Income Continuation Fund, R13 500 will be added to your Income Continuation Fund at the start of the policy year. The R1 500 will be added through your Default Income Continuation Fund, as described in the above example, giving a total transferred amount into your Income Continuation Fund of R15 000 in your first year.

Your Income Continuation Fund will accumulate with contributions from your Default and Buy-up Income Continuation Funds, as well as increasing with the selected Annual Benefit Increase on your Income Continuation Benefit and an annual adjustment factor (described in section 7.27.2) up until age 65. Your accumulated Income Continuation Fund will be paid to you in ten equal tax free (under current tax practice) annual instalments (i.e. 10% of the fund at age 65 will be paid annually) starting at the end of the month in which you turn 65, provided that your policy and Income Continuation Benefit is still in force at the time of a benefit payment being made. No further growth will apply to the accumulated Income Continuation Fund once the benefit starts to be paid. Note that pay-outs from the fund will be as per the amounts shown in your Policy Schedule.

EXAMPLE:

At the end of the month in which you turn 65 (which is not the same date as your policy anniversary date), your Income Continuation Fund is equal to R1 000 000. You will receive a benefit payment of R100 000 at this time and R100 000 annually thereafter until ten benefit payments have been made.

The premiums for the Buy-up Income Continuation Fund will be paid for 20 years, or up to the end of the month in which you turn age 65 if earlier. Please note that the premium guarantees described in Section 4.8 do not apply to this benefit and the premium for this benefit may be annually reviewable in light of a significant difference between current experience and the assumptions used when pricing, and with due consideration to the general economic and regulatory environment.

7.27.2 HOW DOES THE INCOME CONTINUATION FUND ADJUST ON AN ANNUAL BASIS?

The Income Continuation Fund will be adjusted at each policy anniversary by the selected Annual Benefit Increase on your Income Continuation Benefit (as described in section 2.2) and an Income Continuation Fund Adjustment factor up to and including age 65. The Income Continuation Fund adjustment factor is based on the Integrator type (as described in section 10) on your Life Plan as follows:

POLICIES THAT HAVE THE HEALTH INTEGRATOR

The annual cover adjustments are dependent on:

- Your Vitality Status three months before your policy anniversary. If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary.
- Your Health Plan (for in-house schemes the equivalent Discovery Health Medical Scheme Plan is assumed) as at three months prior to your policy anniversary.
- The number of lives assured with benefits on your Life Plan.
- The health claims submitted on your health plan (see Appendix 14).

The annual fund adjustment percentages are shown in the Income Continuation Fund Adjustment Matrix on your Policy Schedule.

The calculation of the amount of health claims used to determine your annual cover adjustment percentage is specified in Appendix 14. Discovery Life may alter these matrices from time to time.

Should you cease to be a member of a qualifying medical scheme administered by Discovery Health before the end of the month in which the Income Continuation Fund adjustments cease, you will receive annual Income Continuation Fund adjustments based on the adjustments for policies that have the Vitality Integrator. Further a change in your health plan or the number of lives assured on your Life Plan will result in a different matrix being applied to your Life Plan at the following policy anniversary.

Should you cease to be a member of both a qualifying medical scheme administered by Discovery Health and a member of Vitality at the same time, you will receive annual Income Continuation Fund adjustments based on the adjustments for policies that have the Vitality Integrator.

POLICIES THAT HAVE THE VITALITY INTEGRATOR

The annual cover adjustment percentage depends on:

- Your Vitality Status three months before your policy anniversary. If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary.

Your Income Continuation Fund Adjustment Factor matrix is as follows:

VITALITY STATUS	INCOME CONTINUATION FUND ADJUSTMENT FACTOR
Blue/None	-4%
Bronze	-2%
Silver	-1%
Gold	0%
Diamond	1%

POLICIES THAT HAVE THE ACTIVE INTEGRATOR

The annual cover adjustment percentage depends on:

- Your Vitality Active Status as at three months prior to your policy anniversary.

Your Income Continuation Fund Adjustment Factor matrix is as follows:

VITALITY ACTIVE STATUS	INCOME CONTINUATION FUND ADJUSTMENT FACTOR
Blue/None	-4%
Bronze	-2%
Silver	0%
Gold/Diamond	1%

EXAMPLE:

At policy anniversary your Income Continuation Fund is equal to R100 000. Assuming you had an Income Continuation Fund adjustment factor of 1% based on a Gold Vitality Active Status and your chosen Annual Benefit Increase option is equal to inflation and inflation is equal to 5%, your Income Continuation Fund will increase to R106 000 (R100 000 x [1 + 5% + 1%]).

OTHER CONSIDERATIONS

For all Integrator types, the Income Continuation Fund adjustments occur on each anniversary until the end of the month in which you turn 65. For policies that have the Active Integrator, if there are spouse benefits on the policy, the annual Income Continuation Fund adjustment factor will be based on the principal's Vitality Active status.

For the Health and the Vitality Integrated policies, should you cease to be a member of Vitality before the end of the month in which your Income Continuation Fund adjustments cease, you will receive an Income Continuation Fund adjustment based on the Blue/ No Vitality status. Similarly, for Active Integrators, should you cease to be a member of Vitality Active before the end of the month in which your Income Continuation Fund adjustments cease, you will receive an Income Continuation Fund adjustment based on the Blue/No Vitality Active status.

Should you carry out servicing on your policy such that you no longer qualify for integration on your policy or switch to the Essential Income Continuation Benefit, both the Default Income Continuation Fund and the Buy-Up Income Continuation Fund, if any, will be removed from your policy, without a return of premiums.

The total benefit payments from the Buy-up Income Continuation Fund have a minimum guaranteed value of 100% of all the premiums paid under this benefit over the 20 year period or up to age 65, if earlier. If at age 74 the sum of the premiums paid for this benefit (adjusted appropriately for any servicing alterations) are more than the sum of all the payments made from the Buy-Up Income Continuation Fund throughout the policy term, then the difference between the premiums paid up to age 65 and the payments received from the Buy-Up Income Continuation Fund will be refunded to you at the end of the month in which you turn age 74, without interest.

EXAMPLE:

If at age 74 you have paid R500 000 in Buy-up Income Continuation Fund premiums and you have received a total of R1 000 000 from Buy-up Income Continuation Fund payouts, then no additional payment will be made.

However, if at age 74 you have paid R1 100 000 in Buy-up Income Continuation Fund premiums and you have received a total of R1 000 000 in Buy-Up Income Continuation Fund payouts, then an additional payment of R100 000 will be made when you turn 74.

In the case of your death before the end of the month in which you would have turned 65, your beneficiaries or estate (as applicable) will receive a refund of 100% of your Buy-Up Income Continuation Fund premiums paid (without interest) if this benefit is still in force. In the case of your death between ages 65 and 74, if you have paid more in premiums for the Buy-up Income Continuation Fund than the amount you have received in payments from the Buy-up Income Continuation Fund at the point of death, Discovery Life will refund the excess premiums paid to your beneficiaries.

EXAMPLE:

Assume you receive a Buy-up Income Continuation Fund payout of R500 000 when you turn 65 and a second payout of R500 000 when you turn 66. Furthermore, assume that later in the year (still age 66), you have paid a total of R1 200 000 in Buy-Up Income Continuation Fund premiums (from the time that you took out the benefit until age 65).

In the case of your death at that point, a pay-out of R200 000 (R1 200 000 - R1 000 000) will be made to your beneficiaries.

If you electively reduce your Income Continuation Benefit sum assured or your Top-Up Income Continuation Benefit sum assured, your Income Continuation Fund will be reduced proportionally. No surrender value will be paid if you lapse the Income Continuation Benefit, Buy-Up Income Continuation Fund benefit or your Life Plan.

7.27.3 HOW DOES THE INCOME CONTINUATION FUND WORK WHEN YOU BECOME DISABLED?

If you become temporarily disabled (as defined in section 7.15), the Income Continuation Benefit as well as the Top-Up Income Continuation Benefit payments made to you will reduce your Default Income Continuation Fund. This will not occur on permanent disability events (as defined in section 7.16).

On temporary disability, benefit payments only reduce your Income Continuation Fund up to a maximum amount of the total contributions made to the Default Income Continuation Fund, plus any growth on those contributions. Thereafter, all payments will be made from Discovery Life. Please note that the Buy-Up Income Continuation Fund will not be reduced on any temporary or permanent claims.

EXAMPLE:

Assume you have selected a Classic Life Plan with the Buy-Up Income Continuation Fund. After 5 years, you have accumulated an Income Continuation Fund with a value of R100 000, comprising of R 10 000 resulting from contributions from your Default Income Continuation Fund and R 90 000 resulting from contributions from your Buy-Up Income Continuation Fund.

You suffer a temporary disability where you become unable to perform at least 25% of the main duties of your nominated occupation due to illness and as a result you are unable to maintain your income level and therefore claim under the Loss of Income Underpin. An Income Continuation Benefit payment of R15 000 is made to you. However because this amount is more than the R10 000 total contributions made to the Default Income Continuation Fund, your Default Income Continuation Fund will be reduced by R10 000 to zero. Your Buy-Up Income Continuation Fund will still have an accumulated value of R90 000.

Assume instead to date the composition of your R100 000 Income Continuation Fund is R35 000 resulting from contributions from your Default Income Continuation Fund and R 65 000 resulting from contributions from your Buy-Up Income Continuation Fund. You qualify for a benefit payment of R15 000 as a result of suffering temporary disability. An Income Continuation Benefit of R15 000 is made to you. Because this amount is less than the R35 000 total contributions made by the Default Income Continuation Fund, your Default Income Continuation Fund is reduced by the full R15 000 to R20 000, and your Buy-up Income Continuation Fund still has a value of R65 000.

If you are temporarily or permanently disabled and receiving benefit payments under the Income Continuation Benefit, no additional amounts from your Income Continuation Benefit or Top-Up Income Continuation Benefit sums assured will be added to your Income Continuation Fund at anniversary. Your Income Continuation Fund will continue to be adjusted by the selected Annual Benefit Increase on your Income Continuation Benefit and the Income Continuation Fund adjustment factors (as defined in section 7.27.2).

If you or your spouse have claimed on either Severe Illness Benefit (Severity A or B), the Capital Disability Benefit (Category A, B or D) or the Income Continuation Benefit (permanent disability), the minimum Income Continuation Fund adjustment factor will be 0% after the claim. Positive adjustments will still apply for those clients who are highly engaged.

The minimum Income Continuation Fund adjustment factor of 0% will apply only from the policy anniversary after the qualifying claim has been finalised and completely processed by Discovery Life. If a claim has been reported but not finalised at policy anniversary, the minimum will not be applied. This minimum will only apply while you are still a life assured on the policy and will fall away if the benefits on this policy are serviced in such a way that there is an increase in the policy premiums.

Please note that your Buy-Up Income Continuation Fund premiums will be waived if you are temporarily or permanently disabled and receiving benefit payments under the Income Continuation Benefit. Additionally, claims under the Income Continuation Benefit will not reduce your Income Continuation Fund after age 65.

SECTION 8

ESTATE PLANNING BENEFIT

8.1 WHAT IS THE ESTATE PLANNING BENEFIT?

The Estate Planning Benefit provides a benefit payment to your nominated beneficiaries on the second death of you and your spouse. This benefit will not be affected by claims on any other benefits on the policy, and is also not linked to any Cover and Financial Integrator. The Managed Care Integrator is not applicable to this benefit.

On the death of the surviving spouse, the nominated beneficiaries on the policy will be paid an amount, as follows:

(i) Initial Estate Planning Benefit sum assured

Plus

(ii) Any amount by which your Estate Planning Benefit sum assured has changed at each policy anniversary due to applicable annual automatic benefit escalations (only applicable up to the time of the first death of you and your spouse)

Plus

(iii) Any other ad hoc increases or decreases made by you to your Estate Planning Benefit sum assured since the policy commenced

Less

(iv) Reductions to your Estate Planning Benefit sum assured as a result of an Estate Planning Benefit AccessCover claim.

EXAMPLE

A client and his spouse have an Estate Planning Benefit with a sum assured of R1 000 000. The spouse dies three years into the policy term. At this time, no benefit payment will be made and premiums will cease. The Estate Planning Benefit sum assured at this point has however increased to R1 250 000 due to annual benefit escalations.

The client (as the surviving spouse on the benefit) dies four years later. At this point, the Estate Planning Benefit sum assured of R1 250 000 will be paid to the client's nominated beneficiaries or estate as the case may be.

Any claim against the Estate Planning Benefit will not reduce the Life Fund. If after the first death of you or your spouse, the surviving spouse is diagnosed with a terminal illness and is deemed by the medical panel of Discovery Life (in their sole discretion) to have a survival period of 12 months or less, the full Estate Planning Benefit sum assured (less any AccessCover reductions, if applicable) will be paid out to the surviving spouse. No further benefit will be paid out on the death of the surviving spouse in this scenario.

Please note that the premium guarantees described in Section 4.8 do not apply to this benefit and the premium for this benefit may be annually reviewable in light of a significant difference between current experience and the assumptions used when pricing, and with due consideration to the general economic and regulatory environment.

8.2 ESTATE PLANNING PREMIUM WAIVER

On the first of your death or the death of your spouse, the Estate Planning Benefit premiums will no longer be payable. From this point onwards, the Estate Planning Benefit sum assured will lock in (i.e. will not increase by the elected annual benefit escalation rate going forward and no further servicing will be allowed on this benefit).

8.3 ESTATE PLANNING ACCESSCOVER BENEFIT

The Estate Planning Benefit AccessCover is automatically included in your Estate Planning Benefit, provided that you and your spouse meet certain underwriting and eligibility criteria.

QUALIFYING CRITERIA

- The surviving spouse is age 60 next birthday or older at the time of the first death.
- Both lives must have been younger than age 61 next birthday when the Estate Planning benefit is taken out.
- Neither of the lives may have any exclusions on their Estate Planning benefit.

These criteria are listed below and may change from time to time.

HOW DOES THE ESTATE PLANNING ACCESSCOVER BENEFIT WORK?

If you or your spouse dies, the Estate Planning AccessCover Benefit gives the surviving spouse the option to convert into cash a percentage of the Estate Planning Benefit sum assured at the time of the first death. This conversion may be done at any time after the first death. If exercised, this will reduce the Estate Planning Benefit sum assured by the percentage that is converted. The surviving spouse may convert up to 30% of the Estate Planning Benefit sum assured into cash. The conversion option may only be exercised once. Discovery Life reserves the right to review this maximum from time to time – please refer to your Policy Schedule for more detail.

The percentage of sum assured paid out on such a conversion will be calculated at a specified conversion rate. For every R1 of Estate Planning Benefit sum assured that the surviving spouse chooses to convert, the surviving spouse will receive a certain value (in cents) depending on the age of the surviving spouse at the time of the first death. These conversion rates may be amended by Discovery Life from time to time.

The current conversion rates to be applied to the converted percentage of the Estate Planning Benefit sum assured are specified below:

AGE NEXT BIRTHDAY OF SURVIVING SPOUSE AT FIRST DEATH	CONVERSION RATE (AMOUNT SURVIVING SPOUSE WILL RECEIVE FOR EACH R1 OF ESTATE PLANNING BENEFIT SUM ASSURED CONVERTED INTO CASH)
< = 59	0
60 – 69	25c
70 – 74	40c
75 – 79	50c
80 – 84	60c
85 +	80c

If the surviving spouse dies or is diagnosed with a terminal illness within three months of converting a percentage of the Estate Planning Benefit sum assured and is deemed by the medical panel of Discovery Life (in their sole discretion) to have a survival period of 12 months or less, the death payout on the last death will be increased to the amount that would have been received had that percentage of cover been converted at a conversion rate of 100c in the rand.

EXAMPLE

A client and his spouse have an Estate Planning Benefit with a sum assured of R1 000 000, of which the surviving spouse (aged 65 age next birthday) can convert up to R300 000 under the Estate Planning Benefit AccessCover Benefit.

After the death of the client, his spouse (aged 60 next at the time of the client's death) chooses to convert R200 000 of the Estate Planning Benefit sum assured into cash. The Estate Planning Benefit sum assured will reduce to R800 000 (R1 000 000 - R200 000) and the spouse will receive a payment of R200 000 x 0.25 = R50 000.

Two months thereafter, the spouse is diagnosed with a terminal illness and dies five months thereafter. In this scenario, Discovery Life will pay out the client's nominated beneficiaries R950 000 (R800 000 + R150 000).

SECTION 9

GROWING YOUR LIFE FUND

9.1 WHAT FACTORS AFFECT THE GROWTH OF MY LIFE FUND?

The Life Fund can increase as a result of the following factors:

- Annual benefit escalation rate: you can choose for your Life Fund to increase annually at a selected benefit escalation rate as described in Section 2. This provides the potential for your Life Fund to keep up with South African inflation. The growth in your Life Fund will be calculated annually on the anniversary of your policy's commencement.
- The Future Fund Benefit: you can significantly increase your Life Fund on an annual basis, subject to certain maximums, without evidence of health or insurability.
- The Cover Integrator and Financial Integrator Fund provides you with the ability to add efficient risk cover.
- The Vitality Fund (only applicable to Purple Life Plans and Classic and Essential Life Plans with the Bank Integrator) provides you with additional life cover at no additional premium for a limited period.
- The Legacy Fund benefit (only applicable on qualifying Purple Life Plans) provides you with additional life cover at no additional premium upon meeting specified conditions.

9.2 HOW DOES THE FUTURE FUND BENEFIT WORK?

You have the right to increase your Life Fund without evidence of health or insurability, on each policy anniversary before the expiry age for this benefit.

This means that you nominate a Future Fund at inception of the policy. The nominated Future Fund will increase on each policy anniversary by the Fund Increase Rate of 15%. Discovery Life will have the discretion to vary this rate.

To determine the amount by which you may increase your Life Fund at each policy anniversary, the nominated Future Fund increases at each policy anniversary by the Fund increase rate and is multiplied by the option rate. The option rate may vary at your discretion between 7.5% and 15% to increase your Life Fund with.

The total amount of additional Life Fund taken out in terms of this benefit, together with any automatic annual increases, may not exceed the original Future Fund selected for this benefit.

The additional cover purchased at each policy anniversary will be subject to the same rates, terms and conditions, but with the same exclusions, health, occupational and hazardous pursuit loadings, which apply to the original Life Fund. Should the smoker status, occupation or hazardous pursuits have changed between the date of purchasing the benefit and the date of exercising any option, loadings and exclusions will be based on the details relevant at the time of granting the option. In this case, Discovery Life has the right to alter or modify the benefit granted to you.

Discovery Life reserves the right to request the assured lives to undergo a test for Human Immunodeficiency Virus (HIV) antibodies, before granting increased cover. If any of the assured lives test HIV-positive, Discovery Life has the right to modify or cancel this benefit.

The Future Fund Benefit will expire on the earliest of the following:

- reaching the end of the month you turn your chosen expiry age.
- the date on which more than 36 months have lapsed since cover was last increased through this benefit.
- the date on which premiums for this benefit cease.
- the date when the maximum additional cover for this benefit has been reached.

If a claim for any of the Severe Illness, Family or Capital Disability Benefits arises, where the claim was assessed according to a Severity level of A, B, C or D for the Severe Illness or Family Benefits and Category A, B or D (if applicable to your occupation) for the Capital Disability Benefit, future options to increase the Life Fund will provide additional life cover only for the life to whom the claim was related. However, the Future Fund benefits for other assured lives on the Life Plan will remain unchanged.

Options to increase the Capital Disability Benefit will not be granted should a claim under the Capital Disability Benefit (Category C), the Income Continuation Benefit or any other disability benefit have been made within three years of the option date.

Should the claim be assessed according to Severity levels E, F or G for the Severe Illness or Family Benefits, there will be no change to the Future Fund benefit for all the assured lives.

The policyholder may increase the Life Fund in the event of:

- marriage
- birth or adoption of a child
- increase in interest in a partnership
- increase in bond cover.

Following this event, you forfeit the right to increase your Life Fund at the next policy anniversary.

The Future Fund Benefit does not apply to the non-accelerated Capital Disability Benefit or the non-accelerated Severe Illness Benefit. It will not be possible to access any cover added by the Future Fund benefit through AccessCover or AccessCover Plus after claiming for a Medical AccessCover event.

Any cover bought through an exercise of the Future Fund benefit, will not increase your Vitality Fund (on Purple Life Plans and Classic and Essential Life Plans with the Bank Integrator), Legacy Fund (on Purple Life Plans) or Estate Planning benefit amounts.

Premium Waiver Benefits do not apply to the Future Fund Benefit.

9.3 THE COVER INTEGRATOR

9.3.1 HOW DOES THE COVER INTEGRATOR FUND WORK?

You may establish your Life Plan to include a Life Fund as well as an additional amount of protection through the Cover Integrator Fund. There are two options available:

Option 1: Initial Cover Integrator Fund equal to 20% of the Life Fund

Option 2: Initial Cover Integrator Fund equal to 40% of the Life Fund

EXAMPLE

If you selected a Life Fund of R1 000 000 with the 20% Cover Integrator option, your initial total cover will amount to R1 200 000.

If you have selected the 20% Cover Integrator option, you may upgrade to the 40% Cover Integrator option. This is subject to the life assured undergoing medical underwriting, Discovery Life's age limits and the Cover Integrator still being available to buy at the time. If you add the Financial Integrator Fund (section 9.4) together with Cover Integrator Fund, the sum of the selected Financial Integrator Fund percentage and the selected Cover Integrator Fund percentage is limited to 60% of your Life Fund at the time of adding your Cover or Financial Integrator Fund.

The Cover Integrator operates in the same way as the Life Fund, except that the level of the Cover Integrator Fund is adjusted (in terms of the annual cover adjustment calculations described in section 9.3.2 below) on an annual basis based on whether you have Vitality Active, Vitality and a qualifying health plan on a participating medical scheme administered by Discovery Health (referred to as your Health Plan). In particular, the following features apply to the Cover Integrator Fund:

- The ancillary benefits defined as a percentage of the Life Fund will apply to the Cover Integrator Fund in the same percentages as they apply to the Life Fund. Benefit payments operate in the same way on your Cover Integrator Fund as on your Life Fund as defined in Section 2.4.
- Should you have selected the Health Integrator (section 10.1), the Vitality Integrator (section 10.2), the Active Integrator (section 10.3), the Bank Integrator (Section 10.4) or the Managed Care Integrator (Section 10.5) on your Life Plan, the initial premium reduction, annual premium review and PayBack as defined in Section 10, will apply to the Cover Integrator premium as well. Please note that the five-yearly PayBack does not apply to any Buy-up Cash Conversion premiums (described in Section 9.3.5).
- If you qualify for Vitality Rating (Section 4.4), the Vitality Rating discount and/or Vitality Rating Longevity discount and adjustments will apply to the relevant Cover Integrator premiums.
- The automatic annual premium increase and automatic annual benefit increase selected on your Life Fund applies to the Cover Integrator Fund as well. The Cover Integrator Fund is only available on Life Plans which have automatic annual benefit increases, other than 0%. Should you change the automatic annual benefit increase to 0%, your Cover Integrator Fund will be removed.
- All Premium Waiver Benefits apply to the Cover Integrator premiums.
- The Cover Integrator Fund will be added to the non-accelerated Capital Disability and non-accelerated Severe Illness Benefits. If you have selected these benefits, they will be illustrated on your Policy Schedule.
- If you decrease your Life Fund or non-accelerated benefits, your Cover Integrator Fund will be reduced proportionately.

9.3.2 HOW IS THE COVER ADJUSTED ON AN ANNUAL BASIS?

In addition to your selected Annual Benefit Increase, annual cover adjustments (known as the Integrated Cover Adjustments) will be made to your Cover Integrator Fund. These adjustments are calculated on the sum of your Integrated Cover and your Life Fund immediately before policy anniversary.

The annual Integrated Cover Adjustment for the Cover Integrator Fund is calculated using the Cover Integrator Adjustment Matrix which depends on the Integrator type (as described in section 10) that applies to this policy. Please see the annual cover adjustments as per the Integrator type, below:

POLICIES THAT HAVE THE HEALTH INTEGRATOR

The annual cover adjustments are dependent on:

- The Cover Integrator option selected (20% or 40%)
- Your Vitality Status three months before your policy anniversary. If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary.
- Your Health Plan (for schemes administered by Discovery Health the equivalent Discovery Health Medical Scheme Plan is assumed) as at three months prior to your policy anniversary
- The number of lives assured with benefits on your Life Plan
- The health claims submitted on your Health Plan (see Appendix 14).

The above annual cover adjustment percentages are shown in the Cover Integrator Adjustment Matrix on your Policy Schedule.

The calculation of the amount of health claims used to determine your annual cover adjustment percentage is specified in Appendix 14.

Discovery Life may alter these matrices from time to time.

Should you cease to be a member of a qualifying medical scheme administered by Discovery Health before the end of the month in which your Integrated Cover Adjustments cease, you will receive an annual cover adjustment based on your Vitality status as per Section 9.3.2.

POLICIES THAT HAVE THE ACTIVE INTEGRATOR

The annual cover adjustment percentage depends on:

- The Cover Integrator option selected (20% or 40%)
- Your Vitality Active status (see Section 10.3.2) as at three months prior to your policy anniversary

Your Cover Integrator Adjustment Matrix is as follows:

	OPTION 1	OPTION 2
VITALITY ACTIVE STATUS	**20% INITIAL INTEGRATED COVER**	**40% INITIAL INTEGRATED COVER**
Blue	-0.35%	-0.60%
Bronze	-0.12%	-0.20%
Silver	0.12%	0.20%
Gold/Diamond	0.35%	0.60%

If there are spouse benefits on the policy, the annual Integrated Cover adjustment will be the average of the percentages earned by the principal and spouse lives.

EXAMPLE

If you have selected a Life Fund of R1 000 000 with the 20% Integrated Cover option, your initial cover will amount to R1 200 000.

Assuming you had a Silver Vitality Active status, your annual Integrated Cover adjustment will be 0.12% as per your Cover Integrator Adjustment Matrix. Your Total Life Fund (increased by your selected annual benefit increase in your second year) will be adjusted according to the Integrated Cover Adjustment of 0.12% (ie R1 200 000 x 0.12% = R1 440).

Assuming your annual benefit increase is 6.5%, your Life Fund in your second year will amount to R1 065 000 (R1 000 000 + annual benefit increase [R1 000 000 x 6.5% = R65 000]) and your Integrated Cover in your second year will amount to R214 440 (R200 000 + annual benefit increase + Integrated Cover Adjustment = R200 000 + R13 000 [R200 000 x 6.5%] + R1 440 [R1 200 000 x 0.12%]).

If you had spouse benefits on your policy, and your spouse's Vitality Active status was Blue, your annual Integrated Cover adjustment will change from 0.12% to the average of your and your spouse's annual Integrated Cover adjustment, which is -0.115% (1/2 x (principal's annual Integrated Cover adjustment + spouse's annual Integrated Cover adjustment) = 1/2 x (0.12% - 0.35%).

ALL POLICIES THAT DO NOT HAVE THE HEALTH INTEGRATOR OR THE ACTIVE INTEGRATOR

The annual cover adjustment percentage depends on:

- The Cover Integrator option selected (20% or 40%)
- Your Vitality status three months before your policy anniversary. If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary.

Your Cover Integrator Adjustment Matrix is as follows:

	OPTION 1	OPTION 2
VITALITY STATUS	**20% INITIAL INTEGRATED COVER**	**40% INITIAL INTEGRATED COVER**
Blue or no Vitality	-0.35%	-0.6%
Bronze	-0.175%	-0.3%
Silver	0.00%	0.00%
Gold	0.175%	0.3%
Diamond	0.35%	0.6%

OTHER CONSIDERATIONS

For all Integrator types, the adjustments occur on each anniversary until the end of the month in which you turn 65, if the cover was electively added before your 56th birthday. If cover was electively added after your 56th birthday the adjustments above will cease at the end of month in which you turn 10 years older than the age you were when that cover was electively added. The benefit requirements specify that the Cover Integrator Fund must run until you turn 65 or a minimum of 10 years after the cover was electively added, whichever is later, in order for the above mentioned adjustments to cease. Different portions of your Cover Integrator may have the adjustments cease at different points in time depending on when each portion of that cover was electively added.

EXAMPLE

If you have selected a Life Fund of R1 000 000 with the 20% Integrated Cover option, your initial cover will amount to R1 200 000.

Assuming you had an annual Integrated Cover adjustment of -0.175% as per your Cover Integrator Adjustment Matrix, your Total Life Fund (increased by your selected annual benefit increase in your second year) will be adjusted according to the Integrated Cover Adjustment of -0.175% (ie R1 200 000 x -0.175% = -R2 100).

Assuming your annual benefit increase is 6.5%, your Life Fund in your second year will amount to

R1 065 000 (R1 000 000 + annual benefit increase[R1 000 000 x 6.5% = R65 000]) and your Integrated Cover in your second year will amount to R210 900 (R200 000 + annual benefit increase + Integrated Cover Adjustment = R200 000 + R13 000 (R200 000 x 6.5%) - R2 100 (R1 200 000 x -0.175%).

The Integrated Cover Adjustments will not reduce the Integrated Cover below the Minimum Protected Cover Level of 40% of the initial Integrated Cover (including automatic Annual Benefit Increases). Should the Integrated Cover level reach the Minimum Protected Cover Level, this level of cover can remain for whole of life, increasing by the selected annual benefit escalations.

As is shown in the Cover Integrator Adjustment Matrices, you may earn additional Integrated Cover depending on your Vitality status, Health claims and Vitality Active status (as applicable to your Integrator package). The maximum additional Integrated Cover that may be earned is 7.5% of the Life Fund (including Annual Benefit Increases) on the 20% Integrated Cover option and 15% of the Life Fund (including Annual Benefit Increases) on the 40% Integrated Cover option. Furthermore, should you attain the maximum additional Integrated Cover that may be earned, this level of cover can remain for whole of life, increasing by the selected annual benefit escalations.

Furthermore, for the Health, Vitality, Bank Integrators and Managed Care Integrator, as well as for Non-Integrated policies, should you cease to be a member of Vitality before the end of the month in which your Integrated Cover Adjustments cease, you will receive an annual cover adjustment based on the Blue/No Vitality status as per the tables shown at the beginning of this section. Similarly, for Active Integrators, should you cease to be a member of Vitality Active before the end of the month in which your Integrated Cover Adjustments cease, you will receive an annual cover adjustment based on the Blue Vitality Active status as per the tables shown at the beginning of this section.

9.3.3 CAN YOU BUY BACK COVER LOST THROUGH THE INTEGRATED COVER ADJUSTMENTS?

You may apply to buy back amounts of Integrated Cover on each policy anniversary to the value of any Integrated cover adjustments that decreased your Cover Integrator over the previous year, attributable to the annual Integrated Cover Adjustments.

If you choose not to take up this option in any year, you may take it up at any of the next six policy anniversaries.

The buy back is subject to the following conditions:

- This option is only available if the benefit inception of the Cover Integrator Fund is before the life assured's 56th birthday.
- You may buy back the full Integrated Cover Adjustment within three years of the adjustment being applied.
- If you don't use this option to buy back the full Integrated Cover Adjustment within three years of the adjustment being applied, it may be used to buy back 50% of the adjustment on the 4th, 5th, or 6th policy anniversary after the adjustment has been applied.
- If any six-year period passes without you buying back any Integrated Cover Adjustment as described above, the right to exercise this option at any future time (in respect of any year's Integrated Cover Adjustment) is forfeited.
- You may only buy back the Integrated Cover Adjustments at a policy anniversary.
- The ability to exercise any options and buy-back lost cover will expire at the end of the month in which your Integrated Cover Adjustments cease.

If a claim for any of the Severe Illness Benefits or Family Benefits (at Severity Levels A, B, C or D) or the Capital Disability Benefit (at Claim Category levels A, B or D) arises, future options to increase your Integrated Cover for the life to whom the claim was related will apply only to the Life Fund (and not the ancillaries). Options for other lives assured on the policy remain unchanged, as long as they haven't claimed for such severities or categories. Options to increase the Capital Disability Benefit will not be granted should a claim under the Capital Disability Benefit (Category C), the Income Continuation Benefit or any other disability benefit have been made within three years of the option date.

Any cover reinstated through the option to buy back any cover lost through Integrated Cover Adjustments after age 56 will not be taken into account when calculating the Cover Integrator Buy-up Cash Conversion (see Section 9.3.5).

9.3.4 WHAT HAPPENS TO THE COVER INTEGRATOR FUND WHEN YOUR INTEGRATED COVER ADJUSTMENTS CEASE?

After the Integrated Cover Adjustments cease (as per section 9.3.2), the Cover Integrator Fund and premiums for this cover will continue for whole of life, with no additional Integrated Cover Adjustments being applied. This is known as the post-retirement Cover Integrator Fund and will grow by the selected annual benefit escalation rate as per your Policy Schedule.

9.3.5 COVER INTEGRATOR BUY-UP CASH CONVERSION

If you have a Classic, Essential or Purple Life Plan, you may apply for the Buy-up Cash Conversion Benefit, which provides you with tax-free lump sum benefit payments at specific future ages. The value of these payments are determined as a percentage of your Cover Integrator Fund. You can elect the Cover Integrator Buy-up Cash Conversion percentage to be either 50%, 100% or 200%.

Selecting the Buy-up Cash Conversion Benefit is subject to our maximum entry ages, your policy meeting specified ancillary benefit requirements and the benefit being available at the time. An additional premium will be paid for this benefit. The Buy-up Cash Conversion Benefit is not available on Active Integrated policies (and will be removed on policies that switch to the Active Integrator).

The Cover Integrator Buy-up Cash Conversion payments are based on your Cover Integrator Fund value at the end of the month in which you turn age 65. This Fund will be paid out to you in four equal instalments at the end of the months in which you turn ages 65, 69, 73 and 77 (with no allowance for increases – no Annual Benefit Increases or Annual Cover Adjustments after age 65) provided that your policy is still in force at the point in time. These payouts will not reduce the risk cover provided by the Cover Integrator Fund. Additionally, the payouts will be made at the end of the month in which you turn the applicable age. Note that the payouts will be as per the amounts shown in your Policy Schedule.

The payout as a percentage of the Cover Integrator Fund may not be equal to the Buy-up Cover Integrator Cash Conversion percentage you selected depending on the servicing you have done on your policy.

The percentage of the Buy-up Cash Conversion Fund that will be paid out at each pay-out age will be based on the percentage of Buy-up Cash Conversion that you selected (which is shown on your Policy Schedule) as per the table below.

	50% BUY-UP CASH CONVERSION OPTION SELECTED				100% BUY-UP CASH CONVERSION OPTION SELECTED				200% BUY-UP CASH CONVERSION OPTION SELECTED			
	AGE 65	AGE 69	AGE 73	AGE 77	AGE 65	AGE 69	AGE 73	AGE 77	AGE 65	AGE 69	AGE 73	AGE 77
Percentage payout of Cover Integrator Fund at age 65	12.5%	12.5%	12.5%	12.5%	25%	25%	25%	25%	50%	50%	50%	50%

EXAMPLE

A client takes out a Discovery Life Plan at age 50. He chooses the 200% Buy-up Cash Conversion option on his Cover Integrator Fund. Therefore, he qualifies for four payouts from his Buy-up Cash Conversion Fund, made at ages 65, 69, 73 and 77.

Assuming his Cover Integrator Fund was R2 000 000 at the end of the month in which he turns age 65, he will receive four payments of 50% of R2 000 000 at ages 65, 69, 73 and 77. This translates into R1 000 000 (50% x R2 000 000) at age 65, R1 000 000 at age 69, R1 000 000 at age 73 and R1 000 000 at age 77.

The premium for these additional Buy-up Cash Conversion options will continue to be paid until the end of the month in which you turn age 77. However the Buy-up Cash Conversion premium at the time will halve after each of the Buy-up Cash Conversion payments has been made at ages 65, 69 and 73. Each year this premium will continue to increase at the policy's Annual Contribution Increase (as well as the additional annual premium adjustment, if applicable – please see section 10). This benefit is available on Classic, Purple and Essential Life Plans, but it is not available on Plans that have the Active Integrator.

EXAMPLE

When you turn age 65, assume your Buy-up Cash Conversion premium is R1 000 per month. After you have received your first Buy-up Cash Conversion payout at age 65, your premium will halve to R500 per month. This will happen in the month following your 65th birthday.

Each year this premium will continue to increase at the policy's Annual Contribution increase (as well as the additional annual premium adjustment, depending on your Integrator package selected). Assuming your Buy-up Cash Conversion premium amounts to R750 at age 69, it will halve to R375 per month after the payout is made at the end of the month in which you turn 69. Your premium will halve again when you turn 73. These premiums will cease at the end of the month in which you turn age 77.

If the Cover Integrator cover is electively increased after age 56, the Buy-up Cash Conversion payable will not increase. The full Buy-up Cash Conversion percentage chosen will still be paid on all cover electively added prior to age 56.

The total Buy-up Cash Conversion Benefit payouts have a minimum guaranteed value of 100% of all the premiums paid under this benefit up to age 77. If at age 77 the sum of the premiums paid for this benefit (adjusted appropriately for any servicing alterations) are more than the sum of all the Buy-up Cash Conversion payments made to you throughout the policy term, then the difference between the premiums paid and the Buy-up Cash Conversion payments received will be refunded to you at the end of the month in which you turn age 77, without interest. Should you reduce your Buy-up Cash Conversion premium, your guaranteed minimum benefit will reduce proportionately.

EXAMPLE

If at age 77 you have paid R500 000 in Buy-up Cash Conversion premiums and you have received a total of R1 000 000 from Buy-up Cash Conversion payouts, then no additional payment will be made.

However, if at age 77 you have paid R1 100 000 in Buy-up Cash Conversion premiums and you have received a total of R1 000 000 in Buy-up Cash Conversion payouts, then an additional payment of R100 000 will be made when you turn 77.

In the case of your death before the end of the month in which you would have turned 65, your beneficiaries or estate will receive a refund of 100% of your Buy-up Cash Conversion premiums paid (without interest) if this benefit is still in force. In the case of your death between ages 65 and 77, if you have paid more in premiums for the Buy-up Cash Conversion than the amount you have received in payments from the Buy-up Cash Conversion at the point of death, Discovery Life will refund the excess premiums paid to your beneficiaries. Should you reduce your Buy-up Cash Conversion premium before age 77, your policy value on death will be reduced proportionately.

Please note, that if you increase your Cover Integrator Fund after the date that the Buy-up Cash Conversion was selected on the policy, any resulting increases in the Buy-up Cash Conversion will be at Discovery Life's discretion.

EXAMPLE

Assume you receive a Buy-up Cash Conversion payout of R500 000 when you turn 65 and a second payout of R500 000 when you turn 69. Furthermore assume that at age 72, you have paid a total of R1 200 000 in Buy-up Cash Conversion premiums (from the time that you took out the benefit until age 72).

In the case of your death at age 72, a pay-out of R200 000 (R1 200 000 - R1 000 000) will be made to your beneficiaries.

There is no surrender value for the Cover Integrator Buy-up Cash Conversion. As a result, no surrender value is paid if you lapse or cancel the benefit or your Discovery Life Plan before the payout dates.

The 200% Buy-up Cash Conversion option has certain qualifying criteria and therefore by reducing or removing benefits on your policy you may no longer qualify for the 200% Buy-up Cash Conversion option after the change. In this case your benefit and premium will be adjusted to the 100% Buy-up Cash Conversion option, as will be shown on the servicing quotation. Furthermore, there will be no refund of Buy-up Cash Conversion premiums in this scenario.

If your Cover Integrator Fund is reduced due to servicing or claims, any subsequent Buy-up Cash Conversion payments will be reduced proportionately to the percentage reduction in the Cover Integrator Fund. For scenarios when your Cover Integrator Fund is reduced due to a claim event, your Buy-up Cash Conversion premiums will also reduce going forward.

EXAMPLE

Assume you have a Life Fund of R1 000 000 and have selected the 20% Cover Integrator Fund Option. Therefore your Cover Integrator Fund amounts to R200 000 and as a result, your Total Life Fund (your Life Fund plus your Cover Integrator Fund) amounts to R1 200 000 at inception. Furthermore, assume you select a 50% accelerated Severe Illness Benefit, which gives you severe illness cover of R600 000 (R1 200 000 x 50%).

If you claim for a Severity A Severe Illness Benefit condition, your payout would be R600 000 (100% of R600 000) and your Life Fund would halve and reduce from R1 000 000 to R500 000. Accordingly, your Cover Integrator Fund would also halve, from R200 000 to R100 000.

This 50% reduction in your Cover Integrator Fund would mean that all future payouts from this Fund would be halved. This will also halve any payouts from your Buy-up Cash Conversion Fund.

Please note, Discovery Life guarantees that the Buy-up Cash Conversion premiums for the Cover Integrator will not be increased for the first 10 years, except for any contractual premium increases. In addition, Discovery Life guarantees that if any premium increases are required at the end of the first 10 years and any 10-year period thereafter, these increases will not exceed 25% of your premiums being paid at that time.

9.4 THE FINANCIAL INTEGRATOR

9.4.1 HOW DOES THE FINANCIAL INTEGRATOR FUND WORK?

You may establish your Life Plan to include a Life Fund as well as an additional amount of protection through the Financial Integrator Fund. There are two options available:

Option 1: Initial Financial Integrator Fund equal to 20% of the Life Fund

Option 2: Initial Financial Integrator Fund equal to 40% of the Life Fund.

EXAMPLE

If you selected a Life Fund of R1 000 000 with the 20% Financial Integrator Fund Option, your total initial cover will amount to R1 200 000.

If you have selected the 20% Financial Integrator Option, you may upgrade to the 40% Financial Integrator Option. This is subject to the life assured undergoing medical underwriting, Discovery's age limits and the Financial Integrator still being available to buy at the time.

If you add the Cover Integrator Fund (section 9.3) together with Financial Integrator Fund, the sum of the selected Financial Integrator Fund percentage and the selected Cover Integrator Fund percentage is limited to 60% of your Life Fund at the time of adding your Cover or Financial Integrator Fund.

The Financial Integrator operates in the same way as the Life Fund, except that the level of the Financial Integrator Fund is adjusted (in terms of the annual cover adjustment calculations described in section 9.4.2) on an annual basis based on whether you have Vitality Active, Vitality and a qualifying health plan on a participating medical scheme administered by Discovery Health (referred to as your Health Plan).In particular, the following features apply to the Financial Integrator Fund:

- The ancillary benefits defined as a percentage of the Life Fund will apply to the Financial Integrator Fund in the same percentages as they apply to the Life Fund. Benefit payments operate in the same way on your Financial Integrator Fund as on your Life Fund as defined in Section 2.4 of the Life Plan Guide.
- Should you have selected the Health Integrator (section 10.1), the Vitality Integrator (section 10.2), the Active Integrator (section 10.3), the Bank Integrator (section 10.4) or the Managed Care Integrator (Section 10.5) on your Life Plan, the initial premium reduction, annual premium review and PayBack as defined in Section 10 of the Life Plan Guide, will apply to the Financial Integrator premium as well. Please note that the five-yearly PayBack does not apply to any Buy-up Cash Conversion premiums (section 9.4.3).
- If you qualify for Vitality Rating (Section 4.4), the Vitality Rating discount and/or Vitality Rating Longevity discount and adjustments will apply to the relevant Financial Integrator premiums.
- The automatic annual premium increase and automatic annual benefit increase selected on your Life Fund applies to the Financial Integrator Fund as well. The Financial Integrator Fund is only available on Life Plans which have automatic annual benefit increases, other than 0%. Should you change your automatic annual benefit increase to 0%, your Financial Integrator Fund will be removed.
- All Premium Waiver Benefits apply to the Financial Integrator premiums.
- The Financial Integrator Fund will be added to the non-accelerated Capital Disability and non-accelerated Severe Illness Benefits. If you have selected these benefits, they will be illustrated on your Policy Schedule.
- If you decrease your Life Fund or non-accelerated benefits, your Financial Integrator Fund will be reduced proportionately.

9.4.2 HOW IS THE FINANCIAL INTEGRATOR FUND ADJUSTED ON AN ANNUAL BASIS?

In addition to your selected Annual Benefit Increase, annual cover adjustments (known as the Integrated Cover Adjustments) will be made to your Financial Integrator Fund. These adjustments are calculated on the sum of your Integrated Cover and your Life Fund immediately before policy anniversary.

The annual Integrated Cover Adjustment for the Financial Integrator Fund is calculated using the Financial Integrator Adjustment Matrix which depends on the Integrator type (as described in section 10) that applies to this policy. Please see the annual cover adjustments as per the Integrator type, below:

POLICIES THAT HAVE THE HEALTH INTEGRATOR

The annual cover adjustments are dependent on:

- The Financial Integrator option selected (20% or 40%).
- Your Vitality Status three months before your policy anniversary. If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary.
- Your Health Plan (For schemes administered by Discovery Health the equivalent Discovery Health Medical Scheme Plan is assumed) as at three months prior to your policy anniversary.
- The number of lives assured with benefits on your Life Plan.
- The health claims submitted on your Health Plan (see Appendix 14).

The above annual cover adjustment percentages are shown in the Financial Integrator Adjustment Matrix on your Policy Schedule.

The calculation of the amount of health claims used to determine your annual cover adjustment percentage is specified in Appendix 14.

Discovery Life may alter these matrices from time to time.

Should you cease to be a member of a qualifying medical scheme administered by Discovery Health before the end of the month in which your Integrated Cover Adjustments cease, you will receive an annual cover adjustment based on your Vitality status as per section 9.4.2.

POLICIES THAT HAVE THE ACTIVE INTEGRATOR

The annual cover adjustment percentage depends on:

- The Financial Integrator option selected (20% or 40%)
- Your Vitality Active status (see Section 10.3.2) as at three months prior to your policy anniversary.

Your Financial Integrator Adjustment Matrix is as follows:

	OPTION 1	OPTION 2
VITALITY ACTIVE STATUS	**20% INITIAL INTEGRATED COVER**	**40% INITIAL INTEGRATED COVER**
Blue or No Vitality Active	-0.35%	-0.6%
Bronze	-0.12%	-0.2%
Silver	0.12%	0.2%
Gold/Diamond	0.35%	0.6%

If there are spouse benefits on the policy, the annual Integrated Cover adjustment will be the average of the percentages earned by the principal and spouse lives.

EXAMPLE

If you have selected a Life Fund of R1 000 000 with the 20% Financial Integrator option, your initial cover will amount to R1 200 000.

Assuming you had a Silver Vitality Active status, your annual Integrated Cover adjustment will be 0.12% as per your Financial Integrator Adjustment Matrix. Your Total Life Fund (increased by your selected annual benefit increase in your second year) will be adjusted according to the Integrated Cover Adjustment of 0.12% (ie R1 200 000 x 0.12% = R1 440).

Assuming your annual benefit increase is 6.5%, your Life Fund in your second year will amount to R1 065 000 (R1 000 000 + annual benefit increase [R1 000 000 x 6.5% = R65 000]) and your Financial Integrator in your second year will amount to R214 440 (R200 000 + annual benefit increase + Integrated Cover Adjustment = R200 000 + R13 000 [R200 000 x 6.5%] + R1 440 [R1 200 000 x 0.12%]).

If you had spouse benefits on your policy, and your spouse's Vitality Active status was Blue, your annual Integrated Cover adjustment will change from 0.12% to the average of your and spouse's annual Integrated Cover adjustment, which is -0.115% (1/2 x [principal's annual Integrated Cover adjustment + spouse's annual Integrated Cover adjustment] = 1/2 x [0.12% - 0.35%]).

ALL POLICIES THAT DO NOT HAVE THE HEALTH INTEGRATOR OR THE ACTIVE INTEGRATOR

The annual cover adjustment percentage depends on:

- The Financial Integrator option selected (20% or 40%)
- Your Vitality Status three months before your policy anniversary. If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary.

Your Financial Integrator Adjustment Matrix is as follows:

	OPTION 1	OPTION 2
Blue or no Vitality	-0.35%	-0.6%
Bronze	-0.175%	-0.3%
Silver	0.00%	0.00%
Gold	0.175%	0.3%
Diamond	0.35%	0.6%

For all Integrator packages, the adjustments occur on each anniversary until the end of the month in which you turn 65 if the cover was electively added before your 56th birthday. If cover was electively added after your 56th birthday the adjustments above will cease at the end of month in which you turn 10 years older than the age you

were when that cover was electively added. The benefit requirements specify that the Financial Integrator Fund must run until you turn 65 or a minimum of 10 years after the cover was electively added, whichever is later, in order for the above mentioned adjustments to cease. Different portions of your Financial Integrator may have the adjustments cease at different points in time depending on when each portion of that cover was electively added.

EXAMPLE

If you have selected a Life Fund of R1 000 000 with the 20% Integrated Financial option, your initial cover will amount to R1 200 000.

Assuming you had an annual Integrated Cover adjustment of -0.175% as per your Financial Integrator Adjustment Matrix, your Total Life Fund (increased by your selected annual benefit increase in your second year) will be adjusted according to the Integrated Cover Adjustment of -0.175% (ie R1 200 000 x -0.175% = -R2 100).

Assuming your annual benefit increase is 6.5%, your Life Fund in your second year will amount to R1 065 000 (R1 000 000 + annual benefit increase[R1 000 000 x 6.5% = R65 000]) and your Integrated Cover in your second year will amount to R210 900 (R200 000 + annual benefit increase + Integrated Cover Adjustment = R200 000 + R13 000 (R200 000 x 6.5%) – R2 100 (R1 200 000 x -0.175%).

The Financial Integrator Cover Adjustments will not reduce the Financial Integrator Fund below the Minimum Protected Cover Level of 40% of the initial Financial Integrator Fund (including automatic annual benefit increases). Should the Financial Integrator Fund level reach the Minimum Protected Cover Level, this level of cover can remain for whole of life, increasing by the selected annual benefit escalations.

As is shown in the Financial Integrator Adjustment Matrices, you may earn additional Integrated Cover depending on your Vitality status, Health claims and Vitality Active status (as applicable to your Integrator package). The maximum additional Integrated Cover that may be earned is 7.5% of the Life Fund (including Annual Benefit Increases) on the 20% Financial Integrator option and 15% of the Life Fund (including Annual Benefit Increases) on the 40% Financial Integrator option. Furthermore, should you attain the maximum additional Integrated Cover that may be earned, this level of cover can remain for whole of life, increasing by the selected annual benefit escalations.

Furthermore, for the Health, Vitality, Bank Integrators and Managed Care Integrator, as well as for Non-Integrated policies, should you cease to be a member of Vitality before the end of the month in which your Integrated Cover Adjustments cease, you will receive an annual cover adjustment based on the Blue/No Vitality status as per the tables shown at the beginning of this section. Similarly, for Active Integrators, should you cease to be a member of Vitality Active before the end of the month in which your Integrated Cover Adjustments cease, you will receive an annual cover adjustment based on the Blue/No Vitality Active status as per the tables shown at the beginning of this section.

9.4.3 CAN YOU BUY BACK COVER LOST THROUGH THE FINANCIAL INTEGRATOR ADJUSTMENTS?

You may apply to buy back amounts of Integrated Cover on each policy anniversary to the value of any integrated cover adjustments that decreased your Financial Integrator Fund over the previous year.

If you choose not to take up this option in any year, you may take it up at any of the next six policy anniversaries. This buy back is subject to the following conditions:

- This option is only available if benefit inception of the Financial Integrator Fund is before your 56th birthday.
- You may buy back the full Financial Integrator Adjustment within three years of the adjustment being applied.
- If this option to buy back the full Financial Integrator Adjustment is not used within three years of the adjustment being applied, you may use this option to buy back 50% of the adjustment on the 4th, 5th, or 6th policy anniversary after the adjustment has been applied. If any six-year period passes without you buying back any Financial Integrator Adjustment as described above, the right to exercise this option at any future time (in respect of any year's Financial Integrator Adjustment) is forfeited.
- You may only buy back the Financial Integrator Adjustments at policy anniversary.
- The ability to exercise any options and to buy back lost cover will expire at the end of the month in which your Financial Integrator Adjustments cease.

If a claim for any of the Severe Illness Benefits or Family Benefits (at Severity Levels A, B, C or D) or the Capital Disability Benefit (at Claim Category levels A, B or D) arises, future options to increase your Financial Integrator Fund for the life to whom the claim was related will apply only to the Life Fund (and not the ancillaries). Options for other lives assured on the policy remain unchanged, as long as they haven't claimed for such severities or categories.

Options to increase the Capital Disability Benefit will not be granted if a claim under the Capital Disability Benefit (Category C), the Income Continuation Benefit or any other disability benefit has been made within three years of the option date.

Any cover reinstated through the option to buy back any cover lost through Integrated Cover Adjustments after age 56 will not be taken into account when calculating the Financial Integrator Buy-up Cash Conversion.

9.4.4 WHAT HAPPENS TO THE FINANCIAL INTEGRATOR FUND WHEN YOUR INTEGRATED COVER ADJUSTMENTS CEASE?

After the Integrated Cover Adjustments cease (as per section 9.4.2), the Financial Integrator Fund and premiums for this cover will continue for whole of life, with no additional Integrated Cover Adjustments being applied. This is known as the post-retirement Financial Integrator Fund and will grow by the selected annual benefit escalation rate as per your Policy Schedule.

9.4.5 FINANCIAL INTEGRATOR BUY-UP CASH CONVERSION

If you have a Classic, Essential or Purple Life Plan, you may apply for the Buy-up Cash Conversion Benefit, which provides you with tax-free lump sum benefit payments at specific future ages. The value of these payments are determined as a percentage of your Financial Integrator Fund. You can elect the Financial Integrator Buy-up Cash Conversion percentage to be either 50%, 100% or 200%.

Selecting the Buy-up Cash Conversion Benefit is subject to our maximum entry ages, your policy meeting specified ancillary benefit requirements and the benefits being available at the time, at Discovery Life's discretion.

An additional premium will be paid for this benefit. The Buy-up Cash Conversion Benefit is not available on Active Integrated policies (and will be removed on policies that switch to the Active Integrator).

The Financial Integrator Buy-up Cash Conversion payments are based on your Financial Integrator Fund at the end of the month in which you turn age 65. This fund will be paid out to you in four equal instalments at the end of the months in which you turn ages 65, 69, 73 and 77 (with no allowance for increases – no Annual Benefit Increases or Annual Cover Adjustments after age 65) provided that your policy is still in force at the point in time. These payouts will not reduce the risk cover provided by the Financial Integrator Fund. Additionally, the payouts will be made at the end of the month in which you turn the applicable age. Note that the payouts will be as per the amounts shown in your Policy Schedule. The payout as a percentage of the Financial Integrator Fund may not be equal to the Financial Integrator Buy-up Cash Conversion percentage you selected depending on the servicing you have done on your policy.

The percentage of the Buy-up Cash Conversion Fund that will be paid out at each payout age will be based on the percentage of Buy-up Cash Conversion that you selected (which is shown on your Policy Schedule) as per the table below.

	50% BUY-UP CASH CONVERSION OPTION SELECTED				100% BUY-UP CASH CONVERSION OPTION SELECTED				200% BUY-UP CASH CONVERSION OPTION SELECTED			
	AGE 65	AGE 69	AGE 73	AGE 77	AGE 65	AGE 69	AGE 73	AGE 77	AGE 65	AGE 69	AGE 73	AGE 77
Percentage payout of Financial Integrator Fund at age 65	12.5%	12.5%	12.5%	12.5%	25%	25%	25%	25%	50%	50%	50%	50%

EXAMPLE

A client takes out a Discovery Life Plan at age 50. He chooses the 200% Buy-up Cash Conversion option on his Financial Integrator Fund. Therefore, he qualifies for four payouts from his Buy-up Cash Conversion Fund, made at ages 65, 69, 73 and 77.

Assuming his Financial Integrator Fund was R2 000 000 at the end of the month in which he turns age 65, he will receive four payments of 50% of R2 000 000 at ages 65, 69, 73 and 77. This translates into R1 000 000 (50% x R2 000 000) at age 65, R1 000 000 at age 69, R1 000 000 at age 73 and R1 000 000 at age 77.

The premium for these additional Buy-up Cash Conversion options will continue to be paid until the end of the month in which you turn age 77. However, the Buy-up Cash Conversion premium at the time will halve after each of the Buy-up Cash Conversion payments has been made at ages 65, 69 and 73. Each year this premium will continue to increase at the policy's Annual Contribution Increase (as well as the additional annual premium adjustment, if applicable – please see section 10). This benefit is available on Classic, Purple and Essential Life Plans, but it is not available on Plans that have the Active Integrator.

EXAMPLE

When you turn age 65, assume your Buy-up Cash Conversion premium is R1 000 per month. After you have received your first Buy-up Cash Conversion payout at age 65, your premium will halve to R500 per month. This will happen in the month following your 65th birthday.

Each year this premium will continue to increase at the policy's Annual Contribution increase (as well as the additional annual premium adjustment, depending on your Integrator package selected). Assuming your Buy-up Cash Conversion premium amounts to R750 at age 69, it will halve to R375 per month after the payout is made at the end of the month in which you turn 69. Your premium will halve again when you turn 73.

These premiums will cease at the end of the month in which you turn age 77.

If the Financial Integrator cover is electively increased after age 56, the Buy-up Cash Conversion payable will not increase. The full Buy-up Cash Conversion percentage chosen will still be paid on all cover electively added prior to age 56.

The total Buy-up Cash Conversion Benefit payouts have a minimum guaranteed value of 100% of all the premiums paid under this benefit up to age 77. If at age 77 the sum of the premiums paid for this benefit (adjusted appropriately for any servicing alterations) are more than the sum of all the Buy-up Cash Conversion payments made to you throughout the policy term, then the difference between the premiums paid and the Buy-up Cash Conversion payments received will be refunded to you at the end of the month if which you turn age 77, without interest. Should you reduce your Buy-up Cash Conversion premium, your guaranteed minimum benefit will reduce proportionately.

EXAMPLE

If at age 77 you have paid R500 000 in Buy-up Cash Conversion premiums and you have received a total of R1 000 000 from Buy-up Cash Conversion payouts, then no additional payment will be made.

However, if at age 77 you have paid R1 100 000 in Buy-up Cash Conversion premiums and you have received a total of R1 000 000 in Buy-up Cash Conversion payouts, then an additional payment of R100 000 will be made when you turn 77.

In the case of your death before the end of the month in which you would have turned 65, your beneficiaries or estate will receive a refund of 100% of your Buy-up Cash Conversion premiums paid (without interest) if this benefit is still in force. In the case of your death between ages 65 and 77, if you have paid more in premiums for the Buy-up Cash Conversion benefit than the amount you have received in payments from the Buy-up Cash Conversion at the point of death, Discovery Life will refund the excess premiums paid. Should you reduce your Buy-up Cash Conversion premium before age 77, your policy value on death will be reduced proportionately.

Please note, that if you increase your Financial Integrator Fund after the date that the Buy-up Cash Conversion was selected on the policy, any resulting increases in the Buy-up Cash Conversion will be subject to Discovery Life's discretion.

EXAMPLE

Assume you receive a Buy-up Cash Conversion payout of R500 000 when you turn 65 and a second payout of R500 000 when you turn 69. Furthermore assume that at age 72, you have paid a total of R1 200 000 in Buy-up Cash Conversion premiums (from the time that you took out the benefit until age 72). In the case of your death at age 72, a payout of R200 000 (R1 200 000 - R1 000 000) will be made to your beneficiaries.

There is no surrender value for the Financial Integrator Buy-up Cash Conversion. As a result, no surrender value is paid if you lapse or cancel the benefit or your Discovery Life Plan before the payout dates.

The 200% Buy-up Cash Conversion option has certain qualifying criteria and therefore by reducing or removing benefits on your policy you may no longer qualify for the 200% Buy-up Cash Conversion option after the change. In this case your benefit and premium will be adjusted to the 100% Buy-up Cash Conversion option, as will be shown on the servicing quotation. Furthermore, there will be no refund of Buy-Up Cash Conversion premiums in this scenario.

If your Financial Integrator Fund is reduced due to servicing or claims, any subsequent Buy-up Cash Conversion payments will be reduced proportionately to the percentage reduction in the Financial Integrator Fund. For scenarios when your Financial Integrator Fund is reduced due to a claim event, your Buy-up Cash Conversion premiums will also reduce going forward.

EXAMPLE

Assume you have a Life Fund of R1 000 000 and have selected the 20% Financial Integrator Fund option, therefore your Financial Integrator Fund amounts to R200 000 and as a result, your Total Life Fund (your Life Fund + your Financial Integrator Fund) amounts to R1 200 000 at inception. Furthermore, assume you select a 50% accelerated Severe Illness Benefit, which gives you severe illness cover of R600 000 (R1 200 000 x 50%).

If you claim for a Severity A Severe Illness Benefit condition, your payout would be R600 000 (100% of R600 000) and your Life Fund would halve and reduce from R1 000 000 to R500 000. Accordingly, your Financial Integrator Fund would also halve from R200 000 to R100 000.

This 50% reduction in your Financial Integrator Fund would mean that all future payouts from this Fund would be halved. Note that this will also halve any payouts from your Buy-up Cash Conversion Fund.

Please note, Discovery Life guarantees that the Buy-up Cash Conversion premiums for the Financial Integrator will not be increased for the first 10 years, except for any contractual premium increases. In addition, Discovery Life guarantees that if any premium increases are required at the end of the first 10 years and any 10-year period thereafter, these increases will not exceed 25% of your premiums being paid at that time.

9.5 VITALITY FUND

9.5.1 OVERVIEW

The Vitality Fund Benefit is available if you have a Purple Life Plan or if you have selected the Bank Integrator on your Classic or Essential Plan. The Vitality Fund Benefit provides additional, non-accelerated Life Cover for which a premium will only be charged after three years. The following additional periods of Vitality Fund cover could be available after three years:

- Two additional periods which are three years long on the Purple Life Plan; or
- One additional period for a further three years if you have selected the Bank Integrator on your Classic or Essential Plan.

The Vitality Fund is separate from the Life Fund on your Life Plan. If you have selected the Bank Integrator on a Purple Life Plan, then the rules below pertaining to the Purple Life Plan will supersede those of the Bank Integrator.

9.5.2 QUALIFYING CRITERIA FOR THE VITALITY FUND

- You must be the owner and principal life assured on your Life Plan.
- You must be younger than age 61 next birthday at the time of applying for the first period of the Vitality Fund. If you have a Purple Life Plan and you are older than age 56 next birthday at this time you may only be eligible for a total of two Vitality Fund periods of three years each.
- You must have an A1 Risk Rating on all Life Cover benefits on your Life Plan at the onset of and during the existence of the benefit.
- Your Life Plan must at all times satisfy the requirements for Comprehensive Integration;
- Your Vitality membership must be in force at the onset of the benefit. If you cancel your membership during the course of the benefit, you can choose to purchase the Vitality Fund cover at that point, free of underwriting, but no further Vitality Fund periods will be available.
- All exclusions imposed on the Life Cover benefit on your Life Plan will apply to the Vitality Fund Benefit.
- You may not have had the Vitality Fund before, on any other Life Plans on which you were the Life Assured or owner.

These criteria may change from time to time and may result in your losing access to future periods of Vitality Fund.

9.5.3 HOW DOES THE VITALITY FUND WORK?

First period of Vitality Fund cover

The Vitality Fund is initially calculated as 20% of the Life Fund (excluding any Cover and Financial Integrator amounts) at the time of qualifying for the benefit (subject to the maximums determined by Discovery from time to time). Your Vitality Fund benefits will increase annually at the selected annual benefit escalation rate on your Life Plan.

For a period of three years thereafter no premium will be charged for the Vitality Fund. On the expiration of the three year period, the Vitality Fund cover will convert, free of underwriting, to whole-of-life cover under the Vitality Fund Buy-up benefit. A premium will be charged for this cover which will be based on the new business rates for your age at that time. You will be notified in writing before your premiums commence.

These premiums will increase annually at rates consistent with the Life Cover premium increases on your Life Plan. The Vitality Fund Buy-Up benefit cover (on this and all subsequent periods) will increase annually at the selected annual benefit increase rate on your Life Fund.

Second period of Vitality Fund cover

At the point when the first period of Vitality Fund cover is converted to the Vitality Fund Buy-Up benefit, the second period of Vitality Fund cover will be made available.

This second period will be calculated as 20% of the Life Fund (excluding any Cover and Financial Integrator amounts and previous periods of Vitality Fund Cover) at the time of adding the second period of Vitality Fund cover to which the Annual Vitality Fund Adjustment percentages will be added or deducted as per the Vitality Fund Adjustment tables below (subject to the maximums determined by Discovery from time to time). For the next three years no premium will be charged for the additional cover added in the second Vitality Fund period. You will be notified in writing before your premiums commence.

On the expiration of the second Vitality Fund period, this Vitality Fund cover will also convert to the Vitality Fund Buy-Up benefit. A premium will be charged for the additional cover added in the second Vitality Fund period which will be based on new business rates for your age at that time.

Third period of Vitality Fund cover (only available if you have a Purple Life Plan)

At the point when you start paying a premium for the second period of Vitality Fund cover, the third and final period of Vitality Fund cover will be made available.

This additional cover will be calculated on the same basis as the second period above (subject to the maximums determined by Discovery from time to time).

On the expiration of the third Vitality Fund period, this Vitality Fund cover will also convert to the Vitality Fund By-Up benefit and a premium will be charged for the cover that has been added.

Vitality Fund Adjustments

The annual Vitality Fund Adjustments on the Purple Life Plan are specified in the following table:

VITALITY HEALTH STATUS	ANNUAL VITALITY FUND ADJUSTMENTS
Blue or No Vitality	-2%
Bronze	-1%
Silver	0%
Gold	1%
Diamond	2%

The annual Vitality Fund Adjustments if you have selected the Bank Integrator on the Classic or Essential Life Plan are specified in the following table:

ANNUAL VITALITY FUND ADJUSTMENTS		VITALITY MONEY STATUS				
		BLUE	BRONZE	SILVER	GOLD	DIAMOND
VITALITY HEALTH STATUS	Blue	-2.00%	-1.50%	0.00%	0.25%	1.00%
	Bronze	-1.50%	-1.00%	0.00%	0.50%	1.25%
	Silver	0.00%	0.00%	0.00%	0.75%	1.50%
	Gold	0.25%	0.50%	0.75%	1.00%	1.75%
	Diamond	1.00%	1.25%	1.50%	1.75%	2.00%

The tables above may change from time to time.

EXAMPLE

Suppose you take out a Purple Life Plan at age 40 next birthday with a Life Fund of R10 000 000 with no Cover or Financial Integrator (Annual Benefit Increases and Annual Contribution Increases are ignored in this example). At policy inception, you pay R2 000 for your Life Fund cover. Your policy meets all the qualification criteria for the Vitality Fund and it is activated on your policy. You will receive 20% x R10 000 000 = R2 000 000 Vitality Fund for the next three years, at no additional premium during this period.

At the end of the first three year period, a R500 premium is charged for the R2 000 000 Vitality Fund Buy-up cover going forward. By retaining the additional cover, you now unlock a second piece of additional cover in your Vitality Fund for the next three years. This new additional piece of cover is dependent on your Vitality Health Status at the end of each of the first three years. Suppose your Vitality Health Status in each of these years were as follows:

Year 1: Blue	Year 2: Blue	Year 3: Bronze

Therefore, the additional cover unlocked in the second period is

= (20% -2% -2% -1%) x Current base Life Fund at the end of the third year
= 15% x R10 000 000
= R1 500 000

At the end of the next three year period (i.e. the end of the sixth year), a R400 premium is charged for the R1 500 000 Vitality Fund Buy-up cover going forward. By retaining the additional cover, you now unlock a third piece of additional Vitality Fund cover, for the next three years. This new additional piece of cover is dependent on your Vitality Health Status in each of the past six years. Suppose your Vitality Health Status in each of these years were as follows:

Year 1: Blue	Year 2: Blue	Year 3: Bronze	Year 4: Silver	Year 5: Silver	Year 6: Gold

Therefore, the additional cover unlocked in the third period is

= (20% -2% -2% -1% + 0% + 0% + 1%) x Current base Life Fund
= 16% x R10 000 000
= R1 600 000

At the end of the next three year period (end of the ninth year), a premium of R450 will be charged for the Vitality Fund Buy-up cover added in this period and no more Vitality Fund periods are unlocked going forward.

In total, you will have Life Cover of R15 100 000 (R10 000 000 + R2 000 000 + R1 500 000 + R1 600 000) and will pay a total premium of R3 350 (R2 000 + R500 + R400 + R450).

9.5.4 WHEN WILL THE VITALITY FUND BENEFIT FALL AWAY?

- If you choose to remove or reduce any Vitality Fund Buy-Up benefit you will forfeit the right to qualify for any further Vitality Fund periods.
- If your policy does not qualify for Vitality Fund anymore due to changes you make to your policy (see qualifying criteria above), all amounts of Vitality Fund not yet converted to the Vitality Fund Buy-Up benefit will irrevocably fall away including the Vitality Fund that is currently being offered at no additional premium. You will not be able to activate it on any policy in the future. Your servicing quotation will indicate whether the changes will result in you no longer qualifying for this benefit.
- If you claim for certain other benefits (see list below) on any of your Life Plans during any of the Vitality Fund periods, you will still receive the Vitality Fund Buy-Up benefit at the end of the three year period. However, no further Vitality Fund periods will be available on this Life Plan or any of your other Life Plans, if applicable. The claims included here are for the benefits provided in the list below:
  - Severe Illness Benefit: Severities A to D for all conditions
  - Severe Illness Benefit: Severities E to G for Cancer and Heart and Artery conditions
  - Capital Disability: Categories A to D
  - Income Continuation Benefit: Categories A and D
  - Income Continuation Benefit: Claims longer than 6 months
  - Income Continuation Benefit underpins (excluding fracture and hospitalisation)
  - Medical AccessCover
  - Terminal Illness.
- If you cancel your Vitality membership (or Vitality Money membership, if applicable), you will still have the opportunity to take up that particular period's Vitality Fund benefit at the end of that period. However, no further Vitality Fund period will be available.
- If you initially qualified for the Vitality Fund benefit (i.e. you had an A1 risk rating) and you subsequently add a non-A1 rated tranche of Life Cover, you will still have the opportunity to take up that particular period's Vitality Fund benefit at the end of that period at A1 rates. However, no further Vitality Fund periods will be available.
- If you cancel your Life Plan, the Vitality Fund will also be cancelled, even if you subsequently reinstate your Life Plan or take out a new Life Plan policy.
- If you increase your Life Fund this will result in an increase in the value of any Vitality Fund cover for which you are not currently paying a premium. However the full value of this cover will become premium paying three years after the period started, regardless of when you performed the servicing.
- If you claim such that your Life Fund is depleted, your spouse will be given the option to take up the Vitality Fund cover on a new policy (assuming all other qualification criteria are met).

9.6 LEGACY FUND (ONLY AVAILABLE ON PURPLE LIFE PLANS)

9.6.1 OVERVIEW

The Legacy Fund Benefit provides additional, non-accelerated Life Cover for which no premium will be charged. The cover will remain for the duration of the policy, subject to the conditions in Section 9.6.4. The Legacy Fund Benefit is separate from the Life Fund on your Purple Life Plan.

9.6.2 QUALIFYING CRITERIA FOR THE LEGACY FUND

The qualifying criteria for the Legacy Fund are:

- You must be the owner and principal life assured on your Purple Life Plan;
- You must have qualified for and taken up all your Vitality Fund periods (which may be two or three depending on your age when taking out your Purple Life Plan);
- You must have an A1 Risk Rating on all Life Cover benefits on your Purple Life Plan at the onset of and during the existence of this benefit;
- Your Purple Life Plan must at all times satisfy the requirements for Comprehensive Vitality or Health Integration;
- Your Vitality membership must be in force at the onset of the benefit;
- You may not have had the Legacy Fund before, on any Life Plans on which you were the Life Assured or owner.

Note that all exclusions imposed on the Life Cover benefit on your Purple Life Plan will apply to the Legacy Fund Benefit.

The cover will become available to you at the next anniversary after you turn 65 or the later of 10 years after your policy commenced, if this occurs later. A summary of this can be seen below:

AGE NEXT AT POLICY COMMENCEMENT	AGE NEXT AT WHICH LEGACY FUND IS PROVIDED
<=56	66
>56	10 years older than the age you were when the policy commenced

These criteria may change from time to time.

9.6.3 HOW DOES THE LEGACY FUND WORK?

The Legacy Fund Benefit allows you to boost your life cover in retirement by engaging with Vitality.

The cover you receive will be calculated as 20% of the Life Fund (excluding any Cover and Financial Integrator amounts) to which the Annual Legacy Fund Adjustment percentages will be added or deducted as per the Legacy Fund Adjustment tables below (subject to the maximums and minimums which may be reviewed on an annual basis taking into account emerging experience as well as consideration for the general economic and regulatory environment). This cover percentage is then multiplied by an additional factor, based on your Vitality Rating Longevity class to determine your final Legacy Fund Benefit amount. This amount is subject to a maximum determined by Discovery from time to time and will be shown in your Policy Schedule. The Legacy Fund adjustments will stop accumulating at the point where the Legacy Fund cover begins.

Legacy Fund Adjustments

The annual Legacy Fund Adjustments on the Purple Life Plan are specified in the following table:

VITALITY HEALTH STATUS	ANNUAL LEGACY FUND ADJUSTMENTS
Blue or No Vitality	-2%
Bronze	-1%
Silver	0%
Gold	1%
Diamond	2%

Please note that the values in the above table are annually reviewable, taking into account emerging experience as well as consideration for the general economic and regulatory environment.

Vitality Rating Longevity class adjustment

The Vitality Rating Longevity class adjustments are specified in the following table:

VITALITY RATING LONGEVITY CLASS	COVER PERCENTAGE
LifeTime Select	100%
Select	50%
Standard or Unconfirmed	25%

You may submit the results from your Vitality Health Check for 65+ after your Legacy Fund is provided and the cover percentage you qualify for may increase at that point, depending on the Vitality Rating Longevity class that you receive. Please note that the values in the above table are annually reviewable, taking into account emerging experience as well as consideration for the general economic and regulatory environment.

EXAMPLE

Suppose you take out a Purple Life Plan at age 49 with a Life Fund of R10 000 000 with no Cover or Financial Integrator (Annual Benefit Increases and Annual Contribution Increases are ignored in this example). Your policy meets all the qualification criteria for the Vitality Fund and it is activated on your policy. You will receive 20% x R10 000 000 = R2 000 000 Vitality Fund for the next three years, at no additional premium during this period.

You decide to retain all three periods of Vitality Fund. If you were to experience the below Vitality experience, your cover levels would be as follows:

YEAR	AGE NEXT BIRTHDAY	VITALITY HEALTH STATUS	VITALITY FUND ANNUAL ADJUSTMENT	CUMULATIVE VITALITY FUND ADJUSTMENT	VITALITY FUND 1 COVER PERCENTAGE	VITALITY FUND 2 COVER PERCENTAGE	VITALITY FUND 3 COVER PERCENTAGE
1	50	Blue	-2%		20%		
2	51	Blue	-2%		20%		
3	52	Silver	0%	-4% (-2%-2%+0%)	20%		
4	53	Silver	0%		20%	16% (20%-4%)	
5	54	Gold	1%		20%	16%	
6	55	Gold	1%	-2% (-2%-2%+0%+0%+1%+1%)	20%	16%	
7	56				20%	16%	18% (20%-2%)
8	57				20%	16%	18%
9	58				20%	16%	18%
10	59				...	...	...

Assume now that you become Diamond Vitality Health status and remain so until you turn 65. Your Legacy Fund experience would look as follows:

YEAR	AGE NEXT BIRTHDAY	VITALITY HEALTH STATUS	LEGACY FUND ADJUSTMENT	CUMULATIVE LEGACY FUND ADJUSTMENT	LEGACY FUND COVER PERCENTAGE
1	50	Blue	-2%	-2%	
2	51	Blue	-2%	-4%	
3	52	Silver	0%	-4%	
4	53	Silver	0%	-4%	
5	54	Gold	1%	-3%	
6	55	Gold	1%	-2%	
7	56	Diamond	2%	0%	
8	57	Diamond	2%	2%	
9	58	Diamond	2%	4%	
10	59	Diamond	2%	6%	
11	60	Diamond	2%	8%	
12	61	Diamond	2%	10%	
13	62	Diamond	2%	12%	
14	63	Diamond	2%	14%	
15	64	Diamond	2%	16%	
16	65	Diamond	2%	18%	
17	66				38% (20% + 18%)

At age 65 you perform the Vitality Health Check for 65+ and obtain a Select Vitality Rating class. This means your final Legacy Fund percentage is 19% (38% x 50%). At this point you will have the following cover amounts:

- Life Cover = R10 000 000
- Vitality Fund 1 = R2 000 000 (20% x R10 000 000)
- Vitality Fund 2 = R1 600 000 (16% x R10 000 000)
- Vitality Fund 3 = R1 800 000 (18% x R10 000 000)
- Legacy Fund = R1 900 000 (19% x R10 000 000)

The Legacy Fund will grow with benefit increases on each policy anniversary after it is awarded.

AccessCover and AccessCover Plus (if applicable) will apply to the extra cover received through the Legacy Fund.

9.6.4 WHEN WILL THE LEGACY FUND FALL AWAY?

- If you choose to remove or reduce any of your Vitality Fund periods you will forfeit the right to qualify for the Legacy Fund benefit.
- If your policy does not qualify for Legacy Fund anymore due to changes you make to your policy (see qualifying criteria above), the Legacy Fund benefit will irrevocably fall away. You will not be able to activate it on any policy in the future. Your servicing quotation will indicate whether the changes will result in you no longer qualifying for this benefit.
- If you claim for certain benefits (see list below) on any of your Life Plans prior to the Legacy Fund benefit being added, you will no longer qualify. The claims included here are for the benefits provided in the list below:
  - Severe Illness Benefit: Severities A to D for all conditions
  - Severe Illness Benefit: Severities E to G for Cancer and Heart and Artery conditions
  - Capital Disability: Categories A to D
  - Income Continuation Benefit: Categories A and D
  - Income Continuation Benefit: Claims longer than 6 months
  - Income Continuation Benefit underpins (excluding injury and hospitalisation)
  - Medical AccessCover
  - Terminal Illness.

You will not lose your Legacy Fund if a claim on any of these benefits occurs in the period in which the Legacy Fund is active.

- If you cancel your Vitality or Vitality Active membership (as applicable) you will no longer qualify.
- If you initially qualified for the Legacy Fund benefit (i.e. you had an A1 risk rating) and you subsequently add a non-A1 rated tranche of Life Cover, you will no longer qualify.
- If you cancel your Purple Life Plan, the Legacy Fund will also be cancelled, even if you subsequently reinstate your Purple Life Plan or take out a new Purple Life Plan.
- If you reduce your ancillary percentages to below the level where you qualify for the Comprehensive Integrator, the Legacy Fund will fall away.
- If you change your Purple Life Plan to an Essential, Smart or Classic Life Plan, or you perform elective down-servicing such that you no longer qualify for the Purple Life Plan, will no longer qualify for the Legacy Fund, and any cover already granted through this benefit will fall away.

SECTION 10

INTEGRATORS

Discovery's Integrator range consists of the Comprehensive Integrator and the Core Integrator. In order to qualify for the Comprehensive Integrator, your Life Plan must comprise of at least one of the following:

- At least one of the qualifying benefits listed below is defined as at least 50% of the Life Fund or the maximum allowed:
  - Spouse Life Cover
  - Capital Disability
  - Comprehensive Severe Illness Benefit
  - Child Protector Benefit
  - Female Severe Illness
  - Minimum Income Continuation Benefit of R10 000 per month.

OR

- At least two of the above qualifying benefits are defined as at least 30% of the Life Fund or the maximum allowed.

OR

- One of the above qualifying benefits is defined as at least 30% of the Life Fund plus a minimum Income Continuation Benefit of R7 500 per month.

These criteria may be changed from time to time.

If none of these criteria are met you will only be able to qualify for Core Integration. Both of these Integrators offer you a choice of mechanisms which give you the ability to control your premium increases and, in certain cases, to receive PayBack.

The four mechanisms are:

- the Health Integrator
- the Vitality Integrator
- the Active Integrator
- the Bank Integrator.

The Comprehensive Integrator offers higher upfront premium reductions than the Core Integrator and also offers PayBack on the Health, Vitality and Active Integrator on the Classic or Purple Life Plan, but the requirements to qualify for the Comprehensive Integrator are stricter.

Should you choose to Integrate your Life Plan and you select certain qualifying ancillary benefits, you will qualify for the Comprehensive Integrator. Should your policy not meet the qualifying ancillary requirements, you will qualify for the Core Integrator.

Should you initially have qualified for the Comprehensive Integrator but your policy fails to meet these qualifying requirements during the policy term, except in the case where benefits have reached the benefit expiry age or where benefits have reduced due to a claim, Discovery Life will change the premium to the premium that would have been paid on a Core Integrator. By Integrating your Life Plan, you immediately get the benefits of Integration, such as the upfront premium discount. For this reason, you are unable to remove the Integrator from your Life Plan. This also applies if your Life Plan no longer meets the qualifying criteria for Integration, for example if you cancel your Vitality membership or your qualifying health plan (administered by Discovery Health).

Should you have selected the Health Integrator (Section 10.1), the Vitality Integrator (Section 10.2), the Active Integrator (Section 10.3) or the Bank Integrator (Section 10.4) on your Life Plan, the initial premium reduction, annual review and PayBack, will apply to the Cover Integrator Fund and Financial Integrator Fund as well. Please note that the five-yearly PayBack does not apply to any Buy-up-Cash Conversion premium (described in Section 9). In addition to the above integrators, there is the Managed Care Integrator. The Managed Care Integrator is only offered to lives assured with specific medical conditions that have resulted in a health loading applied to their premium.

10.1 HEALTH INTEGRATOR

Policyholders may select the Health Integrator as long as the principal and spouse lives assured are members of the same qualifying health plan from a participating medical scheme administered by Discovery Health and the same Vitality. Your Policy Schedule will indicate if your health plan is a qualifying health plan. KeyCare and schemes administered by Discovery Health which are KeyCare equivalents are excluded.

10.1.1 INITIAL PREMIUM REDUCTION

The Life Plan initial premium is reduced, depending on the Life Plan Funding structure and the life assured's Health Plan. For schemes administered by Discovery Health, the equivalent Discovery Health Medical Scheme Plan will be used. The premium reduction applies to the premiums of all benefits excluding Vitality and Discovery Retirement Optimiser. The premium reduction will be:

Comprehensive Integrator

HEALTH PLAN	LIFE PLAN FUNDING STRUCTURE	
	STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
EXECUTIVE/COMPREHENSIVE/ PRIORITY	20%	15%
SMART/SAVER/CORE	17.5%	15%

Core Integrator

HEALTH PLAN	LIFE PLAN FUNDING STRUCTURE	
	STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
EXECUTIVE/COMPREHENSIVE/ PRIORITY	10%	7.5%
SMART/SAVER/CORE	8.75%	7.5%

Please note that if you change your Health Plan, Life Plan, Funding Structure or Integrator type at any time during the term of your policy, your initial premium reduction will update to reflect the changes you have made.

EXAMPLE

Your policy is Health Integrated and increases follow the Accelerator funding plan. You are on an Executive Health Plan and qualify for an initial premium reduction of 20%. You later change your Health Plan to a Saver Health Plan which qualifies for a lower initial premium reduction. This change may result in an increase in your Life Plan premium.

10.1.2 ANNUAL PREMIUM REVIEW

On the policy anniversary of the Life Plan, the premiums for all benefits will increase as described in Section 4.1.

In addition, the premiums for all benefits on your Life Plan (except Vitality, Vitality Active, the Discovery Retirement Optimiser, and Buy-up Income Continuation Fund) may increase or decrease annually on the policy anniversary by an additional percentage depending on the amount of all submitted claims on the life assured's Health Plan and on his/her Vitality status (as at three months before your policy anniversary . If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary.). The calculations of the health claims used to determine your annual premium adjustment are specified in Appendix 14. The Personal Health Matrix shown on your Policy Schedule determines this additional percentage increase or decrease, which is applied multiplicatively to the automatic annual premium increase that you selected on your Life Plan.

EXAMPLE

For example, assume that your monthly premium is R500 and you have selected an automatic annual premium increase of 10% and that the applicable adjustment in your Personal Health Matrix is an increase of 1%. Then your premium adjustment will be: R500 x (1 + 10%) x (1 + 1%) = R555.50.

Please note that Discovery Life may adjust your Personal Health Matrix on an annual basis taking into account changes to qualifying health plans on participating medical schemes administered by Discovery Health and to take account of emerging experience over time, with due consideration for the general economic and regulatory environment.

Premium reductions attributable to your Personal Health Matrix (over the lifetime of the Life Plan) may never reduce the premium to a level below what the premium would have been on an equivalent Non-Integrated Life Plan less the applicable initial premium reduction detailed above. In other words, no discounts in addition to the initial Health Integrator discount will be possible.

Should any life assured (apart from the parents of the principal life or spouse) on the Life Plan cease to be a member of Vitality, the policy will remain on the Health Integrator and the additional annual premium increase percentage will be set at a fixed rate of 2.25% per year instead of using the Personal Health Matrix. Should either of the principal or spouse lives assured described above cease to be a member of the same qualifying Health Plan on a participating medical scheme administered by Discovery Health, the following will apply:

- In the event that the lives assured are all on the same Vitality policy, they will be moved to the Vitality Integrator. In this case, any positive or negative balance of the Health Integrator PayBack (described below) will be transferred to the Vitality Integrator PayBack.
- If the principal life is the one that has cancelled the health plan and therefore has lost the Vitality membership that was linked to the Health Plan, we will add Vitality to the Life Plan and automatically move the Life Plan to the Vitality

Integrator. In this case, any positive or negative balance of the Health Integrator PayBack (described below) will be transferred to the Vitality Integrator PayBack.

- If the principal and spouse lives assured are not on the same Vitality policy, the additional annual premium increase percentage will be set at a fixed rate of 2.25% and the PayBack will be set to 0%. Any accumulated PayBack Fund will also fall away. In this instance, any additional cover added while the cover is in this defaulted state will not receive any additional Integrator discounts. If Vitality is later added to the Life Plan so that all lives assured are on the same Vitality policy, the Life Plan will be moved to a Vitality Integrator.

Should your Health Integrator plan lapse and should you purchase another Life plan at some future date, the initial premium reduction percentage on the new plan may be reduced by any increases that you had on your original policy as a result of the Personal Health Matrix.

However, if you or your spouse have claimed on either Severe Illness Benefit (Severity A or B) or the Capital Disability Benefit (Category A, B or D), the Health Integrator annual premium adjustment is limited to 0% after claim. Negative adjustments will still apply for those clients who are highly engaged, subject to the maximum Integration premium reduction specified above.

The Health Integrator annual premium adjustment is capped at 0% only from the policy anniversary after the qualifying claim has been finalised and completely processed by Discovery Life. If a claim has been reported but not finalised at policy anniversary, the cap will not be applied. This cap will only apply while you are is still a life assured on the policy and will fall away if the benefits on this policy are serviced in such a way that there is an increase in the policy premiums.

10.1.3 THE HEALTH INTEGRATOR'S MAXIMUM PROTECTED PREMIUM

In addition to normal premium guarantees, Discovery Life guarantees the following on the Health Integrator:

- Irrespective of the life assured's health claims and/or Vitality status, your reduced premium plus premium increases relating to the Personal Health Matrix on the Health Integrator will not exceed the Maximum Protected Premium.
- The Maximum Protected Premium is defined in terms of the Equivalent Non-Integrated Premium (NI). The Equivalent Non-Integrated Premium (NI) is the premium that would have applied on a Non-Integrated policy at the policy anniversary after automatic annual premium increases have been taken into account.

The tables below reflect this relationship (where the client is a member of a scheme administered by Discovery Health the equivalent Discovery Health Medical Scheme Plan will be assumed):

Comprehensive Integrator

YEARS	STANDARD/ACCELERATER PLANS		FLEXRATER PLAN
	EXECUTIVE/COMPREHENSIVE/ PRIORITY HEALTH PLANS	SMART/SAVER/CORE HEALTH PLANS	EXECUTIVE/COMPREHENSIVE/ PRIORITY/SMART/SAVER/CORE HEALTH PLANS
0 to 5	NI	NI	NI
6 to 10	NI + 10%	NI + 7.5%	NI + 7.5%
11 to 15	NI + 15%	NI + 11.25%	NI + 15%
16 +	NI + 20%	NI + 17.5%	NI + 15%

NI: Equivalent Non-Integrated Premium

Core Integrator

YEARS	STANDARD/ACCELERATER PLANS		FLEXRATER PLAN
	EXECUTIVE/COMPREHENSIVE/ PRIORITY HEALTH PLANS	SMART/SAVER/CORE HEALTH PLANS	EXECUTIVE/COMPREHENSIVE/ PRIORITY/SMART/SAVER/CORE HEALTH PLANS
0 to 5	NI	NI	NI
6 +	NI + 10%	NI + 8.75%	NI + 7.5%

NI: Equivalent Non-Integrated Premium

- For example: with a Comprehensive Health Plan and a Standard Life Plan, your premium on the Health Integrator, after increases relating to the Personal Health Matrix, could not exceed the Equivalent Non-Integrated Premium in years one to five and the Equivalent Non-Integrated Premium applicable in each of years six to 10 Plus an additional 10%.
- The maximum additional annual percentage increase will never exceed 3.75%.

10.1.4 PAYBACK STRUCTURES AVAILABLE ON THE HEALTH INTEGRATOR (ONLY AVAILABLE ON THE CLASSIC AND PURPLE LIFE PLANS)

WHAT PAYBACK STRUCTURES ARE AVAILABLE TO ME?

If you are a member of a qualifying Health Plan on a participating medical scheme administered by Discovery Health and a member of Vitality, you will benefit by receiving PayBacks from the Health Integrator. There are two PayBack structures available to you which determine how your PayBacks will be accumulated:

- The Five-yearly PayBack which vests every five years; and
- Annual Guaranteed PayBack which vests on an annual basis together with a Health Surplus PayBack Fund which vests every five years. This PayBack structure is only available if you have the Financial Integrator benefit on your policy.

In addition to the PayBack structures mentioned above you can select the Double PayBack Option which allows you to double your PayBack percentage (and your guarantee percentage, in the case of the Annual Guaranteed PayBack). If you select this option, each PayBack payment that was due on the PayBack structure you selected above will only vest five years later.

Please note that the PayBack will only be paid to the owner of the policy.

The payment of the PayBack will have no impact on your Life Fund.

HOW IS MY PAYBACK CALCULATED?

The value of your PayBack is determined by a percentage of all qualifying Classic or Purple Life Plan premiums used in the calculation of your PayBack at each policy anniversary.

Only 70% of the following premiums will be used in calculating the PayBack:

- Income Continuation Benefit
- Top-Up Income Continuation Benefit
- Overhead Expenses Benefit

In addition, all premiums and contributions to the following benefits will be excluded when calculating the PayBack:

- Paid-up benefit
- Cover Integrator Buy-up Cash Conversion
- Financial Integrator Buy-up Cash Conversion
- Vitality
- Discovery Retirement Optimiser
- Premiums waived while the policy is in waiver status
- Global Education Protector
- Buy-Up Income Continuation Fund.

During the time that premiums are waived on the Life Plan as a result of the Premium Waiver Benefits on death, disability and severe illness or for any other reason, the PayBack Fund will not increase.

Regardless of the PayBack structure you qualify for and whether or not you take up the Double PayBack Option, any outstanding premiums will be deducted from the PayBack at the time that the PayBack is paid to you.

WHEN DOES MY PAYBACK EXPIRE?

The PayBacks from your Health Integrator will end on the first policy anniversary after you reach age 65, or 10 years after your PayBack benefit has started, if this is later.

If your PayBacks are due to expire at age 65 and you are in a position where you have less than five years between your last PayBack payment and turning age 65, you will still be eligible for a PayBack payment at that point. The PayBack calculation will remain unchanged, but will only be based on your eligible premiums between the previous PayBack payment and turning age 65. You will only be eligible for this payment if your PayBack benefit began before you turned age 55.

The accumulation of PayBacks under each PayBack structure is described below:

THE FIVE-YEARLY PAYBACK

As a member of a participating Health Plan on a medical scheme administered by Discovery Health and a member of Vitality with the Comprehensive Health Integrator, you are eligible for the Five-Yearly PayBack from the Health Integrator.

The Five-Yearly PayBack accumulates a percentage of your qualifying Life Plan premiums in a fund over a five-year period. This fund vests at the end of the five year period. The PayBack percentage that is applied annually to each year's qualifying premiums in a particular five-year period is determined by your Personal PayBack Matrix shown on your

Policy Schedule and is affected by your and your spouse's claims on your Health Plan in that year and your Vitality status three months before your policy anniversary. If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary. The calculations of the health claims used to determine your PayBack percentage are specified in Appendix 14. Discovery Life may alter your Personal PayBack Matrix from time to time taking into account emerging experience with due consideration for the general economic and regulatory environment. Your Personal PayBack Matrix will depend on your Health Plan as at three months prior to your anniversary as well as whether your Life Plan has one or multiple lives assured. A change in your Health Plan or the number of lives assured on your Life Plan will result in a different matrix being applied to your Life Plan at the following policy anniversary.

The PayBack calculation works as follows:

- The percentage as per your Personal PayBack Matrix of each policy year's qualifying premiums is accumulated over a five-year period.
- Any claims on the Life Plan (excluding the AccessCover, AccessCover Plus, claims for temporary disability on the Income Continuation Benefit and premium waiver benefit claims) occurring between the start of the five-year period and up to three months before the end of the period are deducted from the amount that has been calculated over the five-year period. This means that at the end of the first five year cycle, only the claims in the first 57 months since the PayBack benefit started will be considered. Thereafter, at the end of the second and subsequent five year cycles, the claims occurring in the preceding 60 months will be considered, but with a three month lag.
- If the end value is positive, this Fund will vest at the end of the five-year period.
- Any elective reductions to your Life Plan premiums at any point in a particular five-year period may also reduce your accumulated PayBack fund.
- If your policy is cancelled before the fund vests, any accumulated PayBack Fund will be forfeited.

EXAMPLE

Your policy is Health Integrated. You have a Comprehensive Health Plan. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the Five-Yearly PayBack:

In year one your calculated PayBack percentage is 20% based on your Vitality Status and your Health Plan claims. This PayBack percentage is applied to the R12 000 worth of qualifying premiums you paid over the year resulting in R2 400 (20% x R12 000) being accumulated in your PayBack Fund at the end of year one.

In year three your calculated PayBack percentage is 35% based on your Vitality Status and your Health Plan claims over the last year. This PayBack percentage is applied to the R14 520 worth of qualifying premiums you paid over the year and a further R5 082 (35% x R14 520) is added to your accumulated PayBack Fund. This brings the total accumulated PayBack fund at this point to R11 112.

At the end of year five, your calculated PayBack percentage is 42.5%. R7 467 (42.5% x R17 569) is added to your accumulated PayBack fund bringing the total accumulated PayBack fund to R25 367. The PayBack fund vests and you receive a payment of R25 367. Your accumulated PayBack fund resets to zero after you receive your payment.

YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL CONTRIBUTION TO PAYBACK FUND	ACCUMULATED PAYBACK FUND	PAYBACK PAYMENT
1	R12 000	Blue	20%	R2 400	R2 400	
2	R13 200	Bronze	27.5%	R3 630	R6 030	
3	R14 520	Silver	35%	R5 082	R11 112	
4	R15 972	Gold	42.5%	R6 788	R17 900	
5	R17 569	Gold	42.5%	R7 467	R25 367	R25 367
6	R19 326	Diamond	50%	R9 663	R9 663	
7	R21 259	Diamond	50%	R10 630	R20 293	
8	R23 385	Silver	35%	R8 185	R28 477	
9	R25 723	Gold	42.5%	R10 932	R39 410	
10	R28 295	Gold	42.5%	R12 025	R51 435	R51 435

The Five-Yearly PayBack Fund balance starts again at zero at the beginning of each five-year period, irrespective of your health claims experience and claims on your Life Plan over the previous five-year period. You can choose to have your

PayBack Fund paid to you immediately or you may defer the payment and double your PayBack percentages by taking up the Double PayBack Option, described below.

You must keep the Health Integrator for the entire five-year period to qualify for the Five-Yearly PayBack at the end of that five-year period. Should you or any life insured on the policy cease to be a member of Vitality for any reason during the five-year period, your Five-Yearly PayBack will also cease and you will not be eligible for a PayBack at the end of the five-year period. This means that any existing PayBack Fund will also fall away. If you change your Life Plan from a Classic or Purple Life Plan to an Essential Life Plan, your PayBack will cease and no payment will be made at the end of the five-year period. If you change your Life Plan from an Essential Life Plan to a Classic Life or Purple Plan that qualifies for PayBack, your first PayBack payment will be made at the first policy anniversary that falls at least five years from the date of changing to the Classic or Purple Life Plan. If you reduce your monthly Life Plan premiums at any point during the five-year period, your total accumulated PayBack Fund to date may be reduced. Please see your servicing schedule for any implications that servicing reductions may have on your PayBack payable at the end of the five-year period.

ANNUAL GUARANTEED PAYBACK

If you have the Comprehensive Health Integrator and you have the Financial Integrator benefit you will be eligible for the Annual Guaranteed PayBack for the first 10 years on your policy. At the end of this initial 10 year period your PayBack accumulation will follow the structure for the Five-Yearly Payback, described in the previous section.

The Annual Guaranteed PayBack pays you a guaranteed percentage of your qualifying premiums at the end of every year over the initial 10 year period. With the Annual Guaranteed PayBack, Discovery Life guarantees a level of annual PayBack which will not vary with Health Plan claims or your Vitality status. You can choose to have your Annual PayBack paid to you immediately or you may defer the payment by five years and double your PayBack percentages by taking up the Double PayBack Option, described in the next section.

The guarantee under the Annual Guaranteed PayBack depends on your Health Plan at the anniversary when the PayBack is calculated. Please refer to your Policy Schedule to see the guarantee percentage that you qualify for.

If a higher PayBack percentage is calculated for a particular year based on your Vitality status and Health Plan claims (as discussed in the Five-Yearly PayBack section above), the difference between the calculated PayBack and the Annual Guaranteed PayBack is accumulated in the Health Surplus PayBack Fund. The Health Surplus PayBack Fund is paid at the end of year 5 and year 10, and is reduced to zero when the fund is paid out. You can choose to have your Surplus PayBack Fund paid to you immediately or you may defer the payment and double your PayBack percentages by taking up the Double PayBack Option, described in the next section.

Any claims from your Life Plan will only reduce the Health Surplus PayBack Fund. After the first 10 years any claims from your Life Plan will reduce the full PayBack amount at five-yearly intervals.

A change to your policy in the Annual Guaranteed PayBack 10 year period will not result in a new 10 year term commencing for any part of your policy. The original Annual Guarantee PayBack period will still terminate 10 years after adding the Financial Integrator to your policy for the first time.

When you change your Health Plan, this may result in a different guarantee percentage being applied to your Annual Guaranteed PayBack. Discovery Life may also alter the Annual Guaranteed PayBack table shown in your Policy Schedule to remain relevant to changes to qualifying health plans on participating medical schemes administered by Discovery Health and to take account of emerging experience over time, with due consideration for the general economic and regulatory environment.

EXAMPLE

Your policy is Health Integrated. You have a Comprehensive Health Plan. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the Annual Guaranteed PayBack:

In year one the Annual Guaranteed PayBack percentage is 10%. The Annual Guaranteed PayBack is 10% of the R12 000 worth of qualifying premiums that you paid over year one and is paid at the end of year one (R1 200). The calculated PayBack percentage for this year is 20% based on your Vitality Status and your Health Plan claims. The difference between the calculated PayBack and the Annual Guaranteed Payback ([20% -10%] x R12 000 = R1 200) is accumulated in the Health Surplus PayBack Fund.

In year three the Annual Guaranteed PayBack percentage is 10%. The Annual Guaranteed PayBack is 10% of the R14 520 worth of qualifying premiums that you paid over year three and is paid at the end of year three (R1 452). The calculated PayBack percentage for this year is 35% based on your Vitality Status and your Health Plan claims. The difference between the calculated PayBack and the Annual Guaranteed Payback ([35% -10%] x R14 520 = R3 630) is accumulated in the Health Surplus PayBack Fund.

At the end of year five, you are paid the Annual Guaranteed PayBack percentage over that year (10% x R17 569 = R1 757) as well as what has accumulated in the Health Surplus PayBack Fund (R18 041). The accumulated Health Surplus PayBack Fund includes the difference between the Annual Guaranteed Payback and calculated PayBack for year five ([42.5%-10%] x R17 569 = R5 710).

YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL GUARANTEED PAYBACK PERCENTAGE	ANNUAL PAYBACK AMOUNT	CONTRIBUTION TO SURPLUS PAYBACK FUND	ACCUMULATED HEALTH SURPLUS PAYBACK FUND	HEALTH SURPLUS FUND PAYMENT
1	R12 000	Blue	20%	10%	R1 200	R1 200	R1 200	
2	R13 200	Bronze	27.5%	10%	R1 320	R2 310	R3 510	
3	R14 520	Silver	35%	10%	R1 452	R3 630	R7 140	
4	R15 972	Gold	42.5%	10%	R1 597	R5 191	R12 331	
5	R17 569	Gold	42.5%	10%	R1 757	R5 710	R18 041	R18 041
6	R19 326	Diamond	50%	10%	R1 933	R7 730	R7 730	
7	R21 259	Diamond	50%	10%	R2 126	R8 504	R16 234	
8	R23 385	Silver	35%	10%	R2 338	R5 847	R22 080	
9	R25 723	Gold	42.5%	10%	R2 572	R8 360	R30 441	
10	R28 295	Gold	42.5%	10%	R2 830	R9 195	R39 636	R39 636

DOUBLE PAYBACK OPTION

In addition to the PayBack structure you qualify for, as described above, you may choose to add the Double PayBack Option to your Life Plan. The Double PayBack Option results in a doubling of the PayBack percentage you qualify for, as well as a doubling of the guarantee percentage if you qualify for Annual Guaranteed PayBack, but will delay the payment of your PayBack by 5 years. For the Five-yearly PayBack this will result in your first PayBack payment being paid on your 10th policy anniversary with subsequent payments made every five years thereafter. For the Annual Guaranteed PayBack, annual guaranteed payments will be paid for ten years on each policy anniversary starting from your sixth policy anniversary. Your Surplus PayBack fund will be paid on your 10th and 15th policy anniversary respectively.

If you qualify for the Annual Guaranteed PayBack structure, your annual guaranteed PayBack payments will still be paid for 10 years. Thereafter your PayBack accumulation and payment will follow the structure described for the Five-Yearly PayBack with the Double PayBack Option, as described above.

The PayBack percentage you qualify for will depend on your and your spouse's claims on your Health Plan in that year and your Vitality status three months before your policy anniversary. If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary. For the Annual Guaranteed PayBack the guarantee percentage will depend on your Health Plan at the anniversary when the PayBack is calculated. Please refer to your Policy Schedule for the Personal

PayBack matrix, and if applicable, the guarantee percentage you qualify for.

EXAMPLE

Your policy is Health Integrated and you have the Financial Integrator benefit, which means that your PayBack accumulation will follow the Annual Guaranteed PayBack structure. You have a Comprehensive Health Plan and you have selected the Double PayBack Option. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the payments under the Double PayBack Option:

In year one the Annual Guaranteed PayBack percentage is 10%. This is doubled to 20% since you have selected the Double PayBack Option. The Annual Guaranteed PayBack is 20% of the R12 000 worth of qualifying premiums that you paid over year one. This results in an Annual Payback of R2 400 (20% x R12 000). This PayBack will be paid at the end of your sixth policy year. The calculated PayBack percentage for this year is 20% based on your Vitality Status and your Health Plan claims. Your PayBack percentage is doubled to 40%. The difference between the calculated PayBack and the Annual Guaranteed Payback ([40% - 20%] x R12 000 = R2 400) is accumulated in the Health Surplus PayBack Fund.

In year three the Annual Guaranteed PayBack percentage is 20%. The Annual Guaranteed PayBack is 20% of the R14 520 worth of qualifying premiums that you paid over year three (R2 904) and is paid at the end of year eight. The calculated PayBack percentage for this year is 70% based on your Vitality Status, your Health Plan claims and because you have taken up the Double PayBack Option. The difference between the calculated PayBack and the Annual Guaranteed Payback ([70% -20%] x R14 520 = R7 260) is accumulated in the Health Surplus PayBack Fund.

At the end of year five, the Annual Guaranteed PayBack over that year is R3 514 (20% x R17 569 which will be paid at the end of year 10 and the accumulation in the Health Surplus PayBack Fund is R36 082. The accumulated Health Surplus PayBack Fund includes the difference between the Annual Guaranteed Payback and calculated PayBack for year five ([85%-20%] x R17 569 = R11 420). Assuming there were no claims on your Life Plan over the accumulation period, the accumulated Health Surplus PayBack Fund will be paid out at the end of year 10.

The profile of payments under the deferred PayBack structure for the first ten years of the policy is summarised in the table below:

YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL GUARANTEED PAYBACK PERCENTAGE	ANNUAL PAYBACK CALCU-LATION AMOUNT	ANNUAL PAYBACK PAYMENT	ACCUMULATED HEALTH SURPLUS PAYBACK FUND	HEALTH SURPLUS PAYBACK FUND PAYMENT
1	R12 000	Blue	40%	20%	R2 400		R2 400	
2	R13 200	Bronze	55%	20%	R2 640		R7 020	
3	R14 520	Silver	70%	20%	R2 904		R14 280	
4	R15 972	Gold	85%	20%	R3 194		R24 662	
5	R17 569	Gold	85%	20%	R3 514		R36 082	
6	R19 326	Diamond	100%	20%	R3 865	R2 400	R15 461	
7	R21 259	Diamond	100%	20%	R4 252	R2 640	R32 468	
8	R23 385	Silver	70%	20%	R4 677	R2 904	R44 161	
9	R25 723	Gold	85%	20%	R5 145	R3 194	R60 880	
10	R28 295	Gold	85%	20%	R5 659	R3 514	R79 272	R36 082

WHAT HAPPENS TO MY PAYBACK IF I PASS AWAY DURING THE DEFERRED PERIOD?

Should you pass away during the deferred period your nominated beneficiaries will receive the PayBack payment

that would have been accumulated under the Five-Yearly PayBack structure or the Annual Guaranteed PayBack structure, without the Double PayBack Option.

EXAMPLE

Continuing with the example above, you pass away in the seventh year of your Life Plan. Your PayBack payment will be recalculated using the Guaranteed PayBack percentage and the Personal PayBack matrix that applies under the Annual Guaranteed PayBack structure and your beneficiaries will receive the following payments:

- The Annual PayBack payment which vested on your second policy anniversary and was due to be paid on your seventh policy anniversary, recalculated at the lower PayBack percentage (R1 320)
- The Annual PayBack payment which vested on your third policy anniversary and was due to be paid on your eighth policy anniversary, recalculated at the lower PayBack percentage (R1 452)
- The Annual PayBack payment which vested on your fourth policy anniversary and was due to be paid on your ninth policy anniversary, recalculated at the lower PayBack percentage (R1 597)
- The Annual PayBack payment which vested on your fifth policy anniversary and was due to be paid on your tenth policy anniversary, recalculated at the lower PayBack percentage (R1 757)
- The Health Surplus PayBack fund which vested on your fifth policy anniversary and was due to be paid on your 10th policy anniversary, recalculated at the lower PayBack percentage (R18 041), and
- The Annual PayBack payment which vested on your sixth policy anniversary and was due to be paid on your 11th policy anniversary, recalculated at the lower PayBack percentage (R1 933)

The total Payback death payment will be R26 100.

POLICY YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL GUARANTEED PAYBACK PERCENTAGE	ANNUAL PAYBACK AMOUNT (WITHOUT DOUBLE PAYBACK OPTION)	CONTRIBUTION TO HEALTH SURPLUS PAYBACK FUND	ACCUMULATED HEALTH SURPLUS PAYBACK FUND	PAYBACK PAYMENT
1	R12 000	Blue	20%	10%		R1 200	R1 200	
2	R13 200	Bronze	27.5%	10%	R1 320	R2 310	R3 510	
3	R14 520	Silver	35%	10%	R1 452	R3 630	R7 140	
4	R15 972	Gold	42.5%	10%	R1 597	R5 191	R12 331	
5	R17 569	Gold	42.5%	10%	R1 757	R5 710	R18 041	R18 041
6	R19 326	Dia-mond	50%	10%	R1 933			

CAN I OPT OUT OF THE DOUBLE PAYBACK OPTION?

Up to one week before you reach your policy anniversary you can change when you would like to receive your PayBack payments. You have the option of receiving your PayBack immediately rather than waiting until the end of the deferred period. If you choose to receive your PayBack immediately you will qualify for the PayBack payments described under the Five-yearly PayBack structure or the Annual Guaranteed PayBack structure, if you have the Financial Integrator benefit. Once you have decided to remove the Double PayBack Option from your Life Plan, all future PayBack payments will be paid as they vest under the Five-Yearly or Annual Guaranteed PayBack structure, unless you opt into the Double PayBack Option again.

Opting in and out of the Double PayBack Option is subject to the following restrictions:

- You may only opt out of the Double PayBack Option twice. Opting out of the Double PayBack option can only happen during the first 10 years after qualifying for PayBacks.
- You may opt in to the Double PayBack option at any time during your policy lifetime.

Any PayBack payments or vested Health Surplus PayBack fund which had been deferred will be paid to you at your next policy anniversary after you have opted out of the Double PayBack Option, in addition to any annual PayBack payment, or vested Health Surplus PayBack Fund due at that time. These payments will not be doubled but will be calculated using the Personal PayBack matrices you qualified for under the Five-Yearly PayBack structure or the Annual Guaranteed PayBack structure, without the Double PayBack Option. Any deferred PayBack payment which was due to be paid on your next policy anniversary after the servicing change will also be calculated using the lower PayBack percentage applicable without the effect of the Double PayBack Option.

Please note that if you choose to opt out of the Double PayBack Option, your PayBack payment will be re-calculated on the Personal PayBack matrix applicable without the effect of the Double PayBack Option and any claims on the Life Plan (excluding the AccessCover, AccessCover Plus, claims for temporary disability on the Income Continuation Benefit and premium waiver benefit claims) in the five year accumulation period will reduce your PayBack payment. This may result in a lower, or possibly no PayBack payment remaining after claims have been deducted.

HOW DOES THE DOUBLE PAYBACK OPTION AFFECT THE PAYBACK EXPIRY?

The PayBack from your Health Integrator will still end when you reach age 65, or 10 years after your PayBack benefit started, if this is later. If you have taken up the Double PayBack Option your final PayBack payment will be paid five years after you reach PayBack expiry age.

OTHER CONSIDERATIONS

The Double PayBack Option is subject to the following:

- Any claims on your Life Plan during the 5-year deferred period will not reduce the PayBack payment under the Double PayBack Option.
- Your Life Plan must remain in-force for the full deferred period. If you lapse your Life Plan during the deferred period you will forfeit any PayBack payments which you have deferred.
- If you perform servicing on your Life Plan during the deferred period in such a way that your premium reduces your PayBack payment under the Double PayBack Option may be reduced proportionately.

10.2 VITALITY INTEGRATOR

Policyholders may select the Vitality Integrator plan as long as the principal and spouse lives assured are members of the same Vitality policy. Members of a medical scheme which is administered by Discovery health cannot select the Vitality Integrator. Where the lives assured become members of a qualifying medical scheme administered by Discovery Health, they will be moved to the Health Integrator as discussed above. If the life assured decides to end their Vitality membership but they become a member of Vitality Active they will be moved to the Active Integrator.

10.2.1 INITIAL PREMIUM REDUCTION

On the Vitality Integrator, all premiums (excluding Vitality and Discovery Retirement Optimiser) are reduced from inception of the policy based on the Funding structure of the Life Plan as follows:

Comprehensive Integrator

STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
17.5%	15%

Core Integrator

STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
8.75%	7.5%

Please note that if you change your Life Plan, Funding Structure or Integrator type at any time during the term of your policy, your initial premium reduction will update to reflect the changes you have made.

10.2.2 ANNUAL PREMIUM REVIEW

On the Life Plan policy anniversary, the premiums for all benefits will increase as described in Section 4.1.

In addition, the premiums for all benefits on your Life Plan (except Vitality, Vitality Active, the Discovery Retirement Optimiser, and Buy-up Income Continuation Fund) may increase or decrease annually on the policy anniversary by an additional percentage, depending on the life assured's Vitality status as at policy anniversary. If the life assured's Vitality Status at the time of the policy anniversary is better than your Vitality Status three months before the anniversary, we will use the Vitality Status at the policy anniversary. These additional annual increases/decreases are shown in the Vitality matrix as follows:

VITALITY STATUS	PERCENTAGE ADJUSTMENT
Blue	2.25%
Bronze	1.5%
Silver	0.5%
Gold	-0.5%
Diamond	-0.75%

The additional percentage is applied multiplicatively to the automatic annual premium increase that you selected on your Life Plan.

EXAMPLE

Assume that your premium is R500 and you have selected an automatic annual premium increase of 10% and that you are on bronze Vitality status. Then your premium adjustment will be: R500 x (1 + 10%) x (1 + 1.5%) = R558.25.

Please note that Discovery Life may adjust your Vitality Matrix on an annual basis to take account of emerging experience over time, with due consideration for the general economic and regulatory environment.

Premium reductions attributable to your Vitality Matrix (over the lifetime of the Life Plan) may never reduce the premium to a level below what the premium would have been on an equivalent Non-Integrated Life Plan less the applicable initial premium reduction detailed above. In other words, no discounts in addition to the initial Vitality Integrator discount will be possible.

Should the principal or spouse on the Life Plan cease to be a member of the same Vitality policy, the additional annual premium increase percentage will be at a fixed rate of 2.25% per year instead of using the Vitality table above. While the policy is in this default state, any additional cover added will not qualify for the Integrator discount.

Should your Vitality Integrator plan lapse and should you purchase another Life plan at some future date, the initial premium reduction percentage on the new plan may be reduced by any increases that you had on your original policy as a result of the Vitality Matrix.

However, if you or your spouse have claimed on either Severe Illness Benefit (Severity A or B) or the Capital Disability Benefit (Category A, B or D),the Vitality Integrator annual premium adjustment is limited to 0% after claim. Negative adjustments will still apply for those clients who are highly engaged, subject to the maximum Integration premium reduction detailed above.

The Vitality Integrator annual premium adjustment is capped at 0% only from the policy anniversary after the qualifying claim has been finalised and completely processed by Discovery Life. If a claim has been reported but not finalised at policy anniversary, the cap will not be applied. This cap will only apply while you are still a life assured on the policy and will fall away if the benefits on this policy are serviced in such a way that it results in an increased premium.

10.2.3 THE VITALITY INTEGRATOR'S MAXIMUM PROTECTED PREMIUM

In addition to normal premium guarantees, Discovery Life guarantees the following on the Vitality Integrator:

- Irrespective of the life assured's Vitality status, your reduced premiums on the Vitality Integrator Plus any premium increases above any automatic annual increases will not exceed the Maximum Protected Premium.
- The Maximum Protected Premium is defined in terms of the Equivalent Non-Integrated Premium (NI). The Equivalent Non-Integrated Premium (NI) is the premium that would have applied on a Non-Integrated policy at the policy anniversary after automatic annual premium increases have been taken into account.

Comprehensive Integrator

YEARS	STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
1 to 5	NI	NI
6 to 10	NI + 10%	NI + 10%
11 to 15	NI + 15%	NI + 15%
16 +	NI + 17.5%	NI + 15%

Core Integrator

YEARS	STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
1 to 5	NI	NI
6 +	NI + 8.75%	NI + 7.5%

- The maximum additional annual percentage increase will never exceed 2.25%.

10.2.4 PAYBACK STRUCTURES AVAILABLE ON THE VITALITY INTEGRATOR (ONLY AVAILABLE ON THE CLASSIC AND PURPLE LIFE PLANS)

WHAT PAYBACK STRUCTURES ARE AVAILABLE TO ME?

As a member of Vitality with the Vitality Integrator, you will benefit by receiving PayBacks from the Vitality Integrator. There are two PayBack structures available to you which determine how your PayBacks will be accumulated:

- The Five-yearly PayBack which vests every five years; and
- Annual Guaranteed PayBack which vests on an annual basis together with a Surplus PayBack Fund which vests every five years. This PayBack structure is only available if you have the Financial Integrator benefit on your policy.

In addition to the PayBack structures mentioned above you can select the Double PayBack Option which allows you to double your PayBack percentage (and your guarantee percentage, in the case of the Annual Guaranteed PayBacks). If you select this option, each PayBack payment that was due on the PayBack structure you selected above will only vest five years later.

The PayBack will only be paid to the owner of the policy.
The PayBack will have no impact on your Life Fund.

HOW IS MY PAYBACK CALCULATED?

The value of your PayBack is determined by a percentage of all qualifying Classic or Purple Life Plan premiums used in the calculation of your PayBack at each policy anniversary.

Only 70% of the following premiums will be used in calculating the PayBack:

- Income Continuation Benefit
- Top-Up Income Continuation Benefit
- Overhead Expenses Benefit.

In addition, all premiums and contributions to the following benefits will be excluded when calculating the PayBack:

- Paid-up benefit
- Cover Integrator Buy-up Cash Conversion
- Financial Integrator Buy-up Cash Conversion
- Vitality
- Discovery Retirement Optimiser
- Premiums waived while the policy is in waiver status
- Global Education Protector
- Buy-Up Income Continuation Fund.

During the time that premiums are waived on the Life Plan as a result of the Premium Waiver Benefits on death, disability and severe illness or for any other reason, the PayBack Fund will not increase.

Regardless of the PayBack structure you qualify for and whether or not you take up the Double PayBack Option, any outstanding premiums will be deducted from the PayBack at the time that the PayBack is paid to you.

WHEN DOES MY PAYBACK EXPIRE?

The PayBacks from your Vitality Integrator will end on the first policy anniversary after you reach age 65, but will at least be provided for 10 years. This means that if your PayBack benefit starts after age 55, it will end 10 years later.

If you are in a position where you have less than five years between your last PayBack payment and turning age 65, you will still be eligible for a PayBack payment at that point. The PayBack calculation will remain unchanged, but will only be based on your eligible premiums between the previous PayBack payment and turning age 65. You will only be eligible for this payment if your PayBack benefit began before you turned age 55.

The accumulation of PayBacks under each PayBack structure is described below:

THE FIVE-YEARLY PAYBACK

As a member of Vitality with the Comprehensive Vitality Integrator, you are eligible for the Five-Yearly PayBack.

The Five-Yearly PayBack accumulates a percentage of your qualifying Life Plan premiums in a fund over a five-year period. This fund vests every five years. The PayBack percentage that is applied annually to each year's qualifying premiums in a particular five-year period is determined by your Personal PayBack Matrix shown on your Policy Schedule and is affected by your Vitality status three months before your policy anniversary (If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary) and when your PayBack will be paid. Discovery Life may alter your Personal PayBack Matrix to take account of emerging experience over time, with due consideration for the general economic and regulatory environment.

The PayBack calculation works as follows:

- The percentage as per your Personal PayBack matrix of each policy year's qualifying premiums is accumulated over a five-year period.
- Any claims on the Life Plan (excluding the AccessCover, AccessCover Plus, claims for temporary disability on the Income Continuation Benefit and premium waiver benefit claims) occurring between the start of the five-year period and up to three months before the end of the period are deducted from the amount that has been calculated for over the five-year period. This means that at the end of the first five year cycle, only the claims in the first 57 months since the PayBack benefit started will be considered. Thereafter, at the end of the second and subsequent five year cycles, the claims occurring in the preceding 60 months will be considered, but with a three month lag.
- If the end value is positive, this Fund will vest at the end of the five-year period.
- Any elective reductions to your Life Plan premiums at any point in a particular five-year period may also reduce your accumulated PayBack fund.
- If your policy is cancelled before the fund vests, any accumulated PayBack Fund will be forfeited.

EXAMPLE

Your policy is Vitality Integrated. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the Five-Yearly PayBack:

In year one your calculated PayBack percentage is 5% based on your Vitality Status. This PayBack percentage is applied to the R12 000 worth of qualifying premiums you paid over the year resulting in R600 (5% x R12 000) being accumulated in your PayBack Fund at the end of year one.

In year three your calculated PayBack percentage is 10% based on your Vitality Status over the last year. This PayBack percentage is applied to the R14 520 worth of qualifying premiums you paid over the year and a further R1 452 (10% x R14 520) is added to your accumulated PayBack Fund. This brings the total accumulated PayBack fund at this point to R3 042.

At the end of year five, your calculated PayBack percentage is 15%. R2 635 (15% x R17 569) is added to your accumulated PayBack fund bringing the total accumulated PayBack fund to R8 073. The PayBack fund vests and an amount of R8 073 will be paid to you at the end of year five. Your accumulated PayBack fund resets to zero after you receive your payment.

YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL CONTRIBUTION TO PAYBACK FUND	ACCUMULATED PAYBACK FUND	PAYBACK PAYMENT
1	R12 000	Blue	5%	R600	R600	
2	R13 200	Bronze	7.5%	R990	R1 590	
3	R14 520	Silver	10%	R1 452	R3 042	
4	R15 972	Gold	15%	R2 396	R5 438	
5	R17 569	Gold	15%	R2 635	R8 073	R8 073
6	R19 326	Diamond	20%	R3 865	R3 865	
7	R21 259	Diamond	20%	R4 252	R8 117	
8	R23 385	Silver	10%	R2 339	R10 456	
9	R25 723	Gold	15%	R3 858	R14 314	
10	R28 295	Gold	15%	R4 244	R18 558	R18 558

The Five-Yearly PayBack Fund balance starts again at zero at the beginning of each five-year period, irrespective of claims on your Life Plan over the previous five-year period. You can choose to have your PayBack Fund paid to you immediately or you may defer the payment and double your PayBack percentages by taking up the Double PayBack Option, described below.

You must keep the Vitality Integrator for the entire five-year period to qualify for the Five-Yearly PayBack at the end of that five-year period. Should you or any life insured on the policy cease to be a member of Vitality for any reason during the five-year period, your Five-Yearly PayBack will also cease and you will not be eligible for a PayBack at the end of the five-year period. This means that any existing PayBack Fund will also fall away. If you change your Life Plan from a Classic or Purple Life Plan to an Essential Life Plan, your PayBack will cease and no payment will be made at the end of the five-year period. If you change your Life Plan from an Essential Life Plan to a Classic Life or Purple Plan that qualifies for PayBack, your first PayBack payment will be made at the first policy anniversary that falls at least five years from the date of changing to the Classic or Purple Life Plan. If you reduce your monthly Life Plan premiums at any point during the five-year period, your total accumulated PayBack Fund to date may be reduced. Please see your servicing schedule for any implications that servicing reductions may have on your PayBack payable at the end of the five-year period.

ANNUAL GUARANTEED PAYBACKS

If you have the Comprehensive Vitality Integrator and you have the Financial Integrator benefit you will be eligible for the Annual Guaranteed PayBack benefit for the first 10 years on your policy. At the end of this initial 10 year period your PayBack accumulation will follow the structure described for the Five-Yearly Payback, described in the previous section.

The Annual Guaranteed PayBack is a guaranteed percentage of your qualifying premiums at the end of every year over the initial 10 year period. With the Annual Guaranteed PayBack Discovery Life guarantees a level of annual

PayBack which will not vary with your Vitality status. Please refer to your Policy Schedule to see the guarantee percentage that you qualify for. You can choose to have your Annual PayBack paid to you immediately or you may defer the payment and double your PayBack percentages by five years by taking up the Double PayBack Option, described in the next section.

If a higher PayBack percentage is calculated for a particular year based on your Vitality status (as discussed in the Five-Yearly PayBack section above), the difference between the calculated PayBack and the Annual Guaranteed PayBack is accumulated in the Surplus PayBack Fund. The Surplus PayBack Fund is paid at the end of year 5 and year 10, and is reduced to zero when the fund is paid out. You can choose to have your Surplus PayBack Fund paid to you immediately or you may defer the payment and double your PayBack percentages by taking up the Double PayBack Option, described in the next section.

Any claims from your Life Plan will only reduce the Surplus PayBack Fund. After the first 10 years any claims from your Life Plan will reduce the full PayBack amount at five-yearly intervals thereafter.

A change to your policy in the Annual Guaranteed PayBack 10 year period will not result in a new 10 year term commencing for any part of your policy. The original Annual Guarantee PayBack period will still terminate 10 years after adding the Financial Integrator to your plicy for the first time.

EXAMPLE

Your policy is Vitality Integrated. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the Annual Guaranteed PayBack:

In year one the Annual Guaranteed PayBack percentage is 5%. The Annual Guaranteed PayBack is 5% of the R12 000 worth of qualifying premiums that you paid over year one. This results in an Annual Payback of R1 200 (10% x R12 000) and is paid to you at the end of year one. The calculated PayBack percentage for this year is 5% based on your Vitality Status. Since the calculated PayBack percentage is equal to the Guaranteed PayBack percentage no contribution is made to the Surplus PayBack Fund.

In year three the Annual Guaranteed PayBack percentage is 5%. The Annual Guaranteed PayBack is 5% of the R14 520 worth of qualifying premiums that you paid over year three and is paid at the end of year three (R1 452). The calculated PayBack percentage for this year is 10% based on your Vitality Status. The difference between the calculated PayBack and the Annual Guaranteed Payback is R726 ([10%-5%] x R14 520) and the Accumulated Surplus Fund grows to R1 056.

At the end of year five, the Annual Guaranteed PayBack is R878 (5% x R17 569) and the accumulation in the Surplus PayBack Fund is

R4 410. The accumulated Surplus PayBack Fund includes the difference between the Annual Guaranteed Payback and calculated PayBack for year five ([15%-5%] x R17 569 = R1 757). Assuming there was no claims on your Life Plan over the accumulation period, the accumulated Surplus PayBack Fund vests and will be paid out at the end of year 5.

The profile of payments under the Annual Guaranteed PayBack structure for the first ten years of the policy is summarised in the table below:

YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL GUARANTEED PAYBACK PERCENTAGE	ANNUAL PAYBACK AMOUNT	ACCUMULATED SURPLUS PAYBACK FUND	SURPLUS PAYBACK FUND PAYMENT
1	R12 000	Blue	5%	5%	R600		
2	R13 200	Bronze	7.5%	5%	R660	R300	
3	R14 520	Silver	10%	5%	R726	R1 056	
4	R15 972	Gold	15%	5%	R799	R2 653	
5	R17 569	Gold	15%	5%	R878	R4 410	R4 410
6	R19 326	Diamond	20%	5%	R966	R2 899	
7	R21 259	Diamond	20%	5%	R1 063	R6 088	
8	R23 385	Silver	10%	5%	R1 169	R7 257	
9	R25 723	Gold	15%	5%	R1 286	R9 829	
10	R28 295	Gold	15%	5%	R1 415	R11 244	R11 244

DOUBLE PAYBACK OPTION

In addition to the PayBack structure you qualify for, as described above, you may choose to add the Double PayBack Option to your Life Plan. The Double PayBack Option results in a doubling of the PayBack percentage you qualify for, as well as a doubling of the guarantee percentage if you qualify for Annual Guaranteed PayBack, but will delay the payment of your PayBack by 5 years. For the Five-yearly PayBack this will result in your first PayBack payment being paid on your 10th policy anniversary with subsequent payments made every five years thereafter. For the Annual Guaranteed PayBack, annual guaranteed payments will be paid for ten years on each policy anniversary starting from your sixth policy anniversary. Your Surplus PayBack fund will be paid on your 10th and 15th policy anniversary respectively.

If you qualify for the Annual Guaranteed PayBack structure, your annual guaranteed PayBack payments will still be paid for 10 years. Thereafter your PayBack accumulation and payment will follow the structure described for the Five-Yearly PayBack with the Double PayBack Option, as described above.

The PayBack percentage you qualify for will depend your Vitality statusthree months before your policy anniversary. If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary. Please refer to your Policy Schedule for the Personal PayBack matrix, and if applicable, the guarantee percentage you qualify for

EXAMPLE

Your policy is Vitality Integrated and you have the Financial Integrator benefit, which means that your PayBack accumulation will follow the Annual Guaranteed PayBack structure. You have selected the Double PayBack Option. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the payments under the Double PayBack Option:

In year one the Annual Guaranteed PayBack percentage is 5%. Since you have selected the Double PayBack Option this your guarantee percentage is doubled to 10%. The Annual Guaranteed PayBack is 10% of the R12 000 worth of qualifying premiums that you paid over year one. This results in an Annual Payback of R1 200 (10% x R12 000). This PayBack will be paid at the end of your sixth policy year. The calculated PayBack percentage for this year is 5% based on your Vitality Status. Your PayBack percentage is doubled to 10% because you have selected the Double PayBack Option. Since the calculated PayBack percentage is equal to the Guaranteed PayBack percentage no contribution is made to the Surplus PayBack Fund.

In year three the Annual Guaranteed PayBack percentage is 10%. The Annual Guaranteed PayBack is 10% of the R14 520 worth of qualifying premiums that you paid over year three and is paid at the end of year eight (R1 452). The calculated PayBack percentage for this year is 20% based on your Vitality Status and because you have selected the Double PayBack Option. The difference between the calculated PayBack and the Annual Guaranteed Payback is R1 452 ([20% - 10%] x R14 520) and your accumulated Surplus Fund grows to R2 112.

At the end of year five, the calculated Annual Guaranteed PayBack over that year is R1 757 (20% x R17 569) which will be paid at the end of year 10 and the accumulated Surplus PayBack Fund is R8 820. The accumulated Surplus PayBack Fund includes the difference between the Annual Guaranteed Payback and calculated PayBack for year five ([30%-10%] x R17 569 = R3 514). Assuming there were no claims on your Life Plan over the accumulation period, the accumulated Surplus PayBack Fund will be paid out at the end of year 10.

The profile of payments under the Double PayBack Option for the first ten years of the policy is summarised in the table below:

YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL GUARANTEED PAYBACK PERCENTAGE	ANNUAL PAYBACK AMOUNT	ANNUAL PAYBACK PAYMENT	ACCUMULATED SURPLUS PAYBACK FUND	SURPLUS PAYBACK FUND PAYMENT
1	R12 000	Blue	10%	10%	R1 200			
2	R13 200	Bronze	15%	10%	R1 320		R660	
3	R14 520	Silver	20%	10%	R1 452		R2 112	
4	R15 972	Gold	30%	10%	R1 597		R5 306	
5	R17 569	Gold	30%	10%	R1 757		R8 820	
6	R19 326	Diamond	40%	10%	R1 933	R1 200	R5 798	
7	R21 259	Diamond	40%	10%	R2 126	R1 320	R12 176	
8	R23 385	Silver	20%	10%	R2 339	R1 452	R14 514	
9	R25 723	Gold	30%	10%	R2 572	R1 597	R19 659	
10	R28 295	Gold	30%	10%	R2 830	R1 757	R25 318	R8 820

WHAT HAPPENS TO MY PAYBACK IF I PASS AWAY DURING THE DEFERRED PERIOD?

Should you pass away during the deferred period your nominated beneficiaries will receive the PayBack payment that would have been accumulated under the Five-Yearly PayBack structure or the Annual Guaranteed PayBack structure, without the Double
PayBack Option.

EXAMPLE

Continuing with the example above, you pass away in the seventh year of your Life Plan. Your PayBack payment will be recalculated using the Guaranteed PayBack percentage and the Personal PayBack matrix that applies under the Annual Guaranteed PayBack structure and your beneficiaries will receive the following payments:

- The Annual PayBack payment which vested on your second policy anniversary and was due to be paid on your seventh policy anniversary, recalculated at the lower PayBack percentage (R1 320)
- The Annual PayBack payment which vested on your third policy anniversary and was due to be paid on your eighth policy anniversary, recalculated at the lower PayBack percentage (R1 452)
- The Annual PayBack payment which vested on your fourth policy anniversary and was due to be paid on your ninth policy anniversary, recalculated at the lower PayBack percentage (R1 597)
- The Annual PayBack payment which vested on your fifth policy anniversary and was due to be paid on your tenth policy anniversary, recalculated at the lower PayBack percentage (R1 757)
- The Surplus PayBack fund which vested on your fifth policy anniversary and was due to be paid on your 10th policy anniversary, recalculated at the lower PayBack percentage (R4 410), and
- The Annual PayBack payment which vested on your sixth policy anniversary and was due to be paid on your 11th policy anniversary, recalculated at the lower PayBack percentage (R1 933)

The total Payback death payment will be R12 469.

POLICY YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL GUARANTEED PAYBACK PERCENTAGE	ANNUAL PAYBACK (WITHOUT DOUBLE PAYBACK OPTION)	ANNUAL CONTRIBUTION TO SURPLUS PAYBACK FUND	ACCUMULATED SURPLUS PAYBACK FUND	SURPLUS PAYBACK FUND PAYMENT
1	R12 000	Blue	5%	5%				
2	R13 200	Bronze	7.5%	5%	R1 320	R300	R330	
3	R14 520	Silver	10%	5%	R1 452	R726	R1 056	
4	R15 972	Gold	15%	5%	R1 597	R1 597	R2 653	
5	R17 569	Gold	15%	5%	R1 757	R1 757	R4 410	R4 410
6	R19 326	Diamond	20%	5%	R1 933			

CAN I OPT OUT OF THE DOUBLE PAYBACK OPTION?

Up to one week before you reach your policy anniversary you can change when you would like to receive your PayBack payments. You have the option of receiving your PayBack immediately rather than waiting until the end of the deferred period. If you choose to receive your PayBack immediately you will qualify for the PayBack payments described under the Five-yearly PayBack structure or the Annual Guaranteed PayBack structure, if you have the Financial Integrator benefit. Once you have decided to remove the Double PayBack Option from your Life Plan, all future PayBack payments will be paid as they vest under the Five-Yearly or Annual Guaranteed PayBack structure, unless you opt into the Double PayBack Option again.

Opting in and out of the Double PayBack Option is subject to the following restrictions:

- You may only opt out of the Double PayBack Option twice. Opting out of the Double PayBack option can only happen during the first 10 years after qualifying for PayBacks.
- You may opt in to the Double PayBack option at any time during your policy lifetime.

Any PayBack payments or vested Surplus PayBack fund which had been deferred will be paid to you at your next policy anniversary after you have opted out of the Double PayBack Option, in addition to any annual PayBack payment, or vested Surplus PayBack Fund due at that time. These payments will not be doubled but will be calculated using the Personal PayBack matrices you qualified for under the Five-Yearly PayBack structure or the Annual Guaranteed PayBack structure, without the Double PayBack Option. Any deferred PayBack payment which was due to be paid on your next policy anniversary after the servicing change will also be calculated using the PayBack percentage applicable without the effect of the Double PayBack Option.

Please note that if you choose to opt out of the Double PayBack Option, your PayBack payment will be re-

calculated on the Personal PayBack matrix applicable without the effect of the Double PayBack Option and any claims on the Life Plan (excluding the AccessCover, AccessCover Plus, claims for temporary disability on the Income Continuation Benefit and premium waiver benefit claims) in the five year accumulation period will reduce your PayBack payment. This may result in a lower, or possibly no PayBack payment remaining after claims have been deducted.

HOW DOES THE DOUBLE PAYBACK OPTION AFFECT THE PAYBACK EXPIRY?

The PayBack from your Vitality Integrator will still end when you reach age 65, or 10 years after your PayBack benefit started, if this is later. If you have taken up the Double PayBack Option your final PayBack payment will be paid five years after you reach PayBack expiry age.

OTHER CONSIDERATIONS

The Double PayBack Option is subject to the following:

- Any claims on your Life Plan during the 5-year deferred period will not reduce the PayBack payment under the Double PayBack Option.
- Your Life Plan must remain in-force for the full deferred period. If you lapse your Life Plan during the deferred period you will forfeit any PayBack payments which you have deferred.
- If you perform servicing on your Life Plan during the deferred period in such a way that your premium reduces, your PayBack payment under the Double PayBack Option may be reduced proportionately.

10.3 ACTIVE INTEGRATOR

Policyholders may select the Active Integrator as long as the principal and spouse (if applicable) are members of the Vitality Active programme. Members of Vitality cannot select the Active Integrator.

10.3.1 INITIAL PREMIUM REDUCTION

On the Active Integrator, all premiums (excluding Vitality Active and Discovery Retirement Optimiser) are reduced from inception of the policy based on the Funding structure of the Life Plan as follows:

Comprehensive Integrator

STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
15%	10%

Core Integrator

STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
7.5%	5%

Please note that if you change your Life Plan, Funding Structure or Integrator type at any time during the term of your policy, your initial premium reduction will update to reflect the changes you have made.

10.3.2 ANNUAL PREMIUM REVIEW

On the Life Plan policy anniversary, the premiums for all benefits will increase as described in Section 4.1.

In addition, the premiums for all benefits on your Life Plan (except Vitality, Vitality Active, the Discovery Retirement Optimiser and Buy-up Income Continuation Fund) may increase or decrease annually on the policy anniversary by an additional percentage, depending on the life assured's Vitality Active status as at three months prior to policy anniversary. These additional annual increases/decreases are shown in the Active Integrator Matrix below:

VITALITY ACTIVE STATUS	PERCENTAGE ADJUSTMENT
Blue or No Vitality Active	1.75%
Bronze	1%
Silver	0.5%
Gold/Diamond	-0.5%

The additional percentage is applied multiplicatively to the automatic annual premium increase that you selected on your Life Plan.

For example, assume that your premium is R500 and you have selected an automatic annual premium increase of 10% and that you have a Bronze Vitality Active status, giving an additional 1% increase. Your premium after the increases have been applied will be as follows: R500 x (1 + 10%) x (1 + 1%) = R555.50.

Please note that Discovery Life may adjust your Active Integrator Matrix on an annual basis to take account of emerging experience over time, with due consideration for the general economic and regulatory environment.

Note that premium reductions attributable to your Vitality Active status (over the lifetime of the policy) may never reduce the premium to a level below what the premium would have been on an equivalent Non-Integrated policy less the applicable initial premium reduction detailed above. In other words, no discounts in addition to the initial Active Integrator discount will be possible.

Given that the principal and spouse may have different Vitality Active statuses, if there is a spouse who is insured on the policy,
the percentage increase applied to all benefits is the average of the principal and spouse percentages.

EXAMPLE

If the principal's Vitality Active status is Bronze (giving an additional 1% premium increase) and the spouse's Vitality Active status is Silver (giving an additional 0.5% premium increase), the additional percentage increase applied to the policy is (1.00% + 0.50%) ÷ 2 = 0.75%.

Should you cease to be a member of Vitality Active, the additional annual premium increase percentage due to the Active Integrator will be at a fixed rate of 1.75% per year instead of using the Active Integrator Matrix above, unless you upgrade, then new Integrator increases will apply.

Should your Active Integrator plan lapse and should you purchase another life plan at some future date, the initial premium reduction percentage on the new plan may be reduced by any increases that you had on your original policy as a result of the Active Integrator Matrix.

If you or your spouse (if applicable) have claimed on either Severe Illness Benefit (Severity A or B) or the Capital Disability Benefit (Category A, B or D), the Active Integrator annual premium adjustment is limited to 0% after claim. Negative adjustments will still apply for those clients who have a Vitality Active status of Gold or Diamond, subject to the maximum Active Integrator discount allowed.

The Active Integrator annual premium adjustment is capped at 0% only from the policy anniversary after the qualifying claim has been finalised and completely processed by Discovery Life. If a claim has been reported but not finalised at policy anniversary, the cap will not be applied. This cap will only apply while you are still a life assured on the policy and will fall away if the benefits on this policy are serviced in such a way that it results in an increased premium.

10.3.3 THE ACTIVE INTEGRATOR'S MAXIMUM PROTECTED PREMIUM

In addition to normal premium guarantees, Discovery Life guarantees the following on the Active Integrator:

- Irrespective of the life assured's Vitality Active status, your reduced premiums on the Active Integrator plus any premium increases above any automatic annual increases will not exceed the Maximum Protected Premium.
- The Maximum Protected Premium is defined in terms of the Equivalent Non-Integrated Premium (NI). The Equivalent Non-Integrated Premium (NI) is the premium that would have applied on a Non-Integrated policy at the policy anniversary after automatic annual premium increases have been taken into account.

Comprehensive Integrator

YEARS	STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
1 to 5	NI	NI
6 to 10	NI + 10%	NI + 10%
11 to 15	NI + 15%	NI + 10%
16+	NI + 15%	NI + 10%

Core Integrator

YEARS	STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
1 to 5	NI	NI
6+	NI + 7.5%	NI + 5%

10.3.4 PAYBACK STRUCTURES AVAILABLE ON THE ACTIVE INTEGRATOR (ONLY AVAILABLE ON THE CLASSIC AND PURPLE LIFE PLANS)

WHAT PAYBACK STRUCTURE IS AVAILABLE TO ME?

As a member of Vitality Active with the Active Integrator, you will benefit by receiving Five-Yearly PayBacks from the Active Integrator. The PayBack is payable and only vests every five years.

In addition to the Five-Yearly PayBack you can select the Double PayBack Option which allows you to double your PayBack percentage. If you select this option, each PayBack payment that was due on the PayBack structure you selected above will only vest five years later.

The PayBack will only be paid to the owner of the policy.

The PayBack will have no impact on your Life Fund.

HOW IS MY PAYBACK CALCULATED?

The value of your PayBack is determined by a percentage of all qualifying Classic or Purple Life Plan premiums used in the calculation of your PayBack at each policy anniversary.

Only 70% of the following premiums will be used in calculating the PayBack:

- Income Continuation Benefit
- Top-Up Income Continuation Benefit
- Overhead Expenses Benefit.

In addition, all premiums and contributions to the following benefits will be excluded when calculating the PayBack:

- Paid-up benefit
- Cover Integrator Buy-up Cash Conversion
- Financial Integrator Buy-up Cash Conversion
- Vitality Active
- Discovery Retirement Optimiser
- Premiums waived while the policy is in waiver status
- Global Education Protector
- Buy-Up Income Continuation Fund.

During the time that premiums are waived on the Life Plan as a result of the Premium Waiver Benefits on death, disability and severe illness or for any other reason, the PayBack Fund will not increase.

Regardless of whether you take up the Double PayBack Option or not, any outstanding premiums will be deducted from the PayBack at the time that the PayBack is paid to you.

WHEN DOES MY PAYBACK EXPIRE?

The PayBacks from your Active Integrator will end on the first policy anniversary after you reach age 65, but will at least be provided for 10 years. This means that if your PayBack benefit starts after age 55, it will end 10 years later.

If you are in a position where you have less than five years between your last PayBack payment and turning age 65, you will still be eligible for a PayBack payment at that point. The PayBack calculation will remain unchanged, but will only be based on your eligible premiums between the previous PayBack payment and turning age 65. You will only be eligible for this payment if your PayBack benefit began before you turned age 55.

The accumulation of PayBacks under each PayBack structure is described below:

THE FIVE-YEARLY PAYBACK

As a member of Vitality Active with the Comprehensive Active Integrator, you are eligible for the Five-Yearly PayBack.

The Five-Yearly PayBack accumulates a percentage of your qualifying Life Plan premiums in a fund over a five-year period. This fund vests every five years. The PayBack percentage that is applied annually to each year's qualifying premiums in a particular five-year period is determined by your Personal PayBack Matrix shown on your Policy Schedule and is affected by your Vitality Active status at your policy anniversary and when your PayBack will be paid. Discovery Life may alter your Personal PayBack Matrix to take account of emerging experience over time, with due consideration for the general economic and regulatory environment.

The PayBack calculation works as follows:

- The percentage as per your Personal PayBack Matrix of each policy year's qualifying premiums is accumulated over a five-year period.
- Any claims on the Life Plan (excluding the AccessCover, AccessCover Plus, claims for temporary disability on the Income Continuation Benefit and premium waiver benefit claims) occurring between the start of the five-year period and up to three months before the end of the period are deducted from the amount that has been calculated for over the five-year period. This means that at the end of first five year cycle, only the claims in the first 57 months since the PayBack benefit started will be considered. Thereafter, at the end of the second and subsequent five year cycles, the claims occurring in the preceding 60 months will be considered, but with a three month lag.
- If the end value is positive, this Fund will vest at the end of the five-year period.
- Any elective reductions to your Life Plan premiums at any point in a particular five-year period may also reduce your accumulated PayBack fund.
- If your policy is cancelled before the fund vests, any accumulated PayBack Fund will be forfeited.

EXAMPLE

Your policy is Active Integrated. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the Five-Yearly PayBack:

In year one your calculated PayBack percentage is 0% based on your Vitality Active Status. There will not be any contribution to the PayBack Fund at the end of year one.

In year three your calculated PayBack percentage is 5% based on your Vitality Active Status over the last year. This PayBack percentage is applied to the R14 520 worth of qualifying premiums you paid over the year and a further R726 (5% x R14 520) is added to your accumulated PayBack Fund. This brings the total accumulated PayBack fund at this point to R1 056.

At the end of year five, your calculated PayBack percentage is 10%. R1 757 (10% x R17 569) is added to your accumulated PayBack fund bringing the total accumulated PayBack fund to R4 410. The PayBack fund vests. Your accumulated PayBack fund resets to zero and the next five year period begins. The vested PayBack amount of R4 410 will be paid to you at the end of year five.

YEAR	PREMIUM	VITALITY ACTIVE STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL CONTRIBUTION TO PAYBACK FUND	ACCUMULATED PAYBACK FUND	PAYBACK PAYMENT
1	R12 000	Blue	0%			
2	R13 200	Bronze	2.5%	R330	R330	
3	R14 520	Silver	5%	R726	R1 056	
4	R15 972	Gold	10%	R1 597	R2 653	
5	R17 569	Gold	10%	R1 757	R4 410	R4 410
6	R19 326	Diamond	10%	R1 933	R1 933	
7	R21 259	Diamond	10%	R2 126	R4 059	
8	R23 385	Silver	5%	R1 169	R5 228	
9	R25 723	Gold	10%	R2 572	R7 800	
10	R28 295	Gold	10%	R2 830	R10 630	R10 630

The Five-Yearly PayBack Fund balance starts again at zero at the beginning of each five-year period, irrespective of claims on your Life Plan over the previous five-year period. You can choose to have your PayBack Fund paid to you immediately or you may defer the payment and double your PayBack percentages by taking up the Double

PayBack Option, described below.

You must keep the Active Integrator for the entire five-year period to qualify for the Five-Yearly PayBack at the end of that five-year period. Should you or any life insured on the policy cease to be a member of Vitality Active for any reason during the five-year period, your Five-Yearly PayBack will also cease and you will not be eligible for a PayBack at the end of the five-year period. This means that any existing PayBack Fund will also fall away. If you change your Life Plan from a Classic or Purple Life Plan to an Essential Life Plan, your PayBack will cease and no payment will be made at the end of the five-year period. If you change your Life Plan from an Essential Life Plan to a Classic Life or Purple Plan that qualifies for PayBack, your first PayBack payment will be made at the first policy anniversary that falls at least five years from the date of changing to the Classic or Purple Life Plan. If you reduce your monthly Life Plan premiums at any point during the five-year period, your total accumulated PayBack Fund to date may be reduced. Please see your servicing schedule for any implications that servicing reductions may have on your PayBack payable at the end of the five-year period.

DOUBLE PAYBACK OPTION

In addition to the Five-Yearly PayBack structure, as described above, you may choose to add the Double PayBack Option to your Life Plan. The Double PayBack Option results in a doubling of the PayBack percentage you qualify for, but will delay the payment of your PayBack by 5 years. For the Five-yearly PayBack this will result in your first PayBack payment being paid on your 10th policy anniversary with subsequent payments made every five years thereafter.

The PayBack percentage you qualify for will depend your Vitality Active status at your policy anniversary. Please refer to your Policy Schedule for the PayBack matrix.

EXAMPLE

Your policy is Active Integrated and you have selected the Double PayBack Option. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the payments under the Double PayBack Option:

In year one your calculated PayBack percentage is 0% based on your Vitality Active Status. There will not be any contribution to the PayBack Fund at the end of year one.

In year three your calculated PayBack percentage is 5% based on your Vitality Active Status over the last year. Your PayBack percentage is doubled to 10% because you have selected the Double PayBack Option. This PayBack percentage is applied to the R14 520 worth of qualifying premium you paid over the year and a further R1 452 (10% x R14 520) is added to your accumulated PayBack Fund. This brings the total accumulated PayBack fund at this point to R2 112.

At the end of year five, your calculated PayBack percentage is 20%. R3 513 (20% x R17 569) is added to your accumulated PayBack fund bringing the total accumulated PayBack fund to R8 820. Your accumulated PayBack fund resets to zero and the next five year period begins. The PayBack amount of R8 820 will be paid to you at the end of year ten.

YEAR	PREMIUM	VITALITY ACTIVE STATUS	PAYBACK PERCENTAGE CALCULATED	ACCUMULATED PAYBACK FUND	VESTED PAYBACK	PAYBACK PAYMENT
1	R12 000	Blue	0%			
2	R13 200	Bronze	5%	R660		
3	R14 520	Silver	10%	R2 112		
4	R15 972	Gold	20%	R5 306		
5	R17 569	Gold	20%	R8 820	R8 820	
6	R19 326	Diamond	20%	R3 865		
7	R21 259	Diamond	20%	R8 117		
8	R23 385	Silver	10%	R10 456		
9	R25 723	Gold	20%	R15 600		
10	R28 295	Gold	20%	R21 259	R21 259	R8 820

WHAT HAPPENS TO MY PAYBACK IF I PASS AWAY DURING THE DEFERRED PERIOD?

Should you pass away during the deferred period your nominated beneficiaries will receive the PayBack death payment that would have been accumulated under the Five-Yearly PayBack structure.

EXAMPLE

Continuing with the example above, you pass away in the seventh year of your Life Plan. Your PayBack death payment will be recalculated using a lower Personal PayBack matrix that applies under the Five-Yearly PayBack structure and your beneficiaries will receive a payment of R4 410.

YEAR	PREMIUM	VITALITY ACTIVE STATUS	PAYBACK PERCENTAGE CALCULATED	ACCUMULATED PAYBACK FUND	PAYBACK PAYMENT
1	R12 000	Blue	0%		
2	R13 200	Bronze	2.5%	R330	
3	R14 520	Silver	5%	R1 056	
4	R15 972	Gold	10%	R2 653	
5	R17 569	Gold	10%	R4 410	R4 410

CAN I OPT OUT OF THE DOUBLE PAYBACK OPTION?

Up to one week before you reach your policy anniversary you can change when you would like to receive your PayBack payments. You have the option of receiving your PayBack immediately rather than waiting until the end of the deferred period. If you choose to receive your PayBack immediately you will qualify for the PayBack payments described under the Five-yearly PayBack. Once you have decided to remove the Double PayBack Option from your Life Plan, all future PayBack payments will be paid as they vest under the Five-Yearly or Annual Guaranteed PayBack structure, unless you opt into the Double PayBack Option again.

Opting in and out of the Double PayBack Option is subject to the following restrictions:

- You may only opt out of the Double PayBack Option twice. Opting out of the Double PayBack option can only happen during the first 10 years after qualifying for PayBacks.
- You may opt in to the Double PayBack option at any time during your policy lifetime.

Any PayBack payment which had been deferred will be paid to you at your next policy anniversary after you have opted out of the Double PayBack Option. These payments will not be doubled but will be calculated using the Personal PayBack matrices you qualified for under the Five-Yearly PayBack structure. Any deferred PayBack payment which was due to be paid on your next policy anniversary after the servicing change will also be calculated using the PayBack percentage applicable without the effect of the Double PayBack Option.

Please note that if you choose to service to the Five-Yearly PayBack structure, your PayBack payment will be re-calculated on the Personal PayBack matrix applicable without the effect of the Double PayBack Option and any claims on the Life Plan (excluding the AccessCover, AccessCover Plus, claims for temporary disability on the Income Continuation Benefit and premium waiver benefit claims) in the five year accumulation period will reduce your PayBack payment. This may result in a lower, or possibly no PayBack payment remaining after claims have been deducted.

HOW DOES THE DOUBLE PAYBACK OPTION AFFECT THE PAYBACK EXPIRY?

The PayBack from your Active Integrator will still end when you reach age 65, or 10 years after your PayBack benefit started, if this is later. If you have taken up the Double PayBack Option your final PayBack payment will be paid five years after you reach PayBack expiry age.

OTHER CONSIDERATIONS

The Double PayBack Option is subject to the following:

- Any claims on your Life Plan during the 5-year deferred period will not reduce the PayBack payment under the Double PayBack Option.
- Your Life Plan must remain in-force for the full deferred period. If you lapse your Life Plan during the deferred period you will forfeit any PayBack payments which you have deferred.

- If you perform servicing on your Life Plan during the deferred period in such a way that your premium reduces, your PayBack payment under the Double PayBack Option may be reduced proportionately.

10.3.5 POLICY SERVICING RESTRICTIONS

The Active Integrator is designed for clients who are not members of Vitality. If you and/or your spouse (if applicable) become members of Vitality after taking out an Active Integrator policy, future servicing of your policy will be limited.

10.4 BANK INTEGRATOR

The Bank Integrator may be selected as an Integrator on your Life Plan as long as the principal life assured has a Discovery Bank account or a previous Discovery Card. The Bank Integrator can be selected on its own or in addition to the Vitality, Health or Active Integrator.

10.4.1 INITIAL PREMIUM REDUCTION

On the Bank Integrator, all premiums (except Vitality, Vitality Active, Discovery Retirement Optimiser, Cover Integrator Buy-up Cash Conversion; Financial Integrator Buy-up Cash Conversion and Buy-up Income Continuation Fund) are reduced by a percentage that depends on the colour of your associated Discovery Bank account or previous Discovery Card, the funding plan chosen on your Life Plan, and whether your Life Plan qualifies for Comprehensive or Core Integration.

In the case of you having more than one Discovery Bank account or previous Discovery Card, the premium reduction will be based on the account or previous Discovery Card colour associated with the highest discount across all your Linked Discovery Bank accounts.

Your Linked Discovery Bank accounts are the Discovery Bank accounts that your Bank Integrator will link to and are defined as:
All Discovery Bank Transactional Accounts and/or Discovery Bank Card Accounts and/or previous Discovery Cards where you are either the primary or secondary cardholder on that account.

The initial Bank Integrator premium reductions will be indicated in your Policy Schedule.

The Bank Integrator premium reduction is applied multiplicatively to the Health Integrator, Vitality Integrator or Active Integrator premium reduction (where applicable).

EXAMPLE

Your Life Plan premium before integration is R1 000 a month. You integrate your policy with both the Health and Bank Integrator. You qualify for a discount of 15% on the Health Integrator and 10% on the Bank Integrator. Your monthly premium is then R765 which is R1 000 x (100% - 15%) x (100% - 10%).

Please note that if you change the colour of Discovery Bank account or previous Discovery Card, Life Plan, Funding Plan or Integrator type at any time during the term of your policy, your initial premium reduction will update to reflect the changes you have made.

10.4.2 ANNUAL PREMIUM REVIEW

On the policy anniversary of your Life Plan, the premiums for all benefits will increase as described in Section 4.1.

In addition, the premiums for all benefits on your Life Plan (except Vitality, Vitality Active, the Discovery Retirement Optimiser, Cover Integrator Buy-Up Cash Conversion, Financial Integrator Buy-up Cash Conversion, and Buy-up Income Continuation Fund) may increase or decrease on the policy anniversary by an additional percentage. The Personal Bank Matrix shown on your Policy Schedule determines the additional percentage increase or decrease.

This additional percentage will depend on your Vitality Money status, the colour of your Discovery Bank account or previous Discovery Card and your qualifying card spend, which will be the average monthly level of qualifying spend made on all your Linked Discovery Bank accounts, over the 12 months preceding policy anniversary. Discovery Life will use your Vitality Money status three months before your policy anniversary to determine your adjustment from the Personal Bank Matrix. Please note that in the case of you having multiple Discovery Bank accounts or previous Discovery Cards, the additional percentage will be based on the best colour across all your Linked Discovery Bank accounts or previous Discovery Cards.

Premium reductions attributable to your Personal Bank Matrix (over the lifetime of the Life Plan) may never reduce the premium to a level below what the premium would have been on an equivalent Non-Integrated Life Plan less the applicable initial premium reduction detailed above. In other words, no discounts in addition to the initial Bank Integrator discount will be possible.

If you or your spouse have claimed on either the Severe Illness Benefit (Severity A or B) or the Capital Disability Benefit (Category A, B or D), the Bank Integrator annual premium adjustment is limited to 0% after claim. Negative adjustments will still apply for those clients who are highly engaged, subject to the maximum Integration premium reduction specified above.

The Bank Integrator annual premium adjustment is capped at 0% only from the policy anniversary after the qualifying claim has been finalised and completely processed by Discovery Life. If a claim has been reported but not finalised at policy anniversary, the cap will not be applied. This cap will only apply while you are still a life assured on the policy and will fall away if the benefits on this policy are serviced in such a way that there is an increase in the policy premiums.

The Personal Bank Matrix is not guaranteed and will be reviewed annually by Discovery Life to take account of emerging experience over time, with due consideration for the general economic and regulatory environment. Furthermore, should changes occur in the future such that the Personal Bank Matrix is no longer relevant (e.g. Discovery Bank cancels
Vitality Money), then Discovery Life reserves the right to alter the wealth management criteria used to determine the annual premium adjustments.

The transactions used to determine your card spend are defined as purchases on all the cards linked to your Linked Discovery Bank accounts, where a merchant fee is charged. We may review the amounts taken into consideration in calculating your card spend from time to time. Transactions that will not be taken into account include (but are not limited to):

- Cash withdrawals
- Money transfers, for example money transferred to a current account of a retailer or service provider, or inter-account transfers
- Debit orders.

The additional percentage attributable to the Personal Bank Matrix is applied multiplicatively to the automatic annual premium increase that you selected on your Life Plan. The Personal Bank Matrix will be used multiplicatively with the Vitality Matrix, Active Integrator Matrix or the Personal Health Matrix to determine annual premium increases or decreases.

EXAMPLE

Assume that your premium is R500 and you have selected an automatic annual premium increase of 10%, the applicable adjustment on your Personal Bank Matrix is an increase of 1% and that the applicable adjustment on your Personal Health Matrix
is an increase of 1.5%. Then your new premium will be: R500 x (1 + 10%) x (1 + 1%) x (1 + 1.5%) = R563.83.

Should you cease to be a member of Vitality Money, or cancel all of your Discovery Bank accounts or previous Discovery Cards, the additional annual premium increase percentage due to the Bank Integrator will be at a default rate of 2.75% per year instead of using the Personal Bank Matrix.

Should your Bank Integrator Life Plan lapse and should you purchase another Life Plan at some future date, the initial premium reduction percentage on the new plan will be reduced by any increases that you had on your original policy as a result of the Personal Bank Matrix.

Please note that if for any reason you are not enrolled on the Vitality Money programme when the Bank Integrator is taken out, you will be treated as a Blue Vitality Money Status. Additionally, if your Vitality Money Status is classified as “unengaged” by Discovery Bank, you will be treated in line with a Blue Vitality Money Status for the annual premium review.

10.4.3 THE BANK INTEGRATOR’S MAXIMUM PROTECTED PREMIUM

In addition to normal premium guarantees, Discovery Life guarantees that your premium (plus any premium increases above any automatic annual increases) on the Bank Integrator will not exceed the Maximum Protected Premium.

The Maximum Protected Premium is defined in terms of the Equivalent Non-Integrated Premium (NI). The NI is the premium that would have been payable had you not integrated your Life Plan with Discovery Bank, after automatic annual premium increases have been taken into account.

The following table gives the Maximum Protected Premiums:

		FUNDING PLAN		
		STANDARD	FLEXRATER	ACCELERATER
Comprehensive Bank Integrator	Gold Card	NI + 5.00%	NI + 7.50%	NI + 10.00%
	Platinum Card	NI + 7.50%	NI + 10.00%	NI + 12.50%
	Black/Purple Card	NI + 10.00%	NI + 12.50%	NI + 15.00%
Core Bank Integrator	Gold Card	NI + 2.50%	NI + 3.75%	NI + 5.00%
	Platinum Card	NI + 3.75%	NI + 5.00%	NI + 6.25%
	Black/Purple Card	NI + 5.00%	NI + 6.25%	NI + 7.50%

10.4.4 VITALITY FUND

If you have selected the Bank Integrator on a Classic or Essential Life Plan, you may qualify for the Vitality Fund benefit. Please see section 9.5 for more detail on this benefit.

10.5 THE MANAGED CARE INTEGRATOR

The Managed Care Integrator may be offered only for a life assured on your life plan in the event that the underwriters have imposed a premium loading for that life assured in respect of any or all of the Severe Illness, Capital Disability or Life Cover Benefits because of Diabetes, HIV or Obesity. A loading imposed for any other condition will not qualify for this benefit.

In addition, the following conditions also need to be met for consideration to be given if the benefit may be offered:

- The Diabetes, HIV or Obesity has not progressed to the extent that the conditions have given rise to other co-morbid conditions.
- The Life Assured is registered as a member of Discovery Health Medical Scheme or as a member of a participating scheme administered by Discovery Health.
- The Life Assured is a member of Vitality.
- The Life Assured is enrolled on the specified management programme that is recommended for their condition through either Discovery Health or Vitality. You may be offered the Managed Care Integrator if you meet all criteria except being on the recommended managed care programme for your condition. In this instance, you will have three months from the commencement of the policy to enrol in the programme otherwise the Managed Care Integrator will be removed from your policy.
- The Life Assured is a non-smoker.

The Managed Care Integrator may include the following features, please check your Policy Schedule to see which features are included for the life assured's specified condition:

- A discount to the life assured's Health Loadings which are applied to their Life Cover, Capital Disability or Severe Illness premium
- An automatic re-assessment of the life assured's Health Loadings which are applied to their Life Cover, Capital Disability or Severe Illness premium at every anniversary with automatic reduction of the Health Loadings if the required criteria are met. The health loading on the Life Cover may be reduced to 0% if the criteria are met.
- An opportunity to apply for Capital Disability and Severe Illness cover in the event that the life assured was previously declined this cover but has since showed the required improvement in management of the specific condition.
- A PayBack of 50% of the amount the premium reduces by in the year that the life assured's Health Loading reduces as a result of the automatic re-assessment of the life assured's health loading at anniversary.

10.5.1 MANAGED CARE INTEGRATOR DISCOUNT

Through the Managed Care Integrator you may qualify for a discount of 10% to be applied to the life assured's Health Loadings on their Life Cover, Capital Disability and Severe Illness Benefit loadings.

In order to maintain the Managed Care Integrator discount at each anniversary the life assured must demonstrate that they are actively managing their medical condition through engagement with the recommended management programme on which they are registered. Engagement is measured through completing activities required by the specific management programme that result in earning Vitality points. The life assured will need to earn a specified minimum number of Vitality points that are specific to their condition in order to maintain the 10% discount on the policy. Where the client loses their Managed Care Integrator Discount, there will be a resultant increase in premium.

We will check for the number of points earned over the previous year, three months prior to anniversary. If the life assured fails to meet the minimum Vitality point requirement the discount will be removed and they will not be able to qualify for it again. If the management programme has been in force for less than 12 months the required Vitality points will be proportionately adjusted.

The Policy Schedule will clearly indicate what points the life assured need to earn and how they can be earned.

FOR EXAMPLE:

A life assured is quoted a Life Cover premium of R1 000 and a Capital Disability premium of R2 300. The client is underwritten and it emerges that he is Diabetic. The underwriters offer the client cover with a Life Cover Health Loading of 100% and a Capital Disability Health Loading of 150%. This translates to a Life Cover premium of R2 000 (R1 000 x [1+100%]) and a Capital Disability premium of R5 750 (R2 300 x [1+150%]).

This life assured's medical condition qualifies him for the Managed Care Integrator. If he is offered the Managed Care Integrator he will receive a 10% discount to his Life Cover Health Loading and Capital Disability Health loading leading to 90% and 135% health loadings respectively. This means the Life Cover premium charged is R1 900 (R1 000 x [1+90%]) and the Capital Disability Premium charged is R5 405 (R2 300 x [1+135%]).

10.5.2 ASSESSMENT OF YOUR HEALTH LOADING THROUGH THE MANAGED CARE INTEGRATOR

At every anniversary we will assess the life assured's medical condition and if their health has improved we may lower their Life Cover, Capital Disability and Severe Illness Health Loadings. For each condition there are specific metrics that we need to monitor to be able to conclude if the condition is managed. For each metric a score is applied, the sum of the scores across all metrics will make up the Managed Care Integrator Score. The Managed Care Integrator score translates to the health loading that the life assured should qualify for that would be applicable to the life assured's Life Cover, Capital Disability or Severe Illness premium. The Policy Schedule will clearly indicate which metrics we will measure and how they are used to determine the Managed Care Integrator score. These metrics may be adjusted over time.

We will obtain the Managed Care Integrator Score if the life assured completes the required tests as indicated by their specified management programme and they are a member of Discovery Health Medical Scheme or a member of a qualifying scheme administered by Discovery Health.

FOR EXAMPLE:

A diabetic life assured currently has a loading of 125% on their Life Cover premium. They perform all the required tests and we are able to determine a Diabetic Managed Care Integrator Score that indicates that the client qualifies for a loading of 75%. We will reduce the health loading at anniversary.

The next year the life assured performs all the required tests but the Diabetic Managed Care Integrator Score indicates that the client qualifies for a loading of 100%. We will make no change to the loading.

The next year the life assured fails to perform all their required tests and so no change will be made to the loading.

We will obtain these metrics three months prior to anniversary. The required metrics must be from tests that were performed in the year prior to this. The anniversary letter will outline a Managed Care Integrator score that is calculated. Where the suggested health loadings are lower than the loadings in force, we will reduce them at anniversary. Where the suggested health loadings are higher or equal to the loadings in force, the health loadings will remain unchanged. If any of the required metrics are missing, we will not be able to calculate a Managed Care Integrator score and the life assured's health loadings will remain unchanged that year.

Before reducing your health loading through the process outlined above we may require a health declaration to determine if, other than the medical condition we are monitoring, the life assured health has changed. You may request to review the health loading at any stage outside of the process described above.

10.5.3 OPPORTUNITY TO APPLY FOR CAPITAL DISABILITY AND SEVERE ILLNESS

This opportunity is only available for Diabetic clients who have the Managed Care Integrator. Initially, the life assured may not qualify for Capital Disability or Severe Illness due to the fact that their diabetes is not as well managed as it should be. If the life assured is able to improve their Diabetic Score through improved management of their condition, they can be given the opportunity to purchase the accelerated Capital Disability Benefit or the accelerated Severe Illness Benefit. Please note that if the life assured qualified for Accidental Disability this would have been offered to them upfront and is not part of the opportunity described here.

Depending on how well managed the condition has become there may be limits on what percentage of the Life Fund may be selected for the life assured's Capital Disability and Severe Illness benefits. Where the life assured has not yet accessed the opportunity to purchase up to 100% of your Life Fund, there are restrictions on the type of cover that can be purchased:

- Capital Disability must be Core Capital Disability with an expiry age of 65. No converted Severe Illness will apply to this Capital Disability.
- Severe Illness must be Comprehensive Severe Illness with an expiry age of 65.

Once the opportunity to purchase 100% of your Life Fund is available any accelerated Capital Disability or Severe Illness benefit option may be purchased.

If the life assured has opted for Accidental Disability they may elect to purchase the Capital Disability up to the amount that they have accessed but the sum of the Accidental Disability and Capital Disability benefit percentages cannot be more than 100%.

Your anniversary letter will indicate to you when you have the opportunity to purchase Capital Disability or Severe Illness cover. You must then contact your financial adviser and follow the usual process to add a new benefit to your policy, for that life assured. The life assured may be underwritten when adding or increasing either of these benefits and cover is therefore not guaranteed.

10.5.4 MANAGED CARE INTEGRATOR PAYBACK

This benefit applies to Classic or Purple Plans only. This PayBack is based on the Life Cover, Capital Disability and Severe Illness Benefit Loadings for the life assured who has the Managed Care Integrator benefit. This PayBack is independent of any PayBack paid under the Health Integrator, Active Integrator or Vitality Integrator

At anniversary we check the health loading that has applied over the last year against the health loading that will apply going forward. Where the life assured has improved their health loading through the automatic assessment process at anniversary, we will calculate the premium that would have been paid over the last year had it been on the lower health loading and we will accumulate 50% of the difference into the Managed Care Integrator PayBack fund which will pay out at the end of every five year period.

EXAMPLE:

A client has a monthly life cover premium of R2 000 and a monthly Capital Disability premium of R5 750. Included in these premiums is a health loading of 100% for Life Cover and 150% for Capital Disability. Assume the client has not maintained the 10% discount to the loading.

At anniversary, through the Managed Care Integrator, the loadings are reduced to 50% for Life Cover and 100% for Capital Disability. The premiums payable over the last year would have been R1 500 [R2 000 x (1+50%) ÷ (1+100%)] per month for the Life Cover and R4 600 [R5 750 x (1+100%) ÷ (1+150%)] per month for Capital Disability if the lower loadings applied.

Premiums received over the year were R93 000 (R2 000 x 12 + R5 750 x 12) based on the loading at the start of the year.

Premiums received over the year would have been R73 200 (R1 500 x 12 + R4 600 x 12) based on the reviewed loading at anniversary.

The PayBack accumulated would therefore be R9 900 [(R93 000 - R73 200) x 50%] and will be paid at the end of year 5.

The Managed Care Integrator PayBack will not be reduced by any claims paid on the policy. A life assured may request a review of their health loadings outside of the Managed Care Integrator process. If a life assured requests a review, the underwriter will assess whether or not the condition has improved sufficiently to reduce the applicable health loading. There is no PayBack if the health loading is reduced outside of the Managed Care Integrator process.

10.5.5 WHEN WILL THE MANAGED CARE INTEGRATOR BE REMOVED FROM A POLICY

If any of the following occurs, the Managed Care Integrator will be removed from the life assured:

- If the life assured claims against any Disability or Severe Illness cover that they have with us indicating that medical condition that resulted in the health loading has progressed or that another condition has emerged.
- If the life assured is no longer a member of Discovery Health Medical Scheme or any Health Plan administered by Discovery Health.
- If the life assured is no longer a member of Vitality.
- If the life assured is no longer registered on the required management programme.
- The Health loading on the life assured's Life Cover premium is reduced to 0%.
- If the life assured becomes a smoker.

As a result of removing the Managed Care Integrator:

- The Managed Care Integrator discount would be removed resulting in a premium increase reverting to the premium that would have been payable had the client not qualified for the Managed Care Integrator discount.
- We will no longer collect the required metrics to monitor the life assured's management of their condition so the health loading will no longer automatically reduce if the life assured's management improves.
- The life assured will not qualify for any further Managed Care Integrator Payback. Any Managed Care Integrator PayBack Fund already accumulated will be removed except in the scenario where the Managed Care Integrator is removed as a result of reaching standard rates in which case any accumulated PayBack will still be payable after five years.
- The option to purchase Capital Disability and Severe Illness benefits will no longer become available automatically.

SECTION 11

THE DISCOVERY RETIREMENT OPTIMISER

11.1 INTRODUCTION

The Discovery Retirement Optimiser the 'Benefit' may be selected as an ancillary benefit to your Discovery Life Plan and is aimed at providing cost-effective funding for your retirement. It provides:

- A Retirement Fund, to give you an income in retirement and a lump-sum payment at your selected retirement date.
- Reductions on the fees you pay within your Retirement Fund on qualifying funds through the Retirement Investment Integrator.
- Admin fee refunds within your Retirement Fund on non-qualifying funds through the Fee PayBack benefit.
- Enhancements to your retirement savings from the Contribution Boost.
- The ability to reinvest your Discovery Life PayBacks into your Retirement Fund and have it boosted at retirement through the Retirement PayBack Booster.
- Enhancements to your retirement benefits from the Life Plan Optimiser.
- Enhancements to your retirement income from the Ill-health Income Booster in the event of suffering a severe illness or becoming disabled.

The Benefit is funded through a Retirement Annuity provided by the Discovery Retirement Annuity Fund (the 'RA Fund'). All the fees, premiums and benefits of the Discovery Retirement Optimiser may be reviewed or modified by Discovery from time to time.

Through the RA Fund, you have a range of investment choices covering the various asset classes such as equities, properties, bonds and cash which you may choose in line with your investment objectives.

11.2 THE DISCOVERY RETIREMENT ANNUITY FUND

If you choose to contribute to the Retirement Annuity Fund, you will apply to become a member of the Discovery Retirement Annuity Fund (number 37469). On acceptance, you will be bound by the rules of the Retirement Annuity Fund.

Your benefit in the Retirement Annuity Fund (referred to in the fund rules as your 'member's share') cannot be ceded, transferred, assigned, reduced, hypothecated or pledged and is subject to the provisions of the Pension Funds Act No 24 of 1956.

Participation in the Retirement Annuity Fund will only be confirmed if Discovery Invest, acting as the fund's appointed administrator, has confirmed to you in writing that your application for membership has been accepted and that your first contribution has been received.

The fund rules provide that, at your selected retirement age, your member's share in the Retirement Annuity Fund accrues to you. This consists of your contributions plus/minus any investment returns and minus all fees that have been levied. The fund rules and the Income Tax Act provide that you may take up to one-third of your member's share as a cash lump sum and that the balance of the benefit must be used to purchase an annuity from a registered insurer.

You are only entitled to the Life Plan Optimiser and the Ill-health Income Booster if you purchase the annuity from Discovery Invest.

Tax, in accordance with the applicable tax rules and rates, as determined by the South African Revenue Service (SARS), will be applied on any lump-sum and annuity payments. The income you receive from the annuities will be taxable as gross income in terms of the Income Tax Act.

Your contributions will be administered in terms of the provisions of the Pension Funds Act and the fund rules.

11.3 CONTRIBUTIONS TO THE DISCOVERY RETIREMENT OPTIMISER

You may make monthly contributions to the Retirement Annuity Fund through the Discovery Retirement Optimiser, which may be deductible from your taxable income in terms of the Income Tax Act.

10.3.1 DO MY MONTHLY CONTRIBUTIONS TO THE DISCOVERY RETIREMENT OPTIMISER ESCALATE YEARLY?

Monthly contributions to the Discovery Retirement Optimiser will escalate yearly at the CPI rate plus an additional percentage based on your age at the policy anniversary, as set out in the table below:

AGE NEXT AT POLICY ANNIVERSARY	ADDITIONAL PERCENTAGE INCREASE
16 – 34	4.0%
35 – 49	5.0%
50+	6.0%

CPI is defined as the latest available consumer price index figure at the time of producing the policy anniversary letters, and is capped at 15% per year. These annual percentage increases must be maintained in order to qualify for the Contribution Boost.

11.3.2 WHEN DO MY MONTHLY CONTRIBUTIONS TO THE DISCOVERY RETIREMENT OPTIMISER END?

Your monthly contributions stop when you retire.

11.3.3 WHAT HAPPENS IF I STOP PAYING MONTHLY CONTRIBUTIONS TO THE DISCOVERY RETIREMENT OPTIMISER OR TRANSFER MY INVESTMENT TO ANOTHER PROVIDER BEFORE THE SELECTED RETIREMENT DATE?

If you stop paying your monthly contributions or transfer your investment to another provider before your selected retirement date, your Retirement Annuity Fund becomes paid-up.

You may pay early exit fees as a percentage of your member's share. This percentage will be a maximum of 15% in the first month, decreasing linearly to 0% over half the term of your investment. The minimum term over which it will decrease to zero is five years and the maximum is 10 years.

The Retirement Investment Integrator, Retirement PayBack Booster, Life Plan Optimiser, Ill-Health Income Booster, Contribution Boost and Fee PayBack may be reduced or fall away. Please see the relevant sections for details.

11.3.4 HOW IS MY MEMBER'S SHARE CALCULATED FOR DETERMINING THE PAID-UP VALUE?

Your member's share is determined by the market value of the underlying units of the portfolios selected, based on the latest available unit prices at the time of making the Retirement Annuity Fund paid-up.

The paid-up value remains invested in the underlying portfolios.

11.4 WHAT INVESTMENT CHOICES ARE AVAILABLE?

Your contributions will be invested in the underlying portfolios that you have selected. The portfolios selected and the distribution of the contributions between these portfolios is reflected on your Policy Schedule.

If any of the underlying portfolios are capped or cease to exist, Discovery Invest will request an instruction for a new selection of underlying portfolios from you and switch your assets into an alternative portfolio.

11.5 WHAT FEES AND CHARGES ARE APPLICABLE TO MY INVESTMENT?

There are no initial fees charged by Discovery Invest. Therefore, 100% of each recurring contribution is allocated to the selected portfolios. There are no policy fees.

A) ADMINISTRATION FEES CHARGED BY DISCOVERY INVEST ON RECURRING CONTRIBUTIONS

- Discovery Invest charges a yearly administration fee of 3.5% (plus a fee equivalent to VAT) of the investment market value. Units are redeemed on a monthly basis equivalent to one-twelfth of this fee. This fee is used to cover the costs of administration as well as your financial adviser's fees.
- You also qualify for Fee PayBack on funds that have not been discounted through the Retirement Investment Integrator. Fee PayBack provides a refund of a percentage of all administration fees paid, plus growth on those fees, paid into your Retirement Annuity fund at your selected retirement date. The percentage that is refunded depends on the term from the start of your policy to your selected retirement date and if your Retirement Annuity is paid-up, according to the following table:

TERM FROM THE START OF YOUR POLICY TO SELECTED RETIREMENT DATE (MONTHS)	PERCENTAGE REFUND AT YOUR SELECTED RETIREMENT DATE	PERCENTAGE REFUND IF YOUR RETIREMENT ANNUITY IS PAID-UP AT YOUR SELECTED RETIREMENT DATE
0 – 59	0%	0%
60 – 119	27.50%	10.00%
120 – 179	37.50%	15.00%
180 – 239	45.00%	25.00%
240 – 299	50.00%	30.00%
300 – 359	55.00%	30.00%
360+	60.00%	30.00%

- If your investment is made paid-up, your Fee PayBack balance is recalculated to give you the lower percentage refund according to the table above. If you reduce your contribution, your Fee PayBack balance will be recalculated to between your current balance and your notional paid-up Fee PayBack balance, in proportion to your contribution reduction.
- If you change your selected retirement date, your Fee PayBack balance will be recalculated in line with the term to your new selected retirement date.
- Your Fee PayBack balance will be proportionately reduced on any withdrawals from your Retirement Annuity.
- If you retire early, you may be entitled to a percentage of your Fee PayBack. The percentage you are entitled to depends on your remaining term to your selected retirement date as follows:

REMAINING MONTHS TO YOUR SELECTED RETIREMENT DATE	PERCENTAGE ENTITLEMENT TO YOUR FEE PAYBACK BALANCE
0 – 11	90%
12 – 23	80%
24 – 35	70%
36 – 47	50%
48 – 59	25%
60 and over	0%

You will receive the same entitlement to the Fee PayBack balance on early retirement due to death or disability before your selected retirement date.

B) FEES CHARGED ON ADDITIONAL (AD HOC) CONTRIBUTIONS AND DISCOVERY LIFE PAYBACKS

FINANCIAL ADVISER INITIAL ADVICE FEE

On a lump-sum additional contribution, your financial adviser may charge an initial advice fee as a percentage of your contribution amount. Discovery Invest will pay this over to your financial adviser from your contributed amount. You can negotiate with your financial adviser to determine your initial fee.

FINANCIAL ADVISER YEARLY ADVICE FEE

Your financial adviser may also charge a yearly advice fee as a percentage of your investment fund value for managing your investment fund. Units will be redeemed on a monthly basis for this as one-twelfth of the advice fee selected, increased by VAT. Discovery Invest will deduct these from your investment and pay them over to your financial adviser.

DISCOVERY INVEST YEARLY ADMINISTRATION FEES

The yearly fee charged for administering your lump-sum contribution and reinvested PayBacks depends on the size of your total additional lump-sum contributions and reinvested PayBacks:

INVESTMENT SIZE	FEE (EXCLUDING VAT)
First R2 million	0.40%
Next R3 million	0.35%
Above R5 million	0.20%

This fee will be divided by 12 and deducted monthly. Please note that VAT must be added to these fees each month.

The Retirement Investment Integrator, Life Plan Optimiser, Ill-Health Income Booster, Contribution Boost and Fee PayBack will not apply to any additional (ad-hoc) contributions and Discovery Life PayBacks that are invested in your Discovery Retirement Optimiser.

C) FEES CHARGED BY INVESTMENT MANAGERS

Certain investment management companies may charge initial fees for investing in their funds.

Investment managers also normally charge a yearly management fee as a percentage of your investment in their fund. This fee is divided by 365 and deducted daily in the unit prices provided by the investment manager to Discovery Invest. The initial and yearly fees for each fund can be found on their fund fact sheets available at www.discovery.co.za.

D) FEE REVIEWS

Before any fee increases, Discovery Invest will inform you in writing about the changes as well as the options available to you. Any fee changes on the Retirement Annuity Fund must be approved by the board of trustees.

11.6 RETIREMENT INVESTMENT INTEGRATOR

As a Discovery Life Plan policyholder you may qualify for the Retirement Investment Integrator which will give you an immediate reduction on yearly administration fees and asset management fees. This reduction will apply in respect of money invested in qualifying Funds.

The size of the fee reduction is dependent on the size of your monthly Discovery Retirement Annuity contribution as shown in the Retirement Investment Integrator table on your Policy Schedule. The table is reviewed yearly in line with the average contribution increases on Discovery Retirement Optimisers.

To qualify for the Retirement Investment Integrator, you must have a Discovery Life Plan with a monthly premium at or above the current minimum qualifying premium, which is available on your Policy Schedule. This minimum Life Plan premium will be updated from time to time. If you make changes to your Discovery Life Plan, your new resultant Life Plan premium will be compared to the minimum qualifying premium for the Retirement Investment Integrator to determine if you qualify for the benefit.

If you make your Retirement Annuity paid up, your Retirement Investment Integrator will end.

QUALIFYING FUNDS

The fee reductions from the Retirement Investment Integrator will apply in respect of Discovery funds (with the exception of the Discovery Money Market Fund), Escalator Funds based on Discovery funds and indices, Medical Investment Funds and Target Retirement Date Funds. The list of qualifying funds may be updated from time to time and can be seen on individual fund fact sheets available at www.discovery.co.za

The fee reductions will not apply in respect of Discovery's Protector Premiums embedded in the Escalator Funds, switching and early-exit fees.

11.7 CAN I SWITCH BETWEEN PORTFOLIOS?

You may switch between portfolios at any time, subject to Discovery Invest's practice at the time.

The current practice is to allow four free switches per year. Additional switches will attract a fee of 0.25% of the value switched, capped at a maximum of R500 per transaction.

A switch will be subject to any initial charges levied by the investment managers.

11.8 WHAT IMPACT DOES TAX HAVE ON MY INVESTMENT PERFORMANCE?

In the Retirement Annuity Fund, capital gains, interest, net rental income and dividends will be taxed according to legislation.The current tax rate is 0% (March 2019).

11.9 CAN I CHANGE MY SELECTED RETIREMENT AGE FROM THE AGE I SELECTED AT THE START OF MY INVESTMENT?

Irrespective of the retirement age you selected at the start of your investment, you may accelerate or defer your actual retirement date, as long as your actual retirement age is age 55 or above. However, you may not alter your selected retirement age in the last five years before your currently selected retirement age.

If your actual retirement age is earlier than your selected, your retirement benefits will be proportionately adjusted on the same basis as discussed in paragraph 10.3. In addition, if you retire before your selected retirement date, your Fee PayBack, Contribution Boost, Life Plan Optimiser and Retirement PayBack Booster may be adjusted. Please see the relevant sections before making any changes.

If you defer your actual retirement age, your investment as well as future contributions will continue until the new retirement date.

11.10 CAN I ADJUST MY MONTHLY CONTRIBUTIONS TO THE DISCOVERY RETIREMENT OPTIMISER BEFORE THE SELECTED RETIREMENT AGE?

Yes. You may adjust your contributions before the selected retirement date. Additional contributions may be allocated to the available portfolios at that time.

A reduction in contributions will result in a reduction in the member's share at the time that the contribution is reduced. This reduction is calculated on the basis described in paragraph 10.3.3 and applies only to a portion of the member's share. The portion of the member's share that is reduced is equivalent to the percentage reduction in contribution.

Reducing your contributions will also result in a recalculation of your Life Plan Optimiser benefit, your fee reduction from the Retirement Investment Integrator, your Fee PayBack balance as well as your Retirement PayBack Booster.

If you qualify for the Purple Life Plan Optimiser boost (see section 11.15 below) and you reduce your contributions below the minimum qualifying contribution level for the Purple Life Plan Optimiser Boost, your Life Plan Optimiser will be recalculated. These recalculations are based on the size of your Life Fund and attached ancillary benefits after the reduction in contribution, and the latest Life Plan Optimiser benefit tables.

If you increase your monthly contribution and you meet the qualifying criteria for the Purple Life Plan Optimiser Boost (see section 11.15 below), the Life Plan Optimiser value you have accrued will not be recalculated, but any future Life Plan Optimiser boosts will be recalculated in line with the latest qualifying criteria and Life Plan Optimiser benefit tables.

11.11 WHAT HAPPENS IF I DIE BEFORE MY SELECTED RETIREMENT AGE?

The death benefit amount, as described below, is payable to your nominated beneficiaries. Once Discovery Invest has been notified of your death, we will switch the benefits in your investment to an interest-bearing investment option. Section 37C of the Pension Funds Act then requires the Board of Trustees of the Fund to distribute your investment value equitably between your dependants (whether nominated as beneficiaries or not) and nominated beneficiaries, within 12 months of your death.

If you require a detailed explanation of the terms 'beneficiary' and 'dependant', please contact Discovery Invest.

You may change your beneficiary nomination at any time by notifying Discovery Invest in writing. Notification must reach Discovery Invest before your death. If this does not happen, the trustees will not consider the notification.

THE DEATH BENEFIT AMOUNT

The death benefit is equivalent to the member share as described in paragraph 10.3 with a minimum value of the sum of contributions paid. The fund value is equivalent to the member's share. The member's share is subject to tax according to the Income Tax Act. In addition, if you qualify for the Retirement PayBack Booster, your accrued boost will pay out on your death. Your Fee PayBack and Contribution Boost balances will also pay out a partial entitlement according to the table given in section 11.15, depending on the remaining months until your selected retirement date.

11.12 WHAT HAPPENS IF I RETIRE BEFORE THE SELECTED RETIREMENT DATE DUE TO ILL HEALTH?

If you retire due to ill-health as defined in the Pension Funds Act, the member share, as defined in paragraph 10.3, is payable. In this case, the Life Plan Optimiser will be forfeited. Your Fee PayBack and Contribution Boost balances will pay out a partial entitlement according to the table given in section 11.5, depending on the remaining months until your selected retirement date.

11.13 RETIREMENT PAYBACK BOOSTER

The Retirement PayBack Booster allows you to reinvest your PayBacks from your Discovery Life Plan into your Retirement Annuity and have these boosted (with growth) at retirement. This benefit applies to your Annual Guaranteed PayBack.

The boost to your reinvested PayBack and the five-yearly PayBack will be based on the ratio of your Retirement Annuity contribution to your Life Plan premium (excluding your Vitality contribution) at the time of the reinvestment, up to a maximum boost of 100%.

You will have the option to either invest none, half or all of your PayBacks into your Discovery Retirement Optimiser. You will make this selection at the start of your Discovery Retirement Optimiser policy, called your default selection, and you can then change this default selection before every Health or Vitality Integrator PayBack by contacting Discovery Life. If you do not contact Discovery Life to change your reinvestment proportion, your default reinvestment proportion will be applied. Shortly after receiving your PayBack from Discovery Life, the relevant proportion of that PayBack will be withdrawn from the same bank account and invested into your Discovery Retirement Optimiser.

If you lapse your Discovery Life Plan or make your Retirement Annuity paid-up, the Retirement PayBack Booster will fall away, but you will still be entitled to your reinvested Health or Vitality Integrator PayBack in your Retirement Annuity. Any reductions in your Retirement Annuity contributions or your Life Plan premium will result in a proportionate reduction of your Retirement PayBack Booster value.

Discovery Invest's applicable fee structure for lump-sum investments will be applied to the reinvested PayBack. Please see paragraph 10.5b for the relevant fee structure. The reinvested PayBack will not qualify for the Retirement Investment Integrator, Fee PayBack, the Life Plan Optimiser, Ill-Health Income Booster or Contribution Boost.

Any PayBack reinvested within five years of your retirement will not qualify for a boost from the Retirement PayBack Booster. The PayBack will, however, continue to be debited from your account and invested into your Discovery Retirement Optimiser.

TAX TREATMENT

The reinvested Health or Vitality Integrator PayBack will be tax deductible in your hands, up to certain limits, according to the tax tables that apply at the time.

EXAMPLE

A policyholder chooses to reinvest his Health Integrator PayBack into his Retirement Annuity Fund. At the time of the reinvestment, the policyholder is paying a R2 000 monthly Life Plan premium and a R1 000 monthly contribution to his Retirement Annuity Fund.

The boost to his reinvested PayBack is then R1 000 ÷ R2 000 = 50%. This boost, plus growth, is payable at retirement.

11.14 THE CONTRIBUTION BOOST

The Contribution Boost provides you with additional boosts of up to 15% to your recurring contributions, based on your engagement in Vitality Health, Vitality Drive, and Vitality Money. The Contribution Boost percentages you can receive are determined by adding together the applicable percentages in the tables below:

		VITALITY HEALTH					
		NONE	BLUE	BRONZE	SILVER	GOLD	DIAMOND
VITALITY MONEY	None	0.0%	1.0%	1.5%	2.0%	3.0%	4.0%
	Blue	1.0%	2.0%	2.5%	3.0%	4.0%	5.0%
	Bronze	1.5%	2.5%	3.0%	3.5%	4.5%	5.5%
	Silver	2.0%	3.0%	3.5%	4.0%	5.0%	6.0%
	Gold	3.0%	4.0%	4.5%	5.0%	6.0%	7.0%
	Diamond	4.0%	5.0%	5.5%	6.0%	7.0%	8.0%

VITALITY DRIVE	
	BOOST
None	0.0%
Blue	0.5%
Bronze	0.75%
Silver	1.0%
Gold	1.5%
Diamond	2.0%

TOTAL ACTIVE REWARDS WEEKLY GOALS ACHIEVED	
GOALS REACHED	**BOOST**
0 – 1	0.0%
2 – 3	1.0%
4 – 5	2.0%
6 – 7	3.0%
8 – 9	4.0%
10 – 12	5.0%

HOW WE CALCULATE THE BOOST

- Contribution Boost percentages depend on how engaged you are in the Vitality programmes and how many Active Rewards goals are met.
- We will use the number of Active Reward goals you achieved for exercise, driving and managing your money.
- We calculate the boost by multiplying the boost percentage by the Retirement Annuity contribution amount invested in qualifying funds.
- The boosts on recurring contributions grow at the same net return as your underlying contributions after the deduction of any fund management, adviser and admin fees incurred.
- Your Contribution Boost balance is the sum of your boosts to your monthly contributions, and is paid into your fund at your selected retirement date.
- Your boost percentage for any month is based on the statuses and Active Rewards goals achieved in the month before the month of the contribution. For clients who contribute in the first two days of the month, the boost percentages will be based on statuses and rewards goals achieved two months before the month of contribution.
- Risk premiums paid for contribution waiver benefits are not boosted.
- Your Contribution Boost balance will be proportionately reduced on any withdrawals from the Retirement Annuity and any switches out of qualifying funds.
- If you retire before your selected retirement date, you will be entitled to a percentage of your Contribution Boost. The percentage that you are entitled to is as follows:

REMAINING MONTHS TO YOUR SELECTED RETIREMENT DATE	PERCENTAGE ENTITLEMENT TO YOUR CONTRIBUTION BOOST BALANCE
0 – 11	90%
12 – 23	80%
24 – 35	70%
36 – 47	50%
48 – 59	25%
60+	0%

MAXIMUM BOOST PERCENTAGES

The maximum percentage boost for a contribution in a given month depends on the time from that month to your selected retirement date. No boosts will be given for contributions that are made less than five years from the selected retirement date. There are larger potential boost percentages for investing longer as shown below:

MONTHS UNTIL SELECTED RETIREMENT DATE	MAXIMUM BOOST PERCENTAGE TO CONTRIBUTIONS
360+	15.0%
300 – 359	12.5%
240 – 299	10.0%
180 – 239	7.5%
60 – 179	5.0%
0 – 59	0.0%

The qualification criteria and the tables used to determine the Contribution Boost are valid as at March 2019 and may change from time to time. We will write to let you know before any changes take place.

EXAMPLE

John starts contributing R5 000 a month to the Discovery Retirement Annuity and invests the full amount in qualifying funds.

John is currently on Gold Vitality Health status, Diamond Vitality Drive status, and has not yet activated Active Rewards on either programme.

John's contribution boost percentage after the first month is 3% + 2% = 5%.

John is 23 years away from his selected retirement date. The maximum contribution boost percentage based on the time from this month's contribution to his selected retirement date is 10%, which is greater than 5%. Therefore, the boost to his contribution after the first month is:

Vitality Health	3.0%
Vitality Drive	2.0%
Vitality Money	0.0%
Active Rewards	0.0%
Boost percentage	5.0%

Boost percentage	5.0%
Proportion in qualifying funds	100%
Monthly contribution	R5 000
Total boost on contribution	R250

This will continue each month depending on his status and contribution levels. These amounts will grow in line with his underlying portfolio and will be paid into his fund at his selected retirement date.

11.15 LIFE PLAN OPTIMISER

The Life Plan Optimiser, as shown in your Policy Schedule, provides additional retirement benefits at your selected retirement age.

The amount of the additional benefit is paid to you yearly in advance for the rest of your life. Your entitlement to each Life Plan Optimiser instalment is dependent on your Life Plan policy being in force at the time of payment. Life Plan Optimiser payments reduce your Life Fund as is detailed in Section 11.17.3.

Your Life Plan Optimiser will provide you with a percentage boost to your Retirement Annuity value at your selected retirement age. This boost is determined by the number of years from inception until your selected retirement date, the ancillaries on your Life Plan and the size of your Life Fund (excluding Cover and Financial Integrator).

You may qualify for the Purple Life Plan Optimiser Boost if you meet the following three criteria:

- The Life Plan linked to your Discovery Retirement Optimiser is a Purple Life Plan
- The Life Plan linked to your Discovery Retirement Optimiser has a Life Fund (excluding the Cover and Financial Integrators) size greater than the current amount required to qualify for the Purple Life Plan Optimiser
- Your Discovery Retirement Optimiser contribution is greater than the current amount required to qualify for the Purple Life Plan Optimiser.

Your Life Plan Optimiser Boost, together with the qualifying criteria will be shown in your Policy Schedule. Discovery will update the qualifying criteria yearly. The Life Plan Optimiser boost will then be divided by the larger of 10 or the number of years from retirement until you reach age 75, to determine the size of the instalments.

Under current tax tables, these instalments are paid tax-free.

Each instalment in retirement is increased by CPI for the years from the selected retirement date to the payment date of that instalment.

If you voluntarily reduce your Life Plan premium during retirement, your entitlement to the remaining instalments will be reduced proportionately. Similarly, a change in your Life Plan premium resulting from a claim on the ancillary benefits of the principal life will affect your entitlement to the remaining instalments (see section 11.17.2). Downgrading your Life Plan from a Purple Life Plan will also result in a reduction in your Life Plan Optimiser, based on the latest Life Plan Optimiser benefit tables. Similarly, a change in your Life Plan premium resulting from a claim on any of the ancillary benefits of the principal life will affect your entitlement to the remaining instalments (see Section 11.17.2).

The Life Plan Optimiser is not payable if you choose to transfer your share of the Retirement Annuity Fund for purchase of an annuity to another insurer or financial institution.

If you retire before your selected retirement date, your Life Plan Optimiser will be reduced proportionately in line with the applicable Life Plan Optimiser benefit qualifying criteria at the time.

The recalculated Life Plan Optimiser will be payable from your actual retirement age as described above.

If you defer your actual retirement age, any further build up in the value of your Life Plan Optimiser will be adjusted to take into account the increase in your term to retirement.

Reducing your contributions will also result in a proportionate reduction of your Life Plan Optimiser benefit.

EXAMPLE

If the benefit provided by the Life Plan Optimiser at your retirement age of 65 was R200 000, it would be divided by 10 and paid from your retirement age for the rest of your life as follows (assuming CPI at 10% per year):

Payment at retirement age	R20 000
Payment one year after retirement age	R22 000
Payment two years after retirement age	R24 000
Payment three years after retirement age	R26 620

11.16 THE ILL-HEALTH INCOME BOOSTER

If you are receiving an income in retirement from Discovery Invest (by means of a Discovery Invest Retirement Income Plan purchased from your Discovery Retirement Optimiser), this income will be enhanced if the principal life suffers a severe illness or disability.

This enhancement is only applicable on the occurrence of a severe illness or disability after the selected retirement age and does not apply to the occurrence of illnesses or disabilities that are related to or are a progression of an illness that occurred before the selected retirement age. The amount of the enhancement is based on the average level of income (excluding the lump sum payment at retirement) received in the 12 months before the occurrence of the illness.

Although you are not required to attach the Severe Illness Benefit or Capital Disability Benefit to your Life Fund for entitlement to this enhancement, the amount of the enhancement will be based on the severity of your illness or disability as measured by the definitions of the Severe Illness Benefit and the Capital Disability Benefit as contained in the Individual Life Plan Guide which is available from www.discovery.co.za

The income will be enhanced by a certain percentage for the duration set out below:

SEVERITY OF SEVERE ILLNESS BENEFIT EVENT	CATEGORY OF CAPITAL DISABILITY BENEFIT EVENT	PERCENTAGE ENHANCEMENT TO GROSS INCOME	TERM OF INCOME ENHANCEMENT
A	A or D (if applicable to your occupation)	25.00%	Whole life
B	B	18.75%	10 years
C	*	12.50%	5 years
D	*	6.25%	2 years

If you receive an income from Discovery Invest in any year in retirement of more than 10% per year of the value of the fund at the beginning of that year, the enhancement will be capped. It will be capped based on an amount of income that would have been provided had you taken an income of 10% of the fund value at the beginning of the year in which the illness occurred.

The Ill-health Income Booster is not applied to any benefits received in retirement from the Life Plan Optimiser.

The Ill-health Income Booster is provided as long as your Life Plan remains in force. If you cancel or reduce your Life Fund or its attached benefits at any time in retirement, your current and future entitlement to the Ill-health Income Booster will be proportionately reduced.

The payment of the subsequent claim is dependent on whether the claim is progressive, related or unrelated:

- A progressive claim refers to conditions where a worsening of symptoms or stages of the disease can be expected, for example the progression of cancer, connective tissue disease or respiratory disease. A relapse of a previous cancer will be assessed as a progressive illness.
- A related claim is a claim where there is a link to a previous claim, for example, complications or consequences of a disease or injury previously claimed for. This would be where the later claim would not have arisen if it was not for the initial condition or illness. It also includes side effects or complications of treatment of the previously claimed for condition. Progressive claims are not included in this definition.
- An unrelated claim is a claim which is not related or due to the original claim.

If a severe Illness or disability arises that is related to or a progression of the current illness or disability and is more severe, the amount of the enhancement will be increased. In this case, the increased enhancement will be provided for the remaining term of the enhancement at the higher severity as shown in the table above. The remaining term is defined as the new term for which the subsequent condition qualifies, less the term for which payments were already made for the initial condition.

If during the term of the income enhancement, or within six months of the expiry of the term of the previous income enhancement, a severe Illness or disability arises that is unrelated to the previous enhancement and is more severe, the amount of the enhancement will be increased. In this case, the increased enhancement will be provided for the remaining term of the enhancement at the higher severity as shown in the table above. If an unrelated illness occurs six months or later after the expiry of the benefit enhancement term of the previous illness, a subsequent enhancement will commence based on the severity of the new illness.

The Ill-health Income Booster expires on the earlier of:

- Expiry of the benefit enhancement term
- Death
- In the case of Category D disability claims, the earlier of ceasing to work and age 65.

11.17 THE LIFE FUND

11.17.1 WHAT HAPPENS IF I STOP OR REDUCE MY DISCOVERY LIFE PLAN PREMIUMS?

- If you cancel your Life Fund before your selected retirement age or during retirement, you will not be entitled to any future benefits from the Retirement Investment Integrator, Retirement PayBack Booster, Life Plan Optimiser or Ill-health Income Booster.

- If you reduce your Life Plan premiums, your Discovery Retirement Optimiser benefits will be affected as follows:

  a) If your new resultant Life Plan premium is below the minimum qualifying premium for the Retirement Investment Integrator at the time, you will not receive any further fee reductions from the Retirement Investment Integrator.

  b) Your accrued Retirement PayBack Booster will be reduced proportionately.

  c) Your Life Plan Optimiser will be recalculated. These recalculations are based on your Life Plan premium, the size of your Life Fund and attached ancillary benefits after the alteration to these benefits and the latest Life Plan Optimiser benefit tables. If you downgrade from a Purple Life Plan, your Life Plan Optimiser will further be reduced based on the latest Life Plan Optimiser benefit tables.

  d) Your Ill-health Income Booster will be reduced proportionately.

11.17.2 HOW DO CLAIMS ON MY LIFE FUND AFFECT THE DISCOVERY RETIREMENT OPTIMISER?

The impact on your Discovery Retirement Optimiser will depend on whether you make claims against your Life Fund before or after your selected retirement age.

BEFORE YOUR SELECTED RETIREMENT AGE

- If the claim results in a reduction of your Life Plan premium, you will no longer qualify for the Retirement Investment Integrator if your resultant premium is less than the minimum qualifying premium at the time. A reduction in your Life Plan premium will also result in a proportionate reduction of your Retirement PayBack Booster.
- If a claim occurs on any risk benefit attached to the Life Fund which results in the Life Fund terminating before your selected retirement age, there is no further entitlement to the Life Plan Optimiser and Ill-health Income Booster. If the claim arose from the spouse, the principal life will be given the option to continue the risk benefits applicable at that time without medical underwriting. Continuing with these risk benefits in full will reinstate entitlement to the Life Plan Optimiser and Ill-health Income Booster.
- If the Life Fund is reduced by a claim on an ancillary benefit of the principal life, the entitlement to the Life Plan Optimiser may be reduced. This reduction is based on the resultant ancillary take-up of your Life Plan after the claim and the Life Plan Optimiser benefit tables at the time. If these claims arose from the spouse, the Life Plan Optimiser will not be affected, unless the Life Plan premium is reduced as a result.

AFTER YOUR SELECTED RETIREMENT AGE

- On the death of the principal life in retirement, the instalments of the Life Plan Optimiser will end. There will be no future entitlement to the Ill-health Income Booster.
- If the Life Fund is reduced by a claim on the ancillary benefits of the principal life, the remaining Life Plan Optimiser instalments will be adjusted proportionately based on the change in the Life Plan premium.
- AccessCover or AccessCover Plus claims will not have an impact on your Discovery Retirement Optimiser.

11.17.3 HOW DO THE BENEFITS FROM THE DISCOVERY RETIREMENT OPTIMISER AFFECT MY LIFE FUND?

Benefits received from the Discovery Retirement Optimiser will reduce your Life Fund during retirement. The reductions to your Life Fund occur as follows:

- The Life Plan Optimiser is paid in yearly instalments in advance for the rest of your life in retirement and is deducted from your Life Fund when payment is made.
- The deduction from your Life Fund in any year as a result of the Life Plan Optimiser, may not exceed 4% of your Life Fund at your selected retirement age.
- The Ill-health Income Booster has no impact on your Life Fund.
- Your Life Fund will not be reduced below 50% of your Life Fund value at your selected retirement age as a result of these deductions.

All ancillary benefits attached to your Life Fund, including the Minimum Protected Fund, are also proportionately reduced as a result of the deductions described above. The Philanthropy Fund, Cover Integrator and Financial Integrator Fund will not reduce as a result of the deductions above.

The example below illustrates how the deductions in retirement affect your Life Fund.

EXAMPLE

A policyholder retires at age 65 with a Life Fund of R1 000 000. In addition, the policyholder had a Retirement Fund of R360 000, with an additional Life Plan Optimiser of R120 000.

The Retirement Fund is used to purchase a compulsory annuity of R12 000 per year. In addition, the Life Plan Optimiser is paid to him in yearly instalments (R12 000 per year) for the rest of his life, increasing at CPI. Assume CPI of 10% per year. (See table below).

AGE	LIFE FUND (GROWING BY CPI)	LIFE PLAN OPTIMISER DEDUCTION	REMAINING LIFE FUND
65	R1 000 000	R12 000	R988 000
66	R1 086 800	R13 200	R1 073 600
67	R1 180 960	R14 520	R1 166 440
68	R1 283 084	R15 972	R1 267 112
69	R1 393 823	R17 569	R1 376 254
70	R1 513 880		

The Life Plan Optimiser deductions do not exceed 4% of the Life Fund at age 65 and are therefore deducted in full from age 65. Had it exceeded R40 000 (4% of R1 000 000), the deduction would have been capped at R40 000 per year. The Life Fund will not be reduced to less than R500 000 (50% of R1 000 000) as a result of the Life Plan Optimiser deductions.

11.17.4 HOW DOES THE PREMIUM WAIVER BENEFIT ON SEVERE ILLNESS AND DISABILITY AFFECT MY DISCOVERY RETIREMENT OPTIMISER CONTRIBUTIONS?

When you select the Premium Waiver Benefit on severe illness or disability, you may choose for the waiver to cover your Discovery Retirement Optimiser contributions as well. If you meet the claim criteria as defined for the Premium Waiver Benefit on severe illness or disability (as defined in sections 6 and 7 of the Individual Life Plan Guide which is available from www.discovery.co.za), the contributions to your Discovery Retirement Optimiser will be paid by Discovery Invest until the earlier of your retirement age, selected at the start of the contract, and age 65. The Premium Waiver Benefit will cover increases to a maximum of 20% per year. You will continue to qualify for the Contribution Boost while you are claiming under the Contribution Waiver.

11.18 HOW DO YOU PROCESS TRANSACTIONS RELATING TO THE DISCOVERY RETIREMENT OPTIMISER?

In terms of an administration agreement between Discovery Invest and Discovery Life Limited the funds within the investment account linked to the investor's Discovery Retirement Optimiser including the placement of purchase instructions, switches, encashments/withdrawals, amendments to the Discovery Retirement Optimiser are administered by Discovery Invest.

Discovery Invest is a wholly owned subsidiary of Discovery Limited and is an authorised South African financial services provider duly registered in terms of section 8 of the FAIS Act and by virtue thereof is entitled to effect such administration. Discovery Invest will only process an instruction on receipt of a correctly completed standard transaction form (STF).

The rules and conditions in respect of all transactions relating to the Discovery Retirement Optimiser are contained in the Discovery Invest Business Practices Manual which is available from ww.discovery.co.za. You acknowledge that you have read and understand the contents of this manual before you instruct Discovery Invest, and that you are bound by its terms and conditions.

11.19 BUSINESS PRACTICES

11.19.1 HOW SHOULD I ISSUE INSTRUCTIONS TO DISCOVERY INVEST?

Instructions may be given online through our website at www.discovery.co.za or in writing using the relevant forms where applicable.

Written instructions must be sent to Discovery Invest by email to invest_support@discovery.co.za. The forms are available from us when calling 0860 67 57 77 or you may request them from us by email at invest_support@discovery.co.za. Some instructions may require additional supporting documents.

11.19.2 WILL I RECEIVE REGULAR BENEFIT STATEMENTS ON MY INVESTMENT?

Discovery Invest will provide a quarterly statement reflecting your investment values during a specified period (or previous quarter).

At any time, you can view all the details of your investment including your Contribution Boost and Fee PayBack balances by logging in to our digitally enabled website at www.discovery.co.za. You can also download statements over the period of your choice and make use of a range of tools and calculators.

11.19.3 CONTACT DETAILS

For more information, please contact your financial adviser. You can also call us on 0860 67 57 77.

You can also visit www.discovery.co.za for more information.

REWARDS FOR MANAGING YOUR HEALTH

Discovery's Life Plan is a dynamic policy, which, while it compensates you for events that influence your quality of life, also rewards you for managing and improving your health. This is achieved through Vitality and Vitality Active, which form a valuable foundation to the Life Plan.

12.1 VITALITY AND VITALITY ACTIVE

These programmes are applicable to you, provided you have chosen to join either programme through the Life Plan, or if you are already a member of either programme through a Health Plan which is on a medical scheme administered by Discovery Health. There is a monthly premium for this benefit.

These programmes are designed to encourage you to look after your health and improve your lifestyle. By improving your health, you reduce your long-term healthcare costs.

Please refer to the Vitality or Vitality Active portfolios included with your policy documents if you are a member of either of the programmes. Further information can be found on Discovery's website at www.discovery.co.za.

12.2 CAN MY VITALITY OR VITALITY ACTIVE MEMBERSHIP EXPIRE?

Yes. Your Vitality or Vitality Active membership will expire (and all benefit vouchers will be cancelled) if your premium on your Life Plan falls below the qualifying level for either membership and, in the case of members of a medical scheme administered by Discovery Health, if you resign from the medical scheme.

You have the right to cancel your Vitality or Vitality Active membership. However, if either membership includes members who are also included on your Health Plan (on a medical scheme which is administered by Discovery Health) or Life Plan you may be required to first remove them from the Health Plan or Life Plan before you can cancel your Vitality or Vitality Active membership.

12.3 WHO QUALIFIES FOR VITALITY MEMBERSHIP?

Any person assured by your Discovery Life Plan or Health Plan (including all Health Plans in medical schemes which are administered
by Discovery Health) is regarded as a dependant on your Vitality membership.

12.4 WHO QUALIFIES FOR VITALITY ACTIVE MEMBERSHIP

A principal and spouse assured on an Active Integrator Life Plan may be members of Vitality Active.

SECTION 13

HOW TO CLAIM AND RECEIVE YOUR BENEFITS AND PAYBACKS

HOW DO I RECEIVE A BENEFIT PAYMENT?

Should you experience a life-changing event for which you are claiming a benefit payment, please contact your financial adviser or Discovery Life Claims at 0860 103 905. Discovery Life will then provide you with the necessary forms and protocols for any medical information needed.

13.1 SEVERE ILLNESS AND DISABILITY BENEFIT PAYMENTS

13.1.1 In addition to the forms and protocols required, you will also be required to provide Discovery Life with the following details within 60 days of the date of diagnosis of your severe illness or disability:

- The nature of your claim
- Other assurance products that you hold which also cover the benefits for which you are claiming.

13.1.2 Should Discovery Life reject your claim and you want to challenge the decision legally, you must do so within six months after the date of rejection. If you fail to do this, you will forfeit any potential benefit payments as a result of your claim.

13.1.3 If you travel or live outside South Africa when the claim event occurs, we will require the medical evidence issued in the foreign country to be in English to consider a claim.

13.2 DEATH CLAIMS

13.2.1 The benefit payment will be made to the nominated beneficiary or cessionary. The beneficiary or cessionary, or any other nominated person, such as the executor of the estate, needs to notify the financial adviser or Discovery Life's service centre of the death claim.

13.2.2 In addition to the forms and protocols required, the beneficiary or cessionary will also be required to provide Discovery Life with the following details within 60 days of the date of death:

- The date and cause of death
- The contact person responsible for completing the documentation.

13.2.3 Should Discovery Life reject the claim and the beneficiary or cessionary wants to challenge the decision legally, the beneficiary or cessionary must do so within six months of the date of rejection. If they fail to do this, they will forfeit any potential benefit payments as a result of the claim.

13.2.4 If you travel or live outside South Africa when the claim event occurs, we will require the medical evidence issued in the foreign country to be in English to consider a claim.

13.3 WHAT IS THE EFFECT OF BENEFIT PAYMENTS ON MY LIFE FUND?

The following example illustrates the effect of benefit payments on the Life Fund.

For purposes of this example, assume a Life Fund of R1 000 000 with no benefit increase options was purchased. In addition, cover for the Severe Illness Benefit and Capital Disability Benefit has also been selected. The benefit percentage for each of these benefits is 50% of the Life Fund.

13.3.1 FIRST CLAIM

Severe Illness Benefit claim: assume Severity Level D applies (ie 25%)

Your benefit payment will be calculated as follows:

Benefit percentage x Severity Level x current Life Fund

= 50% x 25% x R1 000 000

= R125 000

Balance in Life Fund after claim

= R1 000 000 – R125 000

= R875 000

13.3.2 SECOND CLAIM

Capital Disability Benefit claim:

Category A Severity applies (ie 100%)

Your benefit payment will be calculated as follows:

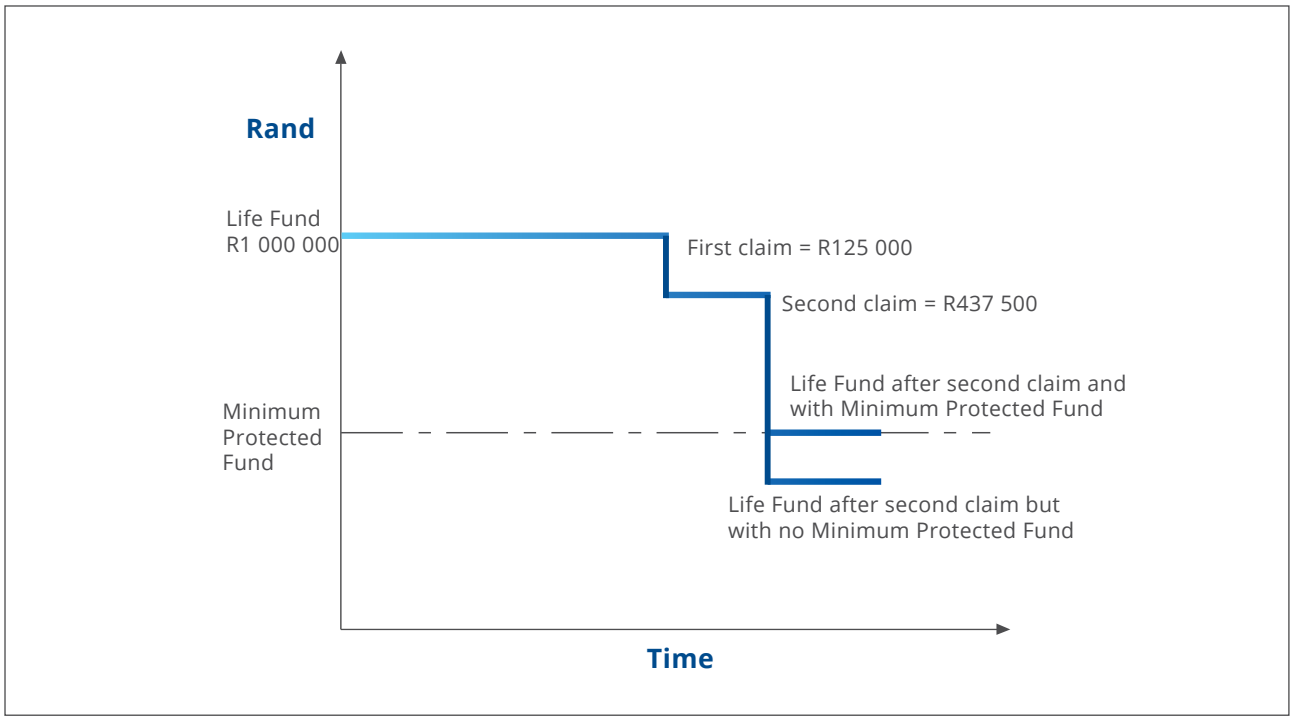
Benefit percentage x Severity Level x current Life Fund

= 50% x 100% x R875 000

= R437 500

Please note the implications of having a Minimum Protected Fund (50% in this example). Although your Capital Disability Benefit payment would have decreased your Life Fund to below R500 000 (ie R437 500), you would receive a benefit payment of R437 500, but your Life Fund will automatically be adjusted back to R500 000 (instead of R437 500), subject to the 14-day survival rule as defined in paragraph 2.6.2.

The following graph illustrates the effect of a claim on your Life Fund:



13.4 WE WILL INVESTIGATE CLAIMS

Discovery Life reserves the right to investigate claims or await the outcome of third party investigations (such as police investigations) or the outcome of tribunals (such as judicial inquests) or tests (such as toxicology tests) and may defer its decision to refuse or admit a claim until such investigations, tribunals or tests are completed.

13.5 PAYBACKS

13.5.1 If you are eligible to receive PayBacks, these will be paid into the Policy Owner's bank account upon receiving confirmation of the bank account, which can be in the form of a bank stamped statement or letter of confirmation from the bank.

13.5.2 If we have not received your banking details within four months and your PayBack is due, the Payback will be credited against the policy to offset future premiums owed. The crediting of policies will not be done in the following instances:

- The PayBack amount due is more than R10 000
- The policy is owned by a trust or company
- The policy is a Discovery Retirement Optimiser linked policy.

13.5.3 If you have any outstanding premiums we will deduct it before we pay your Integrator PayBack benefit

13.5.4 If your policy is cancelled before the PayBack due date, the PayBack will be forfeited.

13.5.5 Reinvesting your PayBacks with Discovery Invest:

You can reinvest your PayBacks into either a Discovery Retirement Optimiser through the Retirement Payback booster (see section 11.7) or through the PayBack Integrator benefit available on a lump-sum Core Retirement Plan with Discovery Invest. For more information on the PayBack Integrator benefit please refer to the Retirement Plan Fact Files on the Discovery Invest website. Please be aware that if you select the Payback Integrator on your lump-sum Core Retirement Plan, then all of your Integrator PayBacks from all your Life Plans will be reinvested in your lump-sum Core Retirement Plan. This excludes any Integrator PayBacks which are used in whole or in part by the Retirement PayBack booster benefit on any Discovery Retirement Optimiser Plan(s) that you may have.

CESSIONS AND BENEFICIARIES

14.1 CESSION

Your Life Plan may be ceded. This is the process where all the rights, title and interest in your Life Plan are transferred or made over to another person or entity and who becomes the new owner (in the case of an Absolute cession) or where all the rights to the benefit are transferred or made over to another person or entity (in the case of a Collateral Cession). The person who transfers the Life Plan is known as the cedent and the person or entity to whom the Life Plan is transferred is known as the cessionary.

Cessions are permitted at policy level. That means we do not allow the cession of individual benefits under the Life Plan. Please note that no cession will be valid unless the cession is recorded by Discovery Life and confirmed in writing. Any policy PayBacks and/or Buy-up Cash conversion payments will always be made to the policy owner (to the cessionary in the case of an absolute cession).

It is the responsibility of the cedent to provide the cessionary with the Policy Contract which includes the Policy Schedule and this Life Plan Guide.

There are two types of cessions.

ABSOLUTE CESSION

An absolute cession is where the cessionary takes ownership of the Life Plan and becomes liable for the payment of premiums on the policy. All rights, title and interest to the policy are permanently transferred. The cedent has no further rights in respect of the policy and cannot deal with the policy. The prior beneficiary nominations made by the cedent will fall away (they are automatically revoked) and may be replaced by the beneficiary nominations of the cessionary, if any. Any benefit payable under the Global Education Protector and Global Health Protector will not be payable to the cessionary or their nominated beneficiary. For any other benefit payout, if no beneficiary nominations are made by the cessionary then any proceeds payable on the death of the life assured (death benefits) will be paid to the estate of the cessionary (if the cessionary and life assured are the same person) or to the cessionary as the owner. Benefits other than death benefits will be paid to the cessionary. All terms and conditions agreed to by the cedent will apply to the cessionary in relation to the policy.

Where the Income Continuation Benefit is included on a policy, an absolute cession could have adverse tax consequences. Tax advice should be sought.

No absolute cessions will be allowed on Life Plans with the Discovery Retirement Optimiser. No absolute cessions will be allowed on Life Plans with the Buy-up Cash Conversion benefit on either, or both, of the Cover and Financial Integrator Funds except in the following circumstances:

- Where the Life Assured who is the policy owner, cedes to his trust/company or vice versa.
- Where the policy is ceded to a spouse or an ex-spouse.

COLLATERAL CESSION

A collateral cession is where the right to death, severe illness and disability benefits in the policy are transferred to a third party as security for an unpaid debt or obligation (usually a bank). While the debt or obligation remains unpaid or outstanding the cedent remains the owner of the policy and responsible to pay premiums but cannot deal in any way with the policy without the permission of the cessionary. When the debt or obligation is settled then full ownership automatically reverts to the cedent. In the event of a life changing event that reduces the Life Fund while there is still an obligation to the cessionary, the payment will first be effected to settle any outstanding amounts owed to the cessionary. Any surplus amount will then be paid to the cedent or cedent's beneficiary as the case may be.

After the retirement age of the principal life on a policy linked to the Discovery Retirement Optimiser the Life Fund may also be reduced by benefits paid out on the Discovery Retirement Optimiser.

The Global Education Protector, Global Health Protector, Income Continuation and Overhead Expenses Benefits and PayBack will not form any part of a collateral cession agreement.

14.2 BENEFICIARIES

You may nominate one or more beneficiaries at either policy or lives assured level to receive benefits in the event of your death, provided that:

- nominations for beneficiaries are received in writing, and submitted to Discovery Life in strict accordance with the company's stipulated procedures.

- your nomination will not be valid until you have received written notice from Discovery Life that your nomination has been noted in its records.
- should your entire policy, or a portion of your policy, be ceded to another person by you, the cessionary will be paid out before any nominated beneficiaries. Beneficiaries need not be aware of or give their consent to the ceding of a policy.

Beneficiaries are not entitled to any benefits during your lifetime. You reserve the right to change your list of beneficiaries at any time.

NON-DISCLOSURE, MISREPRESENTATION AND SET-OFF

15.1 MISREPRESENTATION

The information given to Discovery Life in your application form, or any other documentation that you provide in support of your application, forms the basis upon which your policy is issued.

Should you fail to disclose any information, or provide false information or distort information when applying for your policy, Discovery Life will be entitled to suspend your cover from the inception date of your policy. In addition to this, Discovery Life will also be entitled to:

- refuse to pay out any current or future claims that are related to the misrepresentation or non-disclosure.
- adjust your premium from the date of the misrepresentation or non-disclosure.
- recover monies already paid to you for claims that relate to the misrepresentation or non-disclosure.
- cancel or reduce certain benefits or your entire policy with immediate effect, and retain any premiums paid to Discovery Life as a penalty.

15.2 FRAUD

Your policy with all of its benefits will be cancelled, and all premiums paid will be forfeited, at our discretion, should you or any party to this agreement or anyone acting on your behalf:

- submit a fraudulent claim
- use any fraudulent means or devices to make your claims.

We have the right to cancel your policy with effect from the claim report date or the incident date (whichever is the earliest) in any of the circumstances noted above.

15.3 FALSE INFORMATION

Your policy with all of its benefits will be cancelled, and all premiums paid will be forfeited, at our discretion, should you or any party to this agreement or anyone acting on your behalf:

- provide false information in order to obtain a benefit.
- knowingly allow anyone to provide false information or documents – whether you or anyone else created it – in support of a claim, whether or not the claim itself is fraudulent.
- deliberately and wilfully conspire to cause the illness or disability that gives rise to a claim.

15.4 CONSENT TO DISCLOSURE

You are required to consent to the exchange of information, including medical information, between Discovery Life, any medical practitioner you have consulted or any other life office, Discovery Health, Discovery Bank, Vitality Money and Medical Schemes administered by Discovery Health. You gave Discovery Life permission to access this information on your application form. This does not remove or reduce your obligation to provide full disclosure in your application form as outlined in 15.1 above.

You further acknowledge that this authorisation cannot be withdrawn or cancelled and that it will continue after your death. If you fail to provide us with verification information or documentation required by law under the Financial Intelligence Centre Act, within a reasonable time after being requested to do so, then we will be entitled to suspend and/or terminate this agreement, and our business relationship with you, without liability to you as a result of such termination.

15.5 SET-OFF

Discovery Life has a right to deduct (set-off) from any benefit payment due to you, any amount which you may owe to Discovery.

SECTION 16

CLAIMS WHICH ARE NOT COVERED

YOUR POLICY SCHEDULE WILL GIVE YOU THE DETAILS OF YOUR COVER

Should you ever be in doubt about what benefits you are entitled to, please refer to your Policy Schedule.

Your Policy Schedule outlines all your policy details from address details to your monthly contributions. It also contains precise details of exactly which benefits you have chosen and any exclusions that apply to you.

You will receive a Policy Schedule from Discovery Life upon the inception of your policy. Should any of your policy details change, Discovery Life will send you a new Policy Schedule that details the changes.

16.1 WHEN MAY I NOT CLAIM?

Discovery Life reserves the right to refuse claims when:

1. Your death or the death of any of your dependants is self-inflicted or is due to suicide or assisted suicide and occurs within two years of cover commencing or reinstatement of your policy.
2. Your disability, severe illness, or family illness – or that of any of your dependants – was deliberately self-inflicted.
3. You fail to disclose information about physical disabilities or medical conditions that affect you, or any of your dependants, at the time that cover starts.
4. You fail to notify Discovery Life of your correct occupation and occupational duties at policy inception, or of a change in occupation from that nominated at policy inception or change in occupational duties where the new occupation or the change in occupational duties are classified by Discovery Life as falling into a risk category for which the relevant benefit/s would not have been granted on the same terms and conditions to the claimant.
5. Discovery Life is unable to obtain required medical or financial (if applicable) evidence from the assured lives, your dependants or treating medical practitioner to fulfil our criteria for making a benefit payment.
6. The claim was as a result of:
    - Willful and deliberate breaking of any law or willful involvement in any riot, insurrection, usurpation of power, martial law, war, act of terrorism or similar events.
    - Committing or attempting to commit a criminal act such as murder, robbery, theft, assault or crime of similar nature.
    - Regular participation in any hazardous sport or pursuit which was not disclosed to Discovery Life at any point in time before the claim.
    - Intentional and negligent consumption of poisons, drugs and narcotics unless prescribed by a registered medical practitioner (neither you nor any close family member may perform the role of registered medical practitioner in such a case).
    - Any cosmetic procedure (reconstructive surgical procedures where a medical condition is present will be covered), as well as any complications associated with the procedure.
    - Organ donation, as well as any associated complications.

SEVERE ILLNESS AND FAMILY BENEFITS

GENERAL PROVISIONS

- The life changing event must have occurred after the commencement of the benefit.
- Symptoms and signs must be compatible with the diagnosis and the relevant specialist investigations (including blood tests, imaging, histology and other tests) must confirm the diagnosis.
- Inability to perform Activities of Daily Living must be due to and compatible with the diagnosis of the life changing event.
- Psychiatric illness, chronic fatigue syndrome (and synonyms) and fibromyalgia (and synonyms) and related terms are not covered under the Severe Illness Benefit.
- Major organ transplant claims include being on an official South African or international transplant waiting list for the relevant transplant.
- Specialist reports are required to assess all claims. A specialist is a medical practitioner registered as a specialist with the Health Professions Council of South Africa.
- The claims definitions in the Discovery Life Severe Illness Benefit are compliant with the Standardised Critical Illness definitions Project (SCIDEP). The document is available at https://www.asisa.org.za/asisadocs/Standards/SCIDEP
- Activities of Daily Living (ADLs) are defined in Appendix 5.
- Please note that claims relating to conditions which may have been identified as a result of screening tests (eg. genetic tests) but where there are no medical symptoms or signs of the disease will not be covered under these definitions.
- Where a claim is defined for both a condition and its treatment, only the claim with the higher applicable category payout percentage will be paid. If you have selected the LifeTime Severe Illness benefit, any LifeTime Severity upgrades that either the claim or the treatment qualify for will be taken into account when determining the total payout percentage.

1. CANCER BENEFIT

Cancer is a malignant tumour characterised by the uncontrolled growth of cells, invasion of normal tissue and spread to distant organs. The term malignant tumour includes leukaemia, lymphoma and sarcoma.

Pre-malignancy and carcinoma-in-situ tumours (also known as non-invasive cancers) except for carcinoma-in-situ of the breast treated by mastectomy are not covered under this benefit. However, a list of in situ cancers are covered in Appendix 2, under the Early Cancer Benefit. Brain tumours are covered under the Nervous System Benefit. Specified neuroendocrine tumours are covered under the Endocrine and Metabolic Diseases Benefit.

A current internationally recognised staging system will be used to assess the claim.

A report from the treating specialist, including the histology and stage of the cancer, the relevant imaging reports and other tests must confirm the diagnosis. A liquid biopsy and cell free DNA without histological evidence of invasive cancer cannot be considered for a claim. A specialist is a person registered as such with the Health Professions Council of South Africa in a relevant speciality.

Multiple cancer claims for related cancers will be assessed as progressive claims (see section 6.15 for more information on how subsequent severe illness claims are paid). A related cancer is regarded as a cancer of the same tissue and organ, for example breast cancer progressing from stage 1 to stage 2. Once a payment for a cancer listed under Severity A has been made, further claims will only be considered for an unrelated cancer, unless the Lifetime Max option has been selected. This option includes the Cancer Relapse Benefit (Section 6.15.1.1).

An unrelated cancer is a cancer that is not regarded as being of the same tissue or the same organ. An example would be breast cancer followed by a diagnosis of malignant melanoma. Transformation of a cancer or heterogeneity of a tumour on molecular grounds will not be regarded as an unrelated cancer. An unrelated cancer will be identified as a second primary cancer and will be regarded as a unrelated claim and a new life changing event. Progression of the new primary cancer will be assessed as a progressive claim. Payments for unrelated cancers will be subject to the Minimum Protected fund (if applicable) and the limits of the Life Fund as well as the terms of the Classic, Purple and Essential Life Plan payment rules.

Please refer to the flowchart in Appendix 11 for a summary of how cancer claims under the Severe Illness Benefit are assessed and paid.

APPENDIX 1

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY A	
Stage IV cancer	2
Stage III cancer unless specified elsewhere	2
Acute Myelocytic Leukemia	1
Chronic Lymphocytic Leukemia: Stage III or IV on the Rai classification system	2
Chronic Myelocytic Leukemia	2
Acute Lymphoblastic Leukemia	1
Bone marrow transplant or stem cell transplant	1
Severe Aplastic Anaemia as defined by the International Aplastic Anaemia Study Group	1
SEVERITY A	
Multiple myeloma: Stage III on the Durie-Salmon scale or equivalent on an appropriate international staging system	1
Hodgkin's or Non-Hodgkin's lymphoma: Stage III or IV on the Ann-Arbor staging system or equivalent on an appropriate stging system	1
Prostate cancer T4N0M0 or with affected lymph nodes or distant metastases	2
Malignant Melanoma Stage III or IV	2
Neuroendocrine tumour stage III or IV	2
Carcinoid syndrome with evidence of liver metastasis	2
Borderline Ovarian Tumours Stage III and IV	1
Pseudomyxoma Peritonei with Disseminated Peritoneal Adenomucinosis	1
Post organ transplant lympho-proliferative disorders	2
Gastrointestinal Stromal Tumours Stage III and IV	2
Dermatofibrosarcoma Protuberans stage III and IV	1
SEVERITY C	
Stage II cancer unless specified elsewhere	2
Chronic Lymphocytic Leukemia: Stage II on the Rai classification system	2
Multiple myeloma: Stage 1 or 2 on the Durie-Salmon scale or equivalent on an appropriate international staging system	2
Hodgkin's or Non-Hodgkin's lymphoma: Stage II on the Ann-Arbor staging system or equivalent on an appropriate staging system	2
Prostate Cancer T3N0M0	2
Malignant Melanoma stage II	2
Basal cell carcinoma stage III	2
Neuroendocrine tumour stage II	2
Hairy Cell leukemia with myelofibrosis transformation	2
Borderline Ovarian Tumours Stage II	2
Gastrointestinal Stromal Tumours Stage II	1
Dermatofibrosarcoma Protuberans stage II	1
SEVERITY D	
Stage 1 cancer unless specified elsewhere	3
Chronic Lymphocytic Leukemia: Stage 0 or I on the Rai classification system	3
Moderate Chronic Aplastic Anaemia as defined by the International Aplastic Anaemia Study Group	1
Hodgkin's or Non-Hodgkin's lymphoma: Stage I on the Ann-Arbor staging system or equivalent on an appropriate staging system	3
Prostate cancer T1N0M0 with Gleason score higher than 6	3
Prostate cancer T2N0M0	3
Malignant Melanoma Stage 1	3
Mastectomy for carcinoma in situ	0
Prophylactic mastectomy	0

DEFINITION	LIFETIME SEVERITY UPGRADES
Hairy Cell leukemia	3
Neuroendocrine tumour stage 1	3
Borderline Ovarian Tumours Stage I	3
Gastrointestinal Stromal Tumours Stage I	3
SEVERITY E	
Myelodysplastic syndrome	
Myelofibrosis	
Overlap Myelodysplastic/Myeloproliferative neoplasms according to WHO classification	
SEVERITY G	
Basal cell carcinoma stage I or II treated with skin graft or skin flap or greater than 2cm (only one payment)	
Squamous cell carcinoma stage I or II treated with skin graft or skin flap or greater than 2cm (only one payment)	
Prostate Cancer T1N0M0 with Gleason score of 6 or lower	
Myeloproliferative disorders: Polycythemia Vera, Essential thrombocytosis	

2. HEART AND ARTERY BENEFIT

This benefit covers conditions of the heart and arteries as specified below.

Only one payment will be made per coronary event. A single coronary event is defined as incorporating all cardiac pathologies or procedures that occur within 30 days of each other.

One payment will be made for pacemakers and one payment will be made for permanent defibrillator implants.

The diagnosis must be confirmed by a cardiologist, cardiothoracic surgeon, neurosurgeon, vascular surgeon or specialist physician. Relevant special investigations such as ECGs, echocardiograms, other imaging studies and blood tests must confirm the diagnosis.

All measurements and assessments are done while the claimant is alive.

For a claim under the heart attack definitions below, establishment of the severity (i.e. A, B, C or D) of the claim will depend on the assessment of the claimant at least 14 days post infarction.

Permanence of the ejection fraction Impairment will be established in two measurements taken three months apart unless otherwise proven to the satisfaction of Discovery Life.

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY A	
Bilateral carotid artery endarterectomy or bypass surgery	1
Coronary artery bypass graft to three or more vessels	1
Permanent ejection fraction of less than 40%	1
Severe myocardial infarction with an ejection fraction of less than 40% at least 14 days after the acute myocardial infarction	2
SCIDEP Level A Heart Attack	2
SCIDEP Level A Coronary artery bypass graft	1
Heart transplant	3
Heart and lung transplant	4

APPENDIX 1

DEFINITION	LIFETIME SEVERITY UPGRADES
Chronic diastolic heart failure NYHA class 4 with raised Pro-BNP levels according to age bands. Ages under 50 years Pro-BNP more than 450 µg/mL; ages 50 years and older Pro-BNP more than 900 µg/mL	1
Heart valve replacement	1
Peripheral arterial disease with gangrene or amputation	4
Surgical repair of the Aortic Root	1
Surgical repair of Thoracic or Thoracoabdominal Aortic Aneurysm	1
SEVERITY B	
Peripheral arterial disease with absent doppler readings, persistent claudication and leg ulcers	1
Permanent ejection fraction between 40 and 50%	1
Myocardial infarction with an ejection fraction of less than 50% at least 14 days after the acute infarction	1
SCIDEP Level B Heart Attack	1
Surgical repair of an Abdominal Aortic Aneurysm	1
Heart valve repair	1
SEVERITY C	
Coronary artery bypass graft to one or two vessels	2
Unilateral carotid artery endarterectomy or bypass	1
Aorto-iliac occlusive disease	1
SEVERITY C (CONT.)	
Moderate myocardial infarction of specified severity, as evidenced by any one of the following three criteria: 1. Compatible clinical symptoms and new pathological Q waves, or 2. Raised cardiac markers and compatible clinical symptoms, or 3. Raised cardiac markers and characteristic ECG changes defined as either pathological Q waves or ST segment and T wave changes indicative of myocardial ischaemia or myocardial infarction. Under criterion 2 and 3, raised cardiac markers are defined as either: - Troponin T of 1.0ng/mL or more (1000ng/L for high sensitivity troponin T), or equivalent, or - CK-MB mass of more than two times the upper limit of normal in the acute presentation phase, or - CK-MB mass of more than four times the upper limit of normal after intervention, or - Total CPK elevation of more than two times the upper limit of normal with at least 6% being CK-MB	2
SCIDEP Level C Heart Attack	2
SCIDEP CABG Level B, C, D	2
Open heart surgery to correct a structural abnormality in the heart for example ventricular aneurysm, hypertrophic cardiomyopathy, atrial myxoma or radical pericardiectomy	1
Permanent defibrillator insertion	1
SEVERITY D	
Minimally invasive pericardiectomy	1
Surgical repair of an aneurysm of any of the following branches of the aorta: iliac, renal, splenic, subclavian, superior mesenteric artery	1
Surgical repair of a totally occluded major perpiheral artery: iliac, femoral, popliteal, tibial, peroneal, renal, splenic, subclavian, superior mesenteric or brachial artery	1
Stenting of carotid artery stenosis in one or both carotid arteries	1
Permanent pacemaker insertion for documented arrhythmia*	1

DEFINITION	LIFETIME SEVERITY UPGRADES
Mild myocardial infarction of specified severity, as evidenced by all three of the following three criteria: 1. Compatible clinical symptoms 2. Imaging or ECG evidence 3. Raised cardiac markers Under criterion two, imaging or ECG evidence is defined as either: - Characteristic ECG changes for example ST segment and T wave changes indicative of myocardial ischaemia or myocardial infarction, or - Angiographic evidence of stenosis of 50% or more of a coronary artery treated with a stent, or - Hypokinesis of the myocardium on echocardiogram. Under criterion three, raised cardiac markers are defined as either: - Troponin T of 0.5ng/mL (500ng/L or more for high sensitivity troponin T), or equivalent or - CK-MB mass of more than the upper limit of normal up to two times the upper limit of normal in the acute presentation phase, or - Total CPK elevation of more than two times the upper limit of normal with at least 6% being CK-MB	3
SCIDEP Level D Heart Attack	3
Heart Attack with hsTrop T between 100 to 500 ng/L with angiographic evidence of coronary artery disease	3
SEVERITY E	
Acute rheumatic fever with three days ICU or cardiac care unit stay due to cardiac complications	
Endocarditis or pericarditis with more than three days ICU or cardiac care unit stay	
Acute heart failure with more than three days ICU or cardiac care stay	
SEVERITY F	
Acute coronary syndrome with hsTrop T of between 15 to 99ng/L and angiographic evidence of coronary artery disease. Coronary artery spasm without evidence of coronary artery disease is excluded from this definition	
Percutaneous coronary intervention (Angioplasty with or without stent)	
Minimally invasive cardiac surgery not specified elsewhere	
Pathway ablation*	
Medically treated arteritis or endarteritis with more than five days hospital stay	
Surgical repair of symptomatic atrial or ventricular septal defect	
SEVERITY G	
Electrical cardioversion	
Chronic AF that persists despite electrophysiological intervention by cardiologist	
Intravenous anti-arrhythmic therapy adminstered as medical emergency	
Intravenous inotropic support for more than two days	
Malignant hypertension with papilloedema and a diastolic pressure of higher than 120 mmHg on optimal treatment	

* Note that a claim for this condition will be increased to a Severity C payout under the Automatic Child Severe Illness Benefit as described in Section 6.4.

3. NERVOUS SYSTEM BENEFIT

The claimant must be treated by a neurologist or neurosurgeon registered as such with the Health Professions Council of South Africa.

This benefit covers specified conditions of the brain, spinal cord nerves and arteries to the brain.

Stroke is defined as death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in neurological deficit lasting longer than 24 hours, confirmed by neuro-imaging investigation and appropriate clinical findings by a specialist neurologist. Symptoms and signs as well as imaging (Computerised Tomography or magnetic resonance imaging) must confirm a new stroke. Transient ischaemic attacks are specifically excluded.

A Severity D payment will be paid on receipt of objective medical evidence from the treating neurologist confirming the diagnosis of an acute stroke with full recovery. In the event that the claimant has persistent neurological impairment 14 days after the event, the payment will be made and a further assessment of the stroke claim will be made on receipt of a full specialist neurologist's report three months after the stroke.

Neurological deficits and ADL Impairments must be compatible with the diagnosis and objective medical evidence.

APPENDIX 1

Permanence, including permanent inability to perform any Activities of Daily Living, will be established after 90 days unless otherwise proven to the satisfaction of Discovery Life. Establishment of permanence is made while the client is alive.

Brain tumours are assessed according the World Health Organisation's grading. Pituitary microadenomas are specifically excluded under this benefit.

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY A	
Stroke with permanent inability to perform one category of the Activities of Daily Living Score Sheet (as defined in Appendix 5)	3
Permanent inability to perform four or more categories of the Activities of Daily living Score Sheet (as defined in Appendix 5)	3
Permanent inability to perform three or more of the Self-Care Activities of Daily Living (as defined in Appendix 5)	3
Total permanent loss of speech including expressive or receptive aphasia	3
Quadriplegia	4
Paraplegia	4
Hemiplegia or diplegia	3
Glasgow Coma Scale of less than 8/15 lasting longer than 96 hours	3
Definite diagnosis of Motor Neuron Disease	4
WHO Grade III and IV brain tumours	3
Definite diagnosis of dementia with permanent MMSE score of 10/30 or less as confirmed by formal neuropsychometric testing	2
SEVERITY B	
The permanent inability to perform three categories of Activities of Daily Living	3
The permanent inability to perform two Self Care Acitivities of Daily Living	3
Extracranial monoplegia	3
SEVERITY C	
Stroke with permanent, minor neurological deficit but still able to perform 6 categories Activities of Daily Living	2
The permanent inability to perform 1 Self Care Activity or 2 categories of Activities of Daily Living	2
Craniotomy	1
WHO Grade II brain tumours	3
Ventriculostomy or insertion of a shunt for the treatment of hydrocephalus	1
Definite diagnosis of dementia with permanent MMSE score of 20/30 or less as confirmed by formal neuropsychometric testing	2
SEVERITY D	
Definite diagnosis of an acute stroke	0
Depressed skull fracture with brain laceration	3
WHO Grade I brain tumours	3
Subarachnoid haemorrhage not requiring surgery	0
Definite diagnosis of Multiple Sclerosis	2
Definite diagnosis of generalised Myaesthenia Gravis confirmed with positive serology and electrophysiological testing	2
Parkinson's disease confirmed with spect imaging	2

DEFINITION	LIFETIME SEVERITY UPGRADES
Parkinson-Plus syndrome as confirmed by a neurologist under one of the following categories: - Multiple System Atrophy or - Progressive Supranuclear Palsy or - Dementia with Lewi-Bodies, or - Corticobasal Syndrome or - Parkinsonism-dementia ALS complex	2
Intracranial endovascular procedures	2
Pituitary macroadenomas bigger than 10mm or hypophysectomy	1
Brain abscess	0
SEVERITY E	
Depressed skull fracture	
Glasgow Coma scale less than 8/15 for longer than 72 hours but less than 96 hours	
SEVERITY F	
Stereotactic radiosurgery	
Bacterial meningitis	
SEVERITY G	
Cerebral oedema	
Intubation and ventilation for status epilepticus	

4. GASTROINTESTINAL BENEFIT

This benefit covers specified conditions of the liver, pancreas, biliary system, upper and lower gastrointestinal system.

Conditions related to drug or alcohol abuse are not covered under this benefit.

The claimant must be treated by a specialist physician, gastroenterologist or surgeon registered as such with the Health Professions Council of South Africa.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY A	
Chronic liver disease classified as Child Pugh Class C	2
Primary Sclerosing Cholangitis	2
Fulminant hepatic failure	1
Liver transplant	3
Pancreas transplant	3
Portal hypertension with either varices, or refractory ascites and splenomegaly, or refractory pancytopenia	2
Primary billiary cirrhosis	2
Complete pancreatectomy	2
SEVERITY B	
Chronic liver disease classified as Child Pugh Class B	2
Permanent colostomy	1
Permanent ileostomy	1

DEFINITION	LIFETIME SEVERITY UPGRADES
Total colectomy	1
SEVERITY C	
Chronic liver disease classified as Child Pugh Class A	1
Chronic pancreatitis complicated by insulin dependent diabetes mellitus or confirmed malabsorption syndrome	2
Confirmed diagnosis of portal hypertension	2
Repeated open surgical procedures to the small bowel or colon for Crohn's disease or Ulcerative Colitis. All procedures within 90 days will be considered as one event	1
Chronic persistent hepatitis (Knodel score of at least 13 out of 22)	2
SEVERITY D	
Partial hepatectomy of at least ⅓ of the organ	0
Partial pancreatectomy	0
SEVERITY E	
Loss of more than ⅓ of the tongue	
SEVERITY F	
Tracheal-oesophageal fistula	
Chronic rectal fistula despite surgical repair	
SEVERITY G	
Peritonitis due to bowel perforation	
Drainage of pancreatic cyst or abscess	

5. CONNECTIVE TISSUE DISEASES BENEFIT

This benefit covers the following connective tissue diseases: Progressive systemic sclerosis, seropositive rheumatoid arthritis, systemic lupus erythematosis (SLE), sarcoidosis, polyarteritis nodosa, giant cell arteritis, Wegener's granulomatosis, dermatomyositis and polymyositis, Ehlers-Danlos Syndrome and Pseudoxanthoma elasticum.

The claimant must be treated by a specialist Rheumatologist registered as such with the Health Professions Council of South Africa. The diagnosis must be made in accordance with current internationally recognised criteria and supported by the relevant histology, serology and imaging.

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY A	
Permanent inability to perform four or more categories of the Activities of Daily Living Score Sheet due to a listed connective tissue disease	2
Permanent inability to perform three or more Self-Care Activities of Daily Living due to a listed connective tissue disease	3
Multiple organ dysfunction meeting two defined Severity B criteria under 2 or more body systems due to a connective tissue disease	4
SEVERITY B	
Definite objective evidence of involvement of two or more organs excluding the skin as an organ	2
Permanent inability to perform 2 Self-Care Activities of Daily Living	2
SEVERITY C	
Joint replacement or fusion or reconstruction as a result of a listed connective tissue disease	1
Permanent inability to perform 1 Self-Care Activities of Daily Living	1

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY D	
Definite diagnosis of a listed connective tissue disease	1
SEVERITY E	
Pseudoxanthoma elasticum	
Ehlers-Danlos syndrome	
Behcet's disease	

6. UROGENITAL TRACT AND KIDNEY BENEFIT

This benefit covers specified conditions of the urogenital tract and kidneys. Surgery for gender reassignment is not covered under this benefit.

The claimant must be treated by a specialist nephrologist or urologist registered as such with the Health Professions Council of South Africa.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY A	
Chronic renal failure with ongoing, permanent haemodialysis or a GFR of less than 15ml/min/1.73m^2 according to the internationally recommended GFR equation	4
Renal transplant	4
Ongoing permanent peritoneal dialysis	4
SEVERITY B	
Chronic renal failure with a permanent GFR of less than 30ml/min/1.73m^2 and evidence of progressive renal failure as evidenced by sustained decrease of GFR of more than 5ml/min per year, according to the internationally recommended GFR equation	4
SEVERITY C	
Acute renal failure requiring more than five treatments of haemodialysis	0
Any disease or disorder requiring complete nephrectomy (donors excluded)	1
Total amputation of the penis	3
Any disease or disorder requiring complete cystectomy	3
Confirmed gross or confluent renal cortical necrosis involving more than 2/3 of the renal cortex	2
SEVERITY D	
Partial nephrectomy of at least 1/3 of the kidney	0
Partial cystectomy resulting in a loss of at least 1/3 of the functional capacity of the bladder	0
Partial amputation of the penis (circumcision is excluded)	0
Bilateral orchidectomy	0
Open kidney surgery for renal or renovascular disease or injury	0
Vesicovaginal or rectovaginal fistula	0
SEVERITY E	
Confirmed diagnosis of nephritic syndrome	

DEFINITION	LIFETIME SEVERITY UPGRADES
Confirmed diagnosis of nephrotic syndrome with a proteinuria of 3g per 24 hours and a GFR of <60 mls per minute present for 6 months	
Unilateral orchidectomy	
SEVERITY F	
Urethral fistula	
Chronic tubulointerstital nephritis	
SEVERITY G	
Renal abcess	
Surgical repair of a stricture of the ureter or the urethra (one payment only)	

7. RESPIRATORY DISEASE BENEFIT

This benefit covers specified conditions of the respiratory system.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as lung function tests, blood tests, histology or imaging.

The claimant must be treated by a pulmonologist registered as such with the Health Professions Council of South Africa. Lung function tests should be performed by a pulmonologist. The test should include pre and post dilatation measurements and show less than 5% variation between three successive FVC or FEV_1 readings. Two Dco tests must be done with results within three units. Corrections must be made for anaemia and carboxyhaemoglobin on the Dco test.

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY A	
Presence of irreversible cor pulmonale	2
Confirmed diagnosis of pulmonary hypertension groups 1 to 5, including pulmonary veno-occlusive disease, with a pulmonary artery pressure of greater than 30mmHg	2
Lung transplant	4
Heart and lung transplant	4
Chronic obstructive or restrictive lung disease with a permanent FEV1 or FVC or Dco of 40% or less than predicted	1
Pulmonary thromboendarterectomy performed via sternotomy	1
SEVERITY B	
Requiring removal of more than one lobe of the lung	1
Pulmonary venous occlusive disease not specified elsewhere	1
Chronic obstructive or restrictive lung disease with a permanent FEV1 or FVC or Dco of 41% to 45% of predicted	1
SEVERITY C	
Veno-caval filter inserted for recurrent pulmonary emboli	1
Chronic obstructive or restrictive lung disease with permanent FEV1 or FVC or Dco of 46% to 49% of predicted	1
SEVERITY D	
Lung abscess	0
Drainage of empyema	0
Bronchopleural fistula	0
Removal of one lobe of the lung	0
SEVERITY E	
Confirmed diagnosis of pneumoconiosis	

DEFINITION	LIFETIME SEVERITY UPGRADES
Confirmed diagnosis of bronchietasis with at least two impaired lung function readings, taken at least 3 months apart, with FEV1 of 60% of less	
Pleurectomy	
Decortication	
Idiopathic interstitial pneumonia excluding Respiratory Bronchiolitis-associated Interstitial pneumonia (Respiratory Bronchiolitis) and Bronchiolitis Obliterans Organising pneumonia (BOOP)	
Pulmonary embolus diagnosed on imaging*	
SEVERITY F	
Drainage of pleural effusion	
Near drowning requiring full resuscitation with immersion syndrome, hypoxia, acidosis and pulmonary oedema and ventilatory support	
SEVERITY G	
Hyperbaric oxygen therapy for decompression sickness	
Mechanical ventilation for status asthmaticus	

* Note that a claim for this condition will be increased to a Severity C payout under the Automatic Child Severe Illness Benefit as described in Section 6.4.

8. ADVANCED AIDS/ACCIDENTAL HIV BENEFIT

This benefit covers advanced AIDS and accidental HIV sero conversion as specified below. A positive Human Immunodeficiency Virus antibody test and confirmatory Polymerase Chain Reaction test is required to confirm the diagnosis.

The diagnosis of the specified AIDS defining conditions must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, antibody test and histology or imaging.

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY A	
Advanced AIDS evidenced by positive blood tests as specified above and a CD4 cell count of less than 50 while on antiretroviral therapy for at least three months	1
Advanced AIDS evidenced by positive blood tests as specified above and a CD4 cell count of less than 200 while on antiretroviral therapy for at least three months AND diagnosis of at least one of the following diseases: - Kaposi's sarcoma - Pneumocystis jirovecii pneumonia (PJP) - Confirmed progressive multifocal leukoencephalopathy - Active extra-pulmonary tuberculosis - Cryptococcosis - Disseminated non-tuberculous mycobacteria infection - Confirmed diagnosis of any other condition as defined as stage 4 on the WHO clinical criteria list	1
Advanced AIDS evidenced by positive blood tests as specified above and a CD4 cell count of less than 200 while on antiretrovial therapy for at least three months, with definite diagnosis of any three conditions defined as stage 3 AIDS on the WHO clinical criteria list	1

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY A	
Accidental HIV as a result of: - Accidental needlestick injury while rendering professional duties as a doctor or dentist or paramedic or nurse. A test confirming negative HIV status must be done within 24 hours of the needlestick injury on a venesection sample by an accredited laboratory. - A road traffic accident - The transfusion of infected blood from a transfusion service recognised by Discovery Life - Receiving an organ transplant where the organ was previously infected with HIV - Rape or criminal assault or any other violent crime. The case must have resulted in the opening of a criminal case by the police. A test confirming negative HIV status must be done within 24 hours of the assault and a medical examination performed directly after the assault.	3

9. MUSCULOSKELETAL BENEFIT

This benefit covers specified conditions of the muscle, bones, joints and nerves.

The claimant must be treated by a specialist registered as such with the Health Professions Council of South Africa. The diagnosis must be supported by the relevant investigations and reports.

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY A	
More than 25% full thickness body surface area burns	2
Total and permanent loss of use or amputation of both lower limbs at the level of the ankle or higher (proximal to the ankle)	4
Total and permanent loss of use or amputation of both upper limbs at the level of the wrists or higher (proximal to the wrist)	4
Total and permanent loss of use or amputation of one upper limb above (proximal to) the wrist and one lower limb above (proximal to) the ankle	4
SEVERITY B	
Full thickness burns involving 15 to 25% of the body surface area	1
Total and permanent loss of use or amputation of a lower limb at the level of the ankle or higher (proximal to the ankle)	3
Total and permanent loss of use or amputation of the upper limb above (proximal to) the wrist or higher	3
SEVERITY C	
Total and permanent loss of use or amputation of a hand below (distal to) the wrist	2
More than 10% full thickness body surface area burns	2
SEVERITY E	
Reattachment surgery for a traumatic amputation of any limb (arm or leg)	
Reconstruction surgery for Le fort II or III facial fractures or any multiple facial fracture including the orbit	
SEVERITY F	
Chronic osteomyelitis	
Reconstructive surgery to hands or feet involving bone graft and skin flap	
Poliomyelitis resulting in permanent paralysis	
Complete amputation of two or more full fingers or total toes	
Suture of a major nerve to restore function to hand or limb	
SEVERITY G	
Emergency spinal surgery or traction for spine instability within 7 days of an accident	

DEFINITION	LIFETIME SEVERITY UPGRADES
Complete replacement of any joint due to a chronic disease process	
Definite diagnosis of Paget's disease	
Complete amputation of a full finger or total toe	
Osteoporosis resulting in collapse of more than one vertebra or hip fracture in ages under 65 years	
Resurfacing of a knee, hip or shoulder joint (one payment only)	

10. EYE BENEFIT

This benefit covers specified conditions of the globe, retina, optic nerve, cornea and orbit.

The claimant must be treated by an ophthalmologist registered as such with the Health Professions Council of South Africa. The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as visual acuity tests or imaging.

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY A	
Complete blindness	3
SEVERITY B	
Best corrected binocular Snellen rating of less than 20/125 as defined by the AMA* guide	2
Enucleation of eye	2
SEVERITY C	
Optic nerve atrophy	1
Permanent hemianopia	1
Complete blindness in one eye**	1
SEVERITY D	
Confirmed diagnosis of retinitis pigmentosa	1
SEVERITY E	
Corneal transplant	
Optic neuritis (only one payment will be made)	
Permanent best corrected visual acuity loss of more than 50% in one eye as per AMA guide	
SEVERITY F	
Retinal detachment	
Macular degeneration or dystrophy	
Progressive panuveitis not responsive to pharmacological treatment	
SEVERITY G	
Orbital abscess	

* American Medical Association Guides to the Evaluation of Permanent Impairment

** Note that a claim for this condition will be increased to a Severity B payout under the Automatic Child Severe Illness Benefit as described in Section 6.4.

11. EAR, NOSE AND THROAT BENEFIT

This benefit covers specified conditions of the ear and neural pathways that relate to hearing as well as specified conditions of the nose, paranasal sinuses and venous sinuses of the brain.

The claimant must be treated by a specialist ear, nose and throat surgeon, registered as such with the Health Professions Council of South Africa.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY A	
Hearing loss of 90dB or more in both ears measured over the frequencies 500Hz, 1000Hz, 2000Hz and 3000Hz in 2 measurements six months apart, with a hearing aid	2
SEVERITY B	
Binaural hearing loss of more than 75% (as defined by the AMA guide)	2
Hearing loss of 70dB in both ears measured over the frequencies 500Hz, 1000Hz, 2000Hz, 3000Hz in 2 measurements six months apart, with a hearing aid	2
SEVERITY C	
Dural sinus thrombosis including cavernous sinus thrombosis	0
SEVERITY D	
Acoustic neuroma	3
Cortical mastoidectomy	1
Binaural hearing loss of more than 60% (as defined by the AMA guide)	1
Cochlear implant	1
SEVERITY E	
Chronic petrositis	
Osteomyelitis of sinuses	
SEVERITY F	
Tympanosclerosis with hearing loss of 70dB in one ear measured over the frequencies 500Hz, 1000Hz, 2000Hz, 3000Hz in two measurements six months apart with a hearing aid	
Hearing loss of 70dB in one ear measured over the frequencies 500Hz, 1000Hz, 2000Hz, 3000Hz in 2 measurements six months apart with a hearing aid	
Otosclerosis	
SEVERITY G	
Nose reconstruction as a result of a disease (trauma and cosmetic procedures excluded)	

12. ENDOCRINE AND METABOLIC DISEASES BENEFIT

This benefit covers specified conditions of the thyroid, pituitary or adrenal gland. Only one payment will be made for each disease.

The claimant must be treated by a specialist endocrinologist or surgeon registered as such with the Health Professions Council of South Africa.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY D	
ICU or high care admission for treatment of a thyroid storm	1
Hypophysectomy	1
SEVERITY E	
Diabetes insipidus	
Acute adrenal crisis or diagnosis of Addison's disease	
Sheehan's syndrome or Simmond's disease	

SEVERITY F	
Diabetic coma (one event only)	
Conn's syndrome	
Cushing's syndrome	
Phaeochromocytoma or insulinoma	
Glycogen storage diseases	
Lipid storage disease	
Surgical removal of a benign neuroendocrine tumour	
Adrenalectomy	
Confirmed amyloidosis of any of the following organs: heart, kidneys, liver, spleen, tongue	
SEVERITY G	
Acromegaly	
Parathyroid tetany	

13. INTENSIVE CARE AND MULTI-ORGAN BENEFIT

Intensive Care Benefit

This benefit covers Intensive Care Unit (ICU) stay for various durations.

The claimant must be treated by a specialist in a recognised trauma or intensive care unit. The Intensive care unit must be a recognised ICU unit as defined by the Critical Care Society of South Africa.

Please note that, if the ICU stay criteria are met, then in the case of the ICU stay:

- Being related to any other Severe Illness Benefit claims criteria claimed under,
- Starting within 30 days after the claimant becomes eligible for any other Severe Illness claims criteria claimed under,
- Ending within 30 days before the claimant becomes eligible for any other Severe Illness claims criteria claimed under,

Then only the highest severity claim event will be paid for (and not the sum of the payments of the ICU and the other claim event).

For example, if the client is admitted to ICU 27 days after a 3-vessel CABG and stays in ICU for eight days with assisted invasive mechanical ventilation for five days, then only the Severity B CABG will be paid, and not the Severity D ICU benefit.

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY A	
ICU admission for more than five weeks with assisted invasive mechanical ventilation for more than three weeks	4
SEVERITY B	
ICU admission for more than four weeks with assisted invasive mechanical ventilation for more than two weeks	3
SEVERITY C	
ICU admission for more than two weeks with assisted invasive mechanical ventilation for more than one week	2
SEVERITY D	
ICU admission for more than one week with assisted invasive mechanical ventilation for more than four days	2

The Intensive Care Unit (ICU) must be a recognised ICU unit as defined by the Critical Care Society of South Africa.

APPENDIX 1

Multi-Organ Benefit

This benefit covers acute multi-organ failure.

The definitions for the Multi-Organ Benefit expire when you reach age 66 next birthday.

The premium for this benefit is included in the Severe Illness Benefit premium. Please note that this component is not subject to the premium guarantees described in Section 4.8 and the premium for this component may be reviewed from time to time, taking into account emerging experience and with due consideration for the general economic and regulatory environment.

Please note that a 14-day survival period applies to claims under the multi-organ failure definitions. This means that you will have to survive for at least 14 days following the date of diagnosis of the multi-organ failure in order to qualify for a benefit payment.

Multi-organ failure will be assessed according to the following table:

SEQUENTIAL ORGAN FAILURE ASSESSMENT SCORE

SCORE					
SYSTEM	**0**	**1**	**2**	**3**	**4**
Respiration					
PaO_2/FIO_2,mm Hg (kPa)*	≥400 (53.3)	<400 (53.3)	<300 (40)	<200 (26.7) with respiratory support	<100 (13.3) with respiratory support
Coagulation					
Platelets, $\times 10^3$/ µL	≥150	<150	<100	<50	<20
Liver					
Bilirubin, mg/dL (µmol/L)	<1.2 (20)	1.2 – 1.9 (20 – 30)	2.0 – 5.9 (33 – 101)	6.0 – 11.9 (102 – 204)	> 12.0 (204)
Cardiovascular	MAP≥70mm Hg*	MAP<70mm Hg*	Dopamine <5 or dobutamine (any dose) **	Dopamine 5.1 – 15 or epinephrine ≤ 0.1 or norepinephrine ≤0.1 **	Dopamine > 15 or epinephrine > 0.1 or norepinephrine >0.1 **
Central Nervous System					
Glasgow Coma Scale Score***	15	13-14	10-12	6-9	<6
Renal					
Creatinine, mg/dL (µmol/L)	<1.2 (110)	1.2 – 1.9 (110-170)	2.0 – 3.4 (171 -299)	3.5 – 4.9 (300 – 440)	>5.0 (440)
Urine output, mL/d				<500	<200

* PaO_2, Partial Pressure of Oxygen; FIO_2, Fraction of Inspired Oxygen; MAP, Mean Arterial Pressure

** Catecholamine doses are given as µg/kg/min for at least 1 hour

*** Glasgow Coma Scale scores range from 3-15; higher score indicates better neurological function.

DEFINITION	LIFETIME SEVERITY UPGRADES
SEVERITY A	
Multi-organ failure with a Sequential Organ Failure Assessment Score of 15 or more during admission to high care or ICU	0
SEVERITY B	
Multi-organ failure with a Sequential Organ Failure Assessment Score of 11-14 during admission to high care or ICU	0
SEVERITY C	
Multi-organ failure with a Sequential Organ Failure Assessment Score of 7-10 during admission to high care or ICU	0

14. AUTOMATIC CHILD SEVERE ILLNESS BENEFIT

This benefit covers the specified conditions affecting children under the age of 18 as well as the specified conditions under the main Severe Illness Benefit (See Section 1 to 13 of this appendix).

The claimant must be treated by a pediatrician or pediatric surgeon registered as such with the Health Professions Council of South Africa.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

Childhood cancers must be diagnosed by a specialist and confirmed by the relevant investigations for example blood tests, histology or the relevant imaging and treated with accepted oncology modalities for example surgery,

chemotherapy, bone marrow transplant or radiotherapy.

Furthermore, children who suffer any of the specified cancers below will be paid out the higher of the corresponding Severity and the normal staging Severity under Section 1 above.

DEFINITION
SEVERITY A
Diagnosis of a condition resulting in global developmental delay confirmed by poor performance in two or more of the following developmental domains: - Motor - Speech and language - Cognition and personal - Social and daily living skills - Poor performance is defined as two standard deviations below the norm or equivalent.
Childhood Cancer
Autism spectrum disorder Diagnosis and assessment of Autism Level 3 (requiring very substantial support) in social communication or interaction Severe impairments in functioning, very limited initiation of social interactions; minimal response to social overtures from others Examples include: - Non-existent communication, no attempts to share thoughts or interests or make requests - Communication consists only of physical gestures with no eye contact or spoken language - Communication that consists of words that are repeated from other contexts for example echolalia AND Repetitive or restrictive behaviour that requires very substantial support Behaviours significantly interfere with function in all spheres; extreme difficulty coping with changes; great distress or difficulty changing focus or action. Examples include: - Rocking or spinning the body, objects, flapping hands - Engaging in unusual sensory exploration such as sniffing or mouthing objects - Rigid adherence to routines that interferes with functional activities The diagnosis and assessment of the severity level must be confirmed by a child neurologist, child psychiatrist or development pediatrician.
SEVERITY C
Surgical correction of congenital heart disease
SEVERITY E
Surgical repair of a congenital anomaly
Rheumatic fever with cardiac complications
Type 1 diabetes mellitus
SEVERITY F
Poliomyelitis with permanent paralysis
SEVERITY G
Juvenile rheumatoid arthritis, septic arthritis, osteomyelitis
Hirschsprung's disease
Surfactant therapy
Cleft lip or palate repair
Disorders of amino acid metabolism

15. FAMILY TRAUMA BENEFIT

This benefit covers specified accidental injuries including burns, coma due to trauma or medical emergencies related to trauma requiring resuscitation or ICU stay.

The claimant must be treated by a specialist in a recognised trauma or intensive care unit. For claims due to ICU admission, the ICU must be a recognised ICU unit as defined by the Critical Care Society of South Africa. A 10% additional benefit will be payable for any reconstructive surgery needed as a result of major trauma.

DEFINITION
SEVERITY A
ICU admission for more than five weeks with assisted invasive mechanical ventilation for more than three weeks
Quadriplegia
Paraplegia
More than 25% full thickness body surface area burns
SEVERITY B
ICU admission for more than four weeks with assisted invasive mechanical ventilation for more than two weeks
Full thickness burns involving 15% to 25% of the body surface area
SEVERITY C
ICU admission for more than two weeks with assisted invasive mechanical ventilation for more than one week
SEVERITY D
ICU admission for more than one week with assisted invasive mechanical ventilation for more than four days
SEVERITY E
Defibrillation
Emergency cardiac pacing
SEVERITY F
Acute poisoning with supportive therapy in ICU for more than two days
Hypothermia (core body temperature of less than 35ºC)
Severe anaphylactic reaction with intravenous adrenalin and admission to ICU for more than two days
SEVERITY G
Snakebite with ICU admission for more than two days
Tracheostomy
Anaphylactic reaction due to blood transfusion
Septic, hypovolaemic or cardiogenic shock (systolic blood pressure less than 80mmHg) with ICU admission and with relevant therapy
Intravenous inotropic support for more than two days

16. FEMALE BENEFIT

This benefit covers specified severe illnesses affecting women. These conditions include cancer and specified complications of pregnancy such as severe ante or postpartum haemorrhage treated in an intensive care unit or eclampsia. Pre-eclampsia is not covered under this benefit.

The claimant must be treated by a specialist registered as such with the Health Professions Council of South Africa.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

DEFINITION
SEVERITY A
Stage III and IV cancer
SEVERITY B
ICU admission for more than two weeks for Antepartum haemorrhage/ postpartum haemorrhage
SEVERITY C
Stage II cancer
Eclampsia
Antepartum haemorrhage/ postpartum haemorrhage with more than one week ICU admission
Embolism related to confinement

DEFINITION
SEVERITY D
Stage I cancer
Ectopic pregnancy
Antepartum haemorrhage/ postpartum haemorrhage with more than three days ICU admission
Mastectomy for carcinoma-in-situ
Prophylactic mastectomy due to family history or genetic testing results
SEVERITY G
Hydatiform mole
Complication of puerperium with more than five days' hospitalisation
Hip fracture resultant from osteoporosis

17. CHILDBIRTH BENEFIT

This benefit covers specified birth defects and congenital conditions.

The child must be treated by a specialist in the relevant field, registered with the Health Professions Council of South Africa.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

Multiple births where three or four children are born simultaneously and each child surviving beyond three months are covered under severity D and C respectively.

DEFINITION
SEVERITY A
Biliary atresia
Infantile polycystic disease
Cystic fibrosis
Down's syndrome*
Haemophilia*
Microcephaly, hydrocephaly, craniostenosis or craniosynostosis with severe neurological deficit requiring ongoing therapy*
Cerebral palsy with severe neurological deficit with ongoing therapy
Severe mental retardation
SEVERITY B
Duchenne's muscular dystrophy
Tay Sach's disease
Gaucher's disease or glycogen storage disease
SEVERITY C
Quadruplets
SEVERITY D
Achondroplasia
Turner's syndrome
Klinefelter's syndrome
Choanal atresia
Tracheo-oesophageal fistula
Congenital hip dislocation

DEFINITION
Congenital cardiac abnormalities excluding septal defects
Multiple stage cleft lip or palate repair
Spina bifida
Triplets
SEVERITY F
Birthweight of less than 1 000g
Hyaline membrane disease/respiratory distress syndrome
Necrotising enterocolitis
SEVERITY G
Single stage cleft lip repair

*This benefit could be taken out as a monthly payout of 1% of Severity A, with a 5% escalation per year.

18. CHILD PROTECTOR BENEFIT

This benefit covers the specified conditions affecting children under the age of 18.

The claimant must be treated by a pediatrician or pediatric surgeon registered as such with the Health Professions Council of South Africa.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

Childhood cancers must be diagnosed by a specialist and confirmed by the relevant investigations for example blood tests, histology or the relevant imaging and treated with accepted oncology modalities for example surgery, chemotherapy, bone marrow transplant or radiotherapy.

Any claims where the claim was due to a parent inflicting trauma or harm to their children, either directly or indirectly will not be paid out.

Note that a 14-day survival period applies to this benefit. This means that your child will have to survive for at least 14 days following the date of diagnosis of the applicable severe illness, trauma or injury event in order to qualify for a benefit payment. If your child passes away within this period only the death benefit will be paid.

CANCER
SEVERITY A
Childhood Cancer treated with surgery, chemotherapy, radiation or stem cell transplant
HEART AND ARTERY
SEVERITY A
Permanent ejection fraction of less than 40%
SCIDEP Level A Heart Attack
Heart transplant
Heart and lung transplant
Heart valve replacement
SCIDEP Level A Coronary Artery Bypass surgery
Cardiomyopathy
SEVERITY B
SCIDEP Level B Heart Attack
Heart valve repair
Permanent ejection fraction between 40 and 50%
SCIDEP Level B Coronary Artery Bypass surgery
SEVERITY C
SCIDEP Level C Heart Attack
Pacemaker
Pathway ablation
Permanent Defibrillator insertion
Open heart surgery to correct a structural abnormality of the heart
SCIDEP Level C Coronary Artery Bypass surgery
SEVERITY D
SCIDEP Level D Heart Attack
Heart Attack with hsTrop T between 100 to 500 ng/L with angiographic evidence of coronary artery disease
SCIDEP Level D Coronary Artery Bypass surgery

SEVERITY E
Acute rheumatic fever with three days ICU or cardiac care unit stay due to cardiac complications
Endocarditis or pericarditis with more than three days ICU or cardiac care unit stay
Acute heart failure with more than three days ICU or cardiac care stay
SEVERITY F
Minimally invasive cardiac surgery not specified elsewhere
Percutaneous coronary intervention (Angioplasty with or without stent)
Heart Attack with hsTrop T between 15 to 99 ng/L with angiographic evidence of coronary artery disease
Medically treated arteritis or endarteritis with more than 5 days hospital stay
Surgical repair of symptomatic atrial or ventricular septal defect
SEVERITY G
Electrical cardioversion
Intravenous anti-arrhythmic therapy adminstered as medical emergency
Intravenous inotropic support for more than two days
NERVOUS SYSTEM
SEVERITY A
Diagnosis of a condition resulting in global developmental delay confirmed by poor performance in two or more of the following developmental domains (Poor performance is defined as two standard deviations below the norm or equivalent):
Motor
Speech and language
Cognition and personal
Social and daily living skills
Stroke with permanent neurological impairment
Quadriplegia
Paraplegia
Hemiplegia or diplegia
Glasgow Coma Scale of less than 8/15 lasting longer than 96 hours
Autism spectrum disorder
Diagnosis and assessment of Autism Level 3 (requiring very substantial support) in social communication or interaction
Severe impairments in functioning, very limited initiation of social interactions; minimal response to social overtures from others Examples include:
Non-existent communication, no attempts to share thoughts or interests or make requests
Communication consists only of physical gestures with no eye contact or spoken language
Communication that consists of words that are repeated from other contexts for example echolalia AND
Repetitive or restrictive behaviour that requires very substantial support
Behaviours significantly interfere with function in all spheres; extreme difficulty coping with changes; great distress or difficulty changing focus or action. Examples include:
Rocking or spinning the body, objects, flapping hands
Engaging in unusual sensory exploration such as sniffing or mouthing objects
Rigid adherence to routines that interferes with functional activities
The diagnosis and assessment of the severity level must be confirmed by a child neurologist, child psychiatrist or development pediatrician.
SEVERITY B
Extracranial monoplegia
SEVERITY C

Confirmed diagnosis of Guillaine Barre
Craniotomy
Ventrculostomy or insertion of a shunt for the treatment of hydrocephalus
Muscular Dystrophy
SEVERITY D
Subarachnoid haemorrhage not requiring surgery
Definite diagnosis of generalised Myaesthenia Gravis confirmed with positive serology and electrophysiological testing
Intracranial endovascular procedures
Brain abscess
SEVERITY E
Glasgow Coma scale less than 8/15 for longer than 72 hours but less than 96 hours
SEVERITY F
Poliomyelitis with permanent paralysis
Stereotactic radiosurgery
SEVERITY G
Cerebral oedema
Intubation and ventilation for status epilepticus
GASTROINTESTINAL
SEVERITY A
Chronic liver disease classified as Child Pugh Class C
Primary Sclerosing Cholangitis
Fulminant hepatic failure
Liver transplant
Pancreas transplant
Portal hypertension with either oseophageal varices, or refractory ascites and splenomegaly, or refractory pancytopenia
Primary billiary cirrhosis
Complete pancreatectomy
SEVERITY B
Chronic liver disease classified as Child Pugh Class B
Permanent colostomy
Permanent ileostomy
Total colectomy
SEVERITY C
Chronic liver disease classified as Child Pugh Class A
Confirmed diagnosis of portal hypertension
Repeated open surgical procedures to the small bowel or colon for Crohn's disease or Ulcerative Colitis. All procedures within 90 days will be considered as one event
Chronic persistent hepatitis (Knodel score of at least 13 out of 22)
SEVERITY D
Partial hepatectomy of at least 1/3 of the organ
Partial pancreatectomy
SEVERITY E
Loss of more than 1/3 of the tongue
SEVERITY F
Chronic rectal fistula despite surgical repair

SEVERITY G
Peritonitis due to bowel perforation
Drainage of pancreatic cyst or abscess
CONNECTIVE TISSUE AND MUSCULOSKELETAL SYSTEM
SEVERITY C
Perthe's disease
SEVERITY D
Juvenile Rheumatoid arthritis
Systemic Lupus Erythematosis
Dermatomyositis
SEVERITY F
Chronic osteomyelitis
SEVERITY G
Septic arthritis
Complete replacement of any joint due to a chronic disease process
UROGENITAL
SEVERITY A
Chronic renal failure with ongoing, permanent haemodialysis or a GFR of less than 15ml/min/1.73m2 according to the internationally recommended GFR equation
Renal transplant
Ongoing permanent peritoneal dialysis
SEVERITY B
Chronic renal failure with a permanent GFR of less than 30ml/min/1.73m2 and evidence of progressive renal failure as evidenced by sustained decrease of GFR of more than 5ml/min per year, according to the internationally recommended GFR equation
SEVERITY C
Acute renal failure requiring more than five treatments of haemodialysis or
Any disease or disorder requiring complete nephrectomy (donors excluded)
Total amputation of the penis
Any disease or disorder requiring complete cystectomy
Confirmed gross or confluent renal cortical necrosis involving more than 2/3 of the renal cortex
SEVERITY D
Partial nephrectomy of at least 1/3 of the kidney
Partial cystectomy resulting in a loss of at least 1/3 of the functional capacity of the bladder
Partial amputation of the penis (circumcision is excluded)
Bilateral orchidectomy
Open kidney surgery for renal or renovascular disease
Vesicovaginal or rectovaginal fistula
SEVERITY E
Confirmed diagnosis of nephritic syndrome
Confirmed diagnosis of nephrotic syndrome with a proteinuria of 3g per 24 hours and a GFR of <60 mls per minute present for 6 months
Unilateral orchidectomy
SEVERITY F
Urethral fistula
Chronic tubulointerstital nephritis

SEVERITY G
Renal abcess
Surgical repair of a stricture of the ureter or the urethra (one payment only)
RESPIRATORY
SEVERITY A
Lung transplant
Heart and lung transplant
End Stage Lung Disease
SEVERITY B
Any disease or disorder requiring removal of more than one lobe of the lung
SEVERITY C
Pulmonary embolism
SEVERITY D
Lung abscess
Drainage of empyema
Bronchopleural fistula
Any disease or disorder requiring removal of one lobe of the lung
SEVERITY E
Pleurectomy
Decortication
SEVERITY F
Drainage of pleural effusion
SEVERITY G
Mechanical ventilation for status asthmaticus

INFECTIONS
SEVERITY A
Advanced AIDS evidenced by positive blood tests as specified above and a CD4 cell count of less than 50 while on antiretroviral therapy for at least three months
Advanced AIDS evidenced by positive blood tests as specified above and a CD4 cell count of less than 200 while on antiretrovial therapy for at least three months, with definite diagnosis of any three conditions defined as stage 3 AIDS on the WHO clinical criteria list
Advanced AIDS evidenced by positive blood tests as specified above and a CD4 cell count of less than 200 while on antiretroviral therapy for at least three months AND diagnosis of at least one of the following diseases:
Kaposi's sarcoma
Pneumocystis jirovecii pneumonia (PJP)
Confirmed progressive multifocal leukoencephalopathy
Active extra-pulmonary tuberculosis
Cryptococcosis
Disseminated non-tuberculous mycobacteria infection
Confirmed diagnosis of any other condition as defined as stage 4 on the WHO clinical criteria list
Accidental contraction of HIV
Diagnosis of Tetanus
Diagnosis of confirmed Haemorrhagic fever
Diagnosis of Celebral Malaria
Diagnosis of Rabies
SEVERITY D
Endopthalmitis
SEVERITY F
Diagnosis of Bacterial meningitis or Encephalitis
Confirmed diagnosis of Tuberculosis
SEVERITY G
Orbital Abcess
EYE BENEFIT
SEVERITY A
Complete loss of sight in both eyes or enucleation of both eyes
SEVERITY B
Complete Loss of sight in one eye or enucleation of one eye
EAR NOSE AND THROAT
SEVERITY A
Confirmed hearing loss of 90dB or more in both ears measured over the frequencies 500Hz, 1000Hz,2000Hz and 3000Hz in 2 measurements, taken 6 months apart.
SEVERITY B
Confirmed hearing loss of 70dB or more in both ears measured over the frequencies 500Hz, 1000Hz,2000Hz and 3000Hz in 2 measurements, taken six months apart.
SEVERITY D
Cochlear implant

APPENDIX 1

ENDOCRINE AND METABOLIC
SEVERITY E
Confirmed diagnosis of Type 1 diabetes mellitus
Acute adrenal crisis or diagnosis of Addison's disease diagnosed according to an internationally recognised protocol
Diabetes insipidus
SEVERITY F
Diabetic coma (one event only)
Conn's syndrome (Adrenal Insufficiency)
Cushing's syndrome
TRAUMA & ICU
SEVERITY A
More than 25% full thickness body surface area burns
Total and permanent loss of use or amputation of both lower limbs at the level of the ankle or higher (Proximal to the ankle)
Total and permanent loss of use or amputation of both upper limbs at the level of the wrists or higher (Proximal to the wrist)
Total and permanent loss of use or amputation of one upper limb above (proximal to) the wrist and one lower limb above (proximal to) the ankle
ICU admission with assisted invasive mechanical ventilation for longer than 10 days
Complete loss of sight in both eyes or enucleation of both eyes due to trauma
Confirmed hearing loss of 90dB or more in both ears measured over the frequencies 500Hz, 1000Hz,2000Hz and 3000Hz in 2 measurements, taken 6 months apart. Hearing loss must be due to trauma
SEVERITY B
Severe dog bite injury to the face or tendons or nerves requiring multiple sessions of plastic surgery under general anaesthesia
Full thickness burns involving 15 to 25% of the body surface area
Total and permanent loss of use or amputation of a lower limb at the level of the ankle or higher (proximal to the ankle)
Total and permanent loss of use or amputation of the upper limb above (proximal to) the wrist or higher
Complete Loss of sight in one eye or enucleation of one eye due to trauma
Confirmed hearing loss of 70dB or more in both ears measured over the frequencies 500Hz, 1000Hz,2000Hz and 3000Hz in 2 measurements, taken six months apart. Hearing loss must be due to trauma
SEVERITY C
Loss of or loss of use of thumb and index finger due to trauma
Thoracotomy for penetrating wounds (including stab wounds) or blunt trauma
ICU admission with assisted invasive mechanical ventilation for longer than 48 hours, but less than 10 days
More than 10% full thickness body surface area burns
SEVERITY D
Spinal and pelvis injuries requiring surgical stabilisation within 7 days of accident
Craniotomy due to trauma
Skull fracture requiring surgery
Laparotomy for penetrating wounds (including stab wounds) or blunt trauma
Open kidney surgery for renal or renovascular injury
Surgical repair of a damaged artery
Depressed skull fracture with brain laceration

SEVERITY E
Reattachment surgery for a traumatic amputation of any limb (arm or leg)
Depressed skull fracture
Reconstruction surgery for Le fort II or III facial fractures or any multiple facial fracture including the orbit or multiple facial fractures involving the orbit
Severe dog bite injury to the face or tendons or nerves requiring a single session of plastic surgery under general anaesthesia
SEVERITY F
Reconstructive surgery to hands or feet involving bone graft and skin flap
Loss of or loss of use of two or more full fingers or a full thumb due to trauma
Near drowning with immersion syndrome, hypoxia, acidosis and pulmonary oedema requiring full resuscitation and ventilatory support
Suture of a major nerve to restore function to hand or limb
SEVERITY G
Loss of one full finger due to trauma
Loss of all five toes on one foot due to trauma
Anaphylactic reaction requiring hospitilisation for 48 hours
ICU admission for longer than two days

APPENDIX 2

EARLY CANCER BENEFIT

The positive diagnosis with histological confirmation of the following are covered under this benefit:

DEFINITION
SEVERITY E
Lobular carcinoma in situ of the breast with chemotherapy, lumpectomy or breast conserving surgery
Ductal carcinoma in situ of the breast with chemotherapy, lumpectomy or breast conserving surgery
Excision of recurrent (more than one clinical event) carcinoma in situ of the cervix, which includes cervical intraepithelial neoplasia III
Carcinoma in situ of the ovary with excision
Carcinoma in situ of the testis (intratubular germ cell neoplasia) with unilateral orchidectomy
Carcinoma in situ or high grade dysplasia of the oesophagus with excision, oesophagectomy or endoscopic (including ablation) therapy
Bladder carcinoma in situ (Tis) with excision or partial or total cystectomy
Carcinoma in situ of the stomach (intraepithelial tumour without invasion of the lamina propria) with radiotherapy, chemotherapy, excision or gastrectomy
SEVERITY G
Bladder carcinoma in situ (Tis) treated with intravesical bacillus Calmette-Guerin (BCG) treatment
Carcinoma in situ of the uterus with excision or hysterectomy
Carcinoma in situ of the fallopian tubes with excision
Carcinoma in situ of the vagina or vulva with excision
Carcinoma in situ of the testis (intratubular germ cell neoplasia) with chemotherapy radiotherapy or excision
Histological presence of both High Grade Prostate Intraepithelial Neoplasia (HGPIN) and Atypical Small Acinar Proliferation (ASAP)
Carcinoma in situ of the penis with excision
Carcinoma in situ of the lung with excision
Carcinoma in situ of the kidney with excision
Colon adenoma with increasing polyp size > 1 cm or high grade dysplasia, treated with polypectomy or surgery
Carcinoma in situ of the larynx with radiotherapy or excision
Carcinoma in situ of the pharynx with radiotherapy or excision
Carcinoma in situ of the nasal cavity with radiotherapy or excision
Carcinoma in situ of the thyroid with radiotherapy or excision
Melanoma in situ with excision
Carcinoma in situ of the salivary glands or adenoid cystic carcinoma of salivary gland with excision
Dermatofibrosarcoma Protuberans (Complete excision with clear margins would be considered as one event). Subsequent events will be subject to multiple claims rules.

GLOBAL TREATMENT BENEFIT

CONDITIONS FOR WHICH THE ADDITIONAL 70% PAY-OUT IS MADE ON PURPLE LIFE PLANS:

TRANSPLANTS

- Liver
- Heart
- Heart and lung
- Pancreas
- Kidney
- Stem cell transplant

CARDIAC SURGERY

- Congenital heart surgery on children

HEART VALVE SURGERY

- Ross Procedure
- Aortic Root Surgery including Stentless Porcine and Homograft Replacement
- Aortic Valve Sparing Root Surgery
- Replacement or repair of more than one heart valve

NEUROMODULATION THERAPY

- Neuromodulation therapy including new forms for example Transcranial Magnetic Stimulation

NEUROSURGERY

- Posterior fossa aneurysms
- Acoustic neuroma surgery
- Neurosurgical procedures necessitating superficial temporal artery bypass to middle cerebral artery

ONCOLOGY

- Paediatric brain tumours or other solid tumours

THE ADDITIONAL 70% PAY-OUT COVERS:

- The full costs of transporting the assured and, if medically necessary (in Discovery's sole opinion), a family member and/or organ donor, and/or doctor, and/or nurse to the applicable hospital facility in the USA, as well as any local travel necessary in Discovery Life's opinion.
- An allowance for accommodation, meal and living expenses (excluding flights) subject to a daily maximum (across all individuals/entities) until deemed medically fit to return to South Africa. Please refer to your Policy Schedule for more detail. This maximum may change from time to time.

The combination of the above is limited to an overall maximum that is also specified on your Policy Schedule. This maximum may change from time to time. Note that this is an overall limit and not the limit per entity/individual. This means if a donor, parent, nurse etc. were to travel with the patient, their combined cost would have a limit.

APPENDIX 4

DISABILITY BENEFITS

GENERAL PROVISIONS

All changes reflected in Appendix 4 must be permanent despite treatment according to recognised medical protocols. These new life changing events must have occurred since the date of commencement of the policy.

The diagnosis of the disease causing the impairment must be confirmed by an appropriate specialist. A specialist is a medical practitioner registered as such with the Health Professionals Council of South Africa. The diagnosis must be supported by the appropriate objective investigations and test results.

Activities of Daily living categories are described in Appendix 5.

1. CARDIOVASCULAR

DISEASE	CATEGORY A	MEDTECH GROUP	CATEGORY B	MEDTECH GROUP
Heart failure due to Myocardial Infarction or Valvular heart disease or Cardiomyopathy or Cardiac Arrhythmias or Congenital heart disease or Hypertensive heart disease	NYHA III and EF less than 40%		Maximum METs achieved on effort ECG less than 5	
	Maximum METs achieved on effort ECG less than 2		EF less than 45%	
	EF less than 35%		NYHA III and confirmed with raised Pro BNP levels according to age bands (age below 50: ProBNP more than 450 pg/mL; age 50 and above: ProBNP more than 900 pg/mL)	
	Awaiting cardiac transplantation	3		
	NYHA IV and confirmed with raised Pro BNP levels according to age bands (age below 50: ProBNP more than 450 pg/mL; age 50 and above: ProBNP more than 900 pg/mL)			
Hypertension	Cardiac end organ damage as defined by an estimated LV mass Males: more than 255 g (greater than 131g/m2) Females: more than 193g (greater than 113g/m2) or Inter-ventricular septum or posterior wall thickness of more than 17mm			
Constrictive Pericarditis	Constrictive pericarditis as confirmed on transthoracic echocardiography with all of the following: Dilatation of the inferior vena cava and hepatic veins, calcifications in the pericardium, abnormal septal wall motion and atrial enlargement.		Constrictive pericarditis as confirmed on transthoracic echocardiography with two of the following: Dilatation of the inferior vena cava and hepatic veins, calcifications in the pericardium, abnormal septal wall motion and atrial enlargement.	

DISEASE	CATEGORY A	MEDTECH GROUP	CATEGORY B	MEDTECH GROUP
Peripheral arterial disease	Permanent ABI less than 0.4 following vascular surgery unless surgery is medically contra-indicated		Severe claudication defined as an inability to complete a treadmill exercise stress test due to claudication with a post-exercise ankle systolic pressure of less than 50mmHg	
	Gangrene of a limb			
	Amputation of a limb	1		
	Arterial ulceration			
Peripheral venous disease			Non-healing venous ulcer for more than 3 months duration with evidence of deep venous insufficiency as confirmed by duplex ultrasonography with a reflux time that is more than 0.5sec in duration at the level of the ulcer	

2. RESPIRATORY SYSTEM

DISEASE	CATEGORY A	MEDTECH GROUP	CATEGORY B	MEDTECH GROUP
Chronic obstructive airways disease (chronic bronchitis emphysema) or Asthma or Restrictive or Mixed Lung Disease	FVC less than 40% of predicted* or FEV1 less than 40% of predicted* or Dco less than 40% predicted* or Constant use of prescribed oxygen due to blood oxygen saturation levels below 88%		FVC 40% - 49% of predicted* or FEV1 40% - 49% of predicted* or Dco 40% - 49% predicted*	

*Pulmonary function tests should be performed by a pulmonologist, including post-bronchodilatation testing, and show less than 5% variation between three successful readings – these tests must be technically acceptable to the treating specialist as well as to Discovery Life's medical panel.

APPENDIX 4

3. MENTAL AND BEHAVIOURAL DISORDERS

After a Capital Disability claim for Category A, B or D has been made future claims for mental and behavioural disorders will only be considered if the criteria for a Category A claim in respect of mental and behavioural disorders as listed below are met

DISEASE	CATEGORY A	MEDTECH GROUP	CATEGORY B	MEDTECH GROUP
Mood Disorders	Permanent inability to perform at least four Activities of Daily Living from four different ADL categories. The categories include Self-care ADLs, Communication ADLs, Physical ADLs and Advanced ADLs. ADL failure must be present despite ongoing medical treatment by a psychiatrist with evidence of all of the following: 1) Demonstrable compliance to at least a combination of antidepressant at maximal dosages and/or mood stabilizers or anti-psychotic medication for more than two years and 2) Two or more in-patient admissions of longer than two weeks and 3) A complete in-patient course of ECT therapy unless medically contraindicated**		Permanent inability to perform at least four Activities of Daily Living from four different ADL categories. The categories include Self-care ADLs, Communication ADLs, Physical ADLs and Advanced ADLs. ADL failure must be present despite ongoing medical treatment by a psychiatrist with evidence of all of the following: 1) Demonstrable compliance to at least a combination of antidepressant at maximal dosages and/or mood stabilizers or anti-psychotic medication for more than one year and 2) A complete in-patient course of ECT therapy unless medically contraindicated**	
Schizophrenia and other psychotic disorders	Permanent inability to perform at least four Activities of Daily Living categories. The categories include Self-care ADLs, Communication ADLs, Physical ADLs and Advanced ADLs. ADL failure must be present despite demonstrable compliance with adequate trials of at least two different anti-psychotic regimes for at least one year**		Permanent inability to perform at least two Activities of Daily Living categories. The categories include Self-care ADLs, Communication ADLs, Physical ADLs and Advanced ADLs. ADL failure must be present despite demonstrable compliance with adequate trials of at least two different anti-psychotic regimes for at least one year**	
	Permanent legal institutionalisation for a psychiatric disorder*		Legal institutionalisation for at least six months for a psychiatric disorder*	

* Excluding institutionalisation for drug or alcohol abuse or a violation of South African criminal law.

** Sensory Function ADLs and Hand Function ADLs are excluded.

4. NERVOUS SYSTEM

CATEGORY A	MEDTECH GROUP	CATEGORY B	MEDTECH GROUP
Total and permanent loss of speech		Loss of speech as confirmed by abnormal strobovideolaryngoscopy	
Total and permanent loss of comprehension of language		Permanent inability to perform 2 or 3 categories of Activities of Daily Living	
Permanent inability to perform four or more categories of Activities of Daily Living		Permanent inability to perform 2 Self-Care Activities of Daily Living	
Permanent inability to perform three or more Self-care Activities of Daily Living or		Permanent bilateral hemianopia	4
Persistent vegetative state for more than three months		Visual Impairment* defined as best corrected binocular Snellen rating of less than 20/125	4
Permanent loss of memory recall or orientation to person, place and time, confirmed by a persistent MMSE score of less than 21		Complete loss of sight in one eye	4
Permanent non-progressive cognitive impairment with a MMSE score of less than 21		Greater than 75% binaural hearing impairment*	
Dementia or progressive neurocognitive disorders with a permanent CDR score of 2 or more	3	Persistent monoplegia	1
Persistent quadriplegia, hemiplegia or paraplegia	1	Hearing loss* of 70dB in both ears measured over the frequencies (500, 1000, 2000, 3000 Hz) in two measurements over six months with a hearing aid	
		Total hearing loss or deafness in one ear*	
Visual Impairment* defined as best corrected binocular Snellen rating of less than 20/200	4	Three generalised epileptic attacks per week despite optimal therapy confirmed by long-term EEG monitoring. Non-epileptic seizures are excluded.	
Best corrected binocular visual impairment of 70%**	4	Best corrected binocular visual impairment of 50%**	4
Hearing loss* (deafness) of 90db or more in both ears measured over the frequencies (500, 1000, 2000 Hz) in two measurements over six months with a hearing aid		Permanent visual field defect of at least 25% in each eye resulting from a scotoma	4

All changes must be permanent

* All measurements are with appropriate aids

** AMA Guides to the Evaluation of Permanent Impairment: Latest Edition

Functional psychiatric disorders are excluded

All definitions to be confirmed by corresponding findings on specialist investigation.

5. DIGESTIVE SYSTEM

DISEASE	CATEGORY A	MEDTECH GROUP	CATEGORY B	MEDTECH GROUP
Upper and lower digestive tract disease*	Anatomical loss and alteration in the gastrointestinal tract with medical evidence of established gastrointestinal pathology and weight loss of more than 25% below the lower limit of normal BMI or BMI of less than 14		Anatomical loss of alteration in gastrointestinal tract with medical evidence of established gastrointestinal pathology and weight loss of more than 15% below the lower limit of normal BMI or BMI less than 16	
	Faecal incontinence defined as permanent, continuous uncontrolled passage of faecal material. Colostomies and ileostomies are not covered under this definition			
	Permanent disturbance of bowel function resulting in a malabsorption syndrome with evidence of any two of the following: 1) Steatorrhoea or more than 20g of fat in the stool 2) Refractory anaemia of Hb less than 9g/dl 3) Refractory hypoalbuminaemia of less than 28g/l			
	Irreparable hernia with previous bowel obstruction and the permanent inability to perform 4 or more categories of Activities of Daily Living.			
	Permanent inability to swallow due to an anatomical or neurological abnormality as confirmed by abnormal oesophageal manometry or imaging studies			
Liver and biliary disease	Chronic liver disease classified as Child-Pugh Class C		Chronic liver disease classified as Child-Pugh B	
	Primary sclerosing cholangitis			
	Primary biliary cirrhosis			
	Awaiting liver transplant on a recognised SA or international transplant list			

*Functional disorders with no demonstrable gastrointestinal pathology are excluded under this benefit

6. RENAL DISEASE

CATEGORY A	MEDTECH GROUP	CATEGORY B	MEDTECH GROUP
Permanent kidney dysfunction with a GFR of less than 15ml/min/1.73m^2 according to the internationally recommended GFR equation		Permanent kidney dysfunction with a GFR of less than 30ml/min/1.73m^2 according to the internationally recommended GFR equation	
Ongoing peritoneal dialysis haemodialysis			
Total or continuous permanent urinary incontinence			

7. ENDOCRINE SYSTEM

DISEASE	CATEGORY A	MEDTECH GROUP	CATEGORY B	MEDTECH GROUP
Diabetes mellitus	Claims as a result of type 1 or type 2 diabetes mellitus with evidence of end-organ damage are assessed under the relevant body systems		Claims as a result of type 1 or type 2 diabetes mellitus with evidence of end-organ damage are assessed under the relevant body systems	
Other: including Cushing's syndrome, phaeochromocytoma, syndrome of inappropriate anti-diuretic hormone secretion (SIADH), chronic adrenal insufficiency, parathyroid associated chronic hypo- or hypercalcaemia, chronic hyperaldosteronism	Claims as a result of any endocrine disease are assessed under the relevant body systems		Claims as a result of any endocrine disease are assessed under the relevant body systems	

8. OTHER

This category provides for diseases or conditions that do not fall into any other listed category, or combination of signs and symptoms resulting in ADL impairment. All changes must be permanent.

CATEGORY A	MEDTECH GROUP	CATEGORY B	MEDTECH GROUP
Permanent inability to perform 4 or more categories of Activities of Daily Living Permanent inability to perform 3 Self-care activities of Daily Living		Permanent inability to perform 2 or more categories of Activities of Daily Living Permanent inability to perform 2 Self-care Activities of Daily Living	

9. HAEMATOLOGY

CATEGORY A	MEDTECH GROUP	CATEGORY B	MEDTECH GROUP
A permanent treatment resistant pancytopaenia (anaemia leukopenia, thrombocytopenia) resulting in ongoing monthly transfusions of at least 4 units of blood or blood products. This excludes cancer-related pancytopaenias		A permanent treatment resistant anaemia or leukopenia or thrombocytopenia resulting in ongoing monthly transfusions of at least 4 units of blood or blood products This excludes cancer-related anaemias, leukopenia or thrombocytopenia	

APPENDIX 4

10. ADVANCED AIDS

CATEGORY A	MEDTECH GROUP
Despite optimal treatment and full adherence to prescribed antiretroviral therapy, a permanent CD4 count less than 50 and a positive PCR	
OR	
Despite optimal treatment and full adherence to prescribed antiretroviral therapy, a CD4 cell count of less than 200 and a positive PCR	
And	
At least one of the following diseases must be diagnosed:	
1) Kaposi's sarcoma	
2) Pneumocystis jirovecii pneumonia (PJP)	
3) Confirmed progressive multifocal leukoencephalopathy	
4) Active extra-pulmonary tuberculosis	
5) Cryptococcosis	
6) Disseminated non-tuberculous mycobacteria infection	
7) Confirmed diagnosis of any other condition as defined as stage 4 on the WHO clinical criteria list	

11. CANCER

CATEGORY A	MEDTECH GROUP
Stage IV Cancer	
Stage III Cancer scoring 4 on the ECOG performance scale continuously for a period of over six months	
Leukaemia scoring 4 on the ECOG performance scale continuously for a period of over six months	
Brain Tumour WHO Grade III or IV	
Stage III Multiple Myeloma	

12. MUSCULOSKELETAL SYSTEM*

DISEASE	CATEGORY A	MEDTECH GROUP	CATEGORY B	MEDTECH GROUP
Hand	Total loss of use of hand at the level of the wrist. Manual occupation: Failure of the hand function ADL's, as assessed by an occupational therapist, as follows: All three of the following hand function impairments: 1) Grip strength below 2 standard deviations of average age and gender values (Mathiowetz) and 2) Pinch strength below 2 standard deviations of average age and gender values (Mathiowetz) and 3) co-ordination/dexterity below norm according to coordination test, OR completely unable to perform 2 of the following three hand function ADL's: 1) grasping and holding 2) pinching 3) coordination/dexterity	2	• Loss of use of more than three fingers, one of which includes either thumb or index finger	2
Upper Limb	80% impairment of dominant upper limb** or 100% impairment of non-dominant upper limb** or bilateral upper limb impairment equivalent to 48% WPI** Manual occupation: 50% impairment of either upper limb, or a bilateral upper limb impairment equivalent to a 30% WPI**	2	60% impairment of dominant upper limb** or 90% impairment of non-dominant upper limb**or bilateral upper limb impairment equivalent to 36% WPI** Manual occupation: 30% impairment of either upper limb or a bilateral upper limb impairment equivalent to a WPI of 18%**	2
Lower Limb	80% impairment of lower limb** Manual Occupation: 50% impairment of lower limb or bilateral lower limb impairment equivalent to a 20% WPI**	1	60% impairment of lower limb** Manual Occupation: 30% impairment of lower limb or bilateral lower limb impairment equivalent to a 12% WPI**	1
Upper and lower limb	Combined upper and lower limb impairment equivalent to a 50% WPI** or Manual occupation: Combined upper and lower limb impairment equivalent to a 35% WPI**	1	Combined upper and lower limb impairment equivalent to a 40% WPI** or Manual occupation: Combined upper and lower limb impairment equivalent to a 25% WPI**	1
Spine	Cauda equina Syndrome or Loss of bowel or bladder integrity or Paraplegia or Quadriplegia or Cervical spine impairment resulting in 30% WPI after surgery unless surgery is medically contra-indicated or Thoracic spine impairment resulting in 22% WPI after surgery unless surgery is medically contra-indicated or Lumbar spine impairment resulting in 33% WPI after surgery unless surgery is medically contra-indicated or Permanent inability to perform 3 Self-Care Activities of Daily Living	1	Radiculopathy and significant extremity impairment as indicated by marked atrophy and total loss of reflexes and dermatomal sensory loss and muscle weakness of 3/5 or worse or Cervical spine impairment resulting in 24% WPI after surgery unless surgery is medically contra-indicated or Thoracic spine impairment resulting in 16% WPI after surgery unless surgery is medically contra-indicated or Lumbar spine impairment resulting in 24% WPI after surgery unless surgery is medically contra-indicated or Permanent inability to perform 2 Self-care Activities of Daily living	2
Soft tissue	Severe facial disfigurement as per AMA guide Class four or 25% body surface area full thickness burns resulting in contractures with 50% WPI**		Severe facial disfigurement or distortion as a result of trauma or accidental injury of 25% of the face with involvement of the nose, eye, ear or mouth or 15% body surface area full thickness burns resulting in contractures with 30% WPI**	

Manual occupation greater than 20% very heavy, 30% heavy, or 40% moderate manual labour job description or profession requiring manual dexterity

* Disorders include muscle, bone, nerve or joint impairments

** Based on AMA guides to the Evaluation of Permanent Impairment; latest edition – examining doctor will be provided with specific valuating protocols

WPI – Whole person impairment

APPENDIX 4

13. THE CAPITAL DISABILITY BENEFIT UNDERPIN, LIFETIME SEVERE ILLNESS UNDERPIN AND INJURY AND HOSPITALISATION UNDERPIN FOR THE INCOME CONTINUATION BENEFIT

Capital Disability Benefit Underpin

CATEGORY	PAYMENT PERCENTAGE	PAYMENT PERIOD
B	50%	Five years

LifeTime Severe Illness Underpin

SEVERITY LEVEL	PAYMENT PERCENTAGE	PAYMENT PERIOD		
		SEVEN-DAY WAITING PERIOD	ONE-MONTH WAITING PERIOD	OTHER WAITING PERIODS
A	100% + LifeTime Severity Upgrades x 25%	Six months	Five months	No payment

Injury and Hospitalisation Underpin

CONDITION		PAYMENT PERCENTAGE OF MONTHLY INCOME CONTINUATION BENEFIT SUM ASSURED	PAYMENT PERIOD		
			SEVEN-DAY WAITING PERIOD	ONE-MONTH WAITING PERIOD**	OTHER WAITING PERIODS
Hospitalisation longer than a week*		100%	One month	No payment	No payment
Skull (except bones of the nose or face)		100%	One month	No payment	No payment
Facial bones	Le Fort II	100%	One month	No payment	No payment
	Le Fort III	100%	Three months	Two months	No payment
Spine (compression fracture more than 50% of the vertebral body or burst fracture)		100%	Three months	Two months	No payment
Collarbone		100%	One month	No payment	No payment
Shoulder blade		100%	Two months	One month	No payment
Upper arm		100%	Two months	One month	No payment
Forearm above the wrist		100%	One month	No payment	No payment
Hand requiring plaster or surgery		100%	One month	No payment	No payment
Pelvis		100%	Three months	Two months	No payment
Thigh		100%	Three months	Two months	No payment
Kneecap		100%	Two months	One month	No payment
Leg between knee and foot		100%	Two months	One month	No payment
Hindfoot (calcaneus, talus, navicularis, cuboid or either of the three cuneiform bones)		100%	One month	No payment	No payment

* Note: In the case of a hospital readmission, a payment will only be made if the readmission occurs after the payment period has been exceeded.

** Should you qualify for a retrospective payment you will receive the same payout as a client with a seven-day waiting period.

14. AUTOMATIC CHILD IMPAIRMENT BENEFIT

DEFINITION
IMPAIRMENT SEVERITY LEVEL A
Loss of sight in both eyes due to trauma or enucleation of both eyes due to trauma
Complete Hemiplegia
Complete Quadriplegia
Complete Paraplegia
Complete Diplegia
Total loss of, or loss of use of two limbs due to trauma

Confirmed hearing loss of 90dB or more in both ears measured over the frequencies 500Hz, 1000Hz,2000Hz and 3000Hz in two measurements, taken six months apart. Hearing loss must be due to trauma
IMPAIRMENT SEVERITY LEVEL B
Total loss of, or loss of use of one hand due to trauma
Total loss of, or loss of use of one foot due to trauma
Confirmed hearing loss of 70dB or more in both ears measured over the frequencies 500Hz, 1000Hz,2000Hz and 3000Hz in two measurements, taken six months apart. Hearing loss must be due to trauma
Total loss of sight in one eye or enucleation of one eye due to trauma
IMPAIRMENT SEVERITY LEVEL C
Total loss of or loss of use of thumb and index finger due to trauma
IMPAIRMENT SEVERITY LEVEL F
Poliomyelitis with permanent paralysis

APPENDIX 5

ACTIVITIES OF DAILY LIVING

The Activities of Daily Living (ADLs) is an internationally used scoring system that assesses the functional ability of a person including the physical, cognitive and interactive abilities. Discovery Life uses the ADLs to assess functioning in both the Severe Illness and Capital Disability Benefits when objective criteria of Impairment are needed – for example when neurological and connective tissue diseases as specified in Appendix 1 and 4 are assessed. Changes to the ADLs must be permanent, must have occurred after the date of commencement of the policy, and must be due to the condition, illness or event that is being claimed for.

Discovery Life reserves the right to request an Occupational Therapist's or Neuropsychologist's assessment of ADL functioning, using standardised assessment methods.

THERE ARE SIX CATEGORIES OF ADLS:

- Self-care
- Communication
- Physical Activity
- Sensory Function
- Hand Function
- Advanced Activities.

SCORING OF THE CATEGORIES:

The terms '**no impairment**', '**moderately impaired**', '**severely impaired**' and '**very severely impaired**' are used in the Advanced Activities category. The terms '**independent**', '**impaired**', '**unable**' are used in all the other categories. These terms are defined in the Activities of Daily Living Score Sheet at the end of this appendix.

SELF-CARE

- If a person is **unable** to do **one** activity within this category, it is scored as the inability to perform the Self-care category of the ADL Score sheet.
- If a person is **impaired** in doing **two** activities within this category, it is scored as the inability to perform the Self-care category of the ADL Score Sheet.

COMMUNICATION

- If a person is **unable** to do **one** activity within this category, it is scored as the inability to perform the Communication category of the ADL Score sheet.
- If a person is **impaired** in doing **two** activities within this category, it is scored as the inability to perform the Communication category of the ADL Score sheet.

PHYSICAL ACTIVITY

- If a person is **unable** to do **three** activities within this category, it is scored as the inability to perform the Physical Activity category of the ADL Score Sheet.
- If a person is **impaired** in doing **six** activities within this category, it is scored as the inability to perform the Physical Activity category of the ADL Score Sheet.

SENSORY FUNCTION

- If a person is **unable** to do **one** activity within this category, it is scored as the inability to perform the Sensory Function category of the ADL Score Sheet.
- If a person is **impaired** in doing **two** activities within this category, it is scored as the inability to perform the Sensory Function category of the ADL Score Sheet.

HAND FUNCTION

- If a person is **unable** to do **one** activity within this category, it is scored as the inability to perform the Hand Function category of the ADL Score Sheet.
- If a person is **impaired** in doing **two** activities within this category, it is scored as the inability to perform the Hand Function category of the ADL Score Sheet.

ADVANCED ACTIVITIES

It is scored as the inability to perform the Advanced Activity category if:

- A person is **moderately impaired** in all **four** areas, or

- A person is **severely impaired** in **two** of the four areas, or
- A person is very **severely impaired** in **one** of the four areas.

ACTIVITIES OF DAILY LIVING SCORE SHEET

SELF-CARE

ACTIVITY	INDEPENDENT	IMPAIRED	UNABLE
Bathing	• No assistance is required, or • The client is able to perform bathing or showering independently with the aid of hand rails and a non-slip bath mat.	• Hands-on assistance is required, or • Assistive devices such as an electronic bath bench is required when getting in or out of the tub or shower, or • The client generally baths himself/herself but needs some assistance with cleaning hard to reach areas.	• The client is totally dependent on others in all areas of bathing; the client would be at risk if left alone.
Grooming	• No assistance is required.	• Hands-on assistance is required with some activities of personal hygiene.	• The client is totally dependent on others in all areas of grooming.
Dressing	• No assistance is required, or • The client may perform dressing with an adapted method (such as sitting to dress lower limbs).	• Hands-on assistance is required with some activities, or • The client is unable to dress himself/herself completely (eg tying shoes, zipping or buttoning) without the help of another person.	• The client is totally dependent on others in all areas of dressing.
Eating and feeding	• No assistance is required, or • The client is able to perform the activity independently with the aid of modified cutlery.	• Hands-on assistance is required, eg help with cutting up food or pushing food within reach, or help with applying an assistive device (such as a universal cuff).	• The client is totally dependent on others in all areas of eating.
Toilet use and continence	• No assistance is required with toilet use, and the client has no incontinence.	• Hands-on assistance is required with some activities, eg transferring onto the toilet, but the constant presence of another person while toileting is not necessary, or • Intermitted catheterising.	• The client is totally dependent on others in all areas of toileting, or • The client has no control of bowel or bladder, or • Permanent catheter, or • Permanent colostomy.
Mobility in home	• The client goes about the home independently.	• Walking and transferring requires the assistance of another person, or a railing, cane, walker or wheelchair.	• The client sits unsupported in a chair or wheelchair, but cannot propel himself/herself alone or transfer from bed to chair alone, or • The client is bedridden.

COMMUNICATION

ACTIVITY	INDEPENDENT	IMPAIRED	UNABLE
Listening	• The client is able to comprehend verbal communication in his or her first language.	• The client is significantly impaired to comprehend verbal communication in his or her first language.	• The client is permanently unable to comprehend verbal communication in his or her first language.
Speaking	• The client is functionally able to communicate verbally in his or her first language.	• The client is significantly impaired to communicate verbally in his or her first language.	• The client is permanently unable to communicate verbally in his or her first language.
Reading	• The client is able to comprehend written language in his or her first language.	• The client is significantly impaired to comprehend written language in his or her first language.	• The client is permanently unable to comprehend written language in his or her first language.
Writing	• The client is able to complete personal information documents in his or her first language independently.	• The client requires assistance when completing forms in his or her first language.	• The client is permanently unable to write in his or her first language.

Keyboard use	• The client can use a cell phone, keyboard, ATM and credit card machine independently.	• The client requires assistance when using a cell phone, keyboard, ATM or credit card machine.	• The client is permanently unable to use a cell phone, keyboard, ATM or credit card machine.

PHYSICAL ACTIVITY

ACTIVITY	INDEPENDENT	IMPAIRED	UNABLE
Standing	• The client can stand independently for longer than 10 minutes.	• The client needs external support or assistive devices (such as a walking frame), to stand, or • The client can stand independently but not for longer than 10 minutes.	• The client is unable to stand independently and therefore requires hands-on support when standing; the client would be at risk if unassisted.
Sitting	• The client can sit independently for longer than 20 minutes.	• The client needs support to sit, or • The client can sit independently but not for longer than 20 minutes.	• The client is unable to sit independently.
Walking	• The client can walk independently (even though some difficulty or discomfort may be experienced) for six minutes, covering a distance of more than 300 metres.	• The client needs assistive devices (such as a walking frame) to walk, or • The client can walk independently but the distance covered in six minutes is less than 300 metres.	• The client is totally dependent on others for walking, or • The client must be pushed in a wheelchair or gurney at all times.
Crouching	• The client is able to assume and maintain the crouching position independently.	• The client requires external support getting in or out of the crouching position, or in maintaining the crouching position.	• The client is unable to assume the crouching position.
Squatting	• The client is able to perform five repetitive knee squats.	• The client is able to perform repetitive knee squats but is unable to perform five, or • The client requires external support when squatting.	• The client is unable to perform a knee squat.
Kneeling	• The client is able to assume and maintain the kneeling position independently.	• The client requires external support getting in or out of the kneeling position, or in maintaining the kneeling position.	• The client is unable to assume the kneeling position.
Reaching	• The client is able to reach to full arm length (above head height).	• The client is able to reach past eye level height, but unable to reach to full arm length.	• The client is unable to reach past eye level height.
Bending	• The client is able to bend forward independently.	• The client requires external support when bending forward.	• The client is unable to bend forward.
Carrying	• The client is able to carry 4.5kg for 5 meters with both hands, and • The client is able to carry 2kg with the left hand for 5 meters, and • The client is able to carry 2kg with the right hand for 5 meters.	• The client is able to carry some weight with both hands but is unable to carry 4.5kg with both hands for 5 meters, or • The client is unable to carry 2kg with the left hand for 5 meters, or • The client is unable to carry 2kg with the right hand for 5 meters	• The client is unable to carry any weight.
Lifting	• The client is able to lift (from floor to waist) 4.5kg with both hands, and • The client is able to lift (from floor to waist) 2kg with the left hand, and • The client is able to lift (from floor to waist) 2kg with the right hand.	• The client is able to lift some weight with both hands but is unable to lift (from floor to waist) 4.5kg with both hands, or • The client is unable to lift (from floor to waist) 2kg with the left hand, or • The client is unable to lift (from floor to waist) 2kg with the right hand.	• The client is unable to lift any weight.
Stair use	• The client is able to climb 20 steps independently, during which a handrail may be used and one step at a time is climbed.	• The client requires hands-on assistance when climbing stairs, or • The client is unable to climb 20 or more steps.	• The client is unable to negotiate stairs.

Travel (driving, riding)	• The client is able to drive a vehicle independently, or • The client is able to use public transport independently.	• The client requires assistance when using public transport, or • The client requires a driver if he/she had previously been able to drive a motor vehicle independently.	• The client is unable to travel.

SENSORY FUNCTION

ACTIVITY	INDEPENDENT	IMPAIRED	UNABLE
Hearing	• The client has functional hearing with or without the use of a hearing aid.	• The client's best corrected, permanent binaural hearing loss exceeds 50%.	• The client's best corrected, permanent hearing loss exceeds 70dB as measured over the frequencies 500Hz, 1000Hz, 2000Hz and 3000 Hz.
Seeing	• The client has normal vision with or without correction.	• The client has a permanent visual field defect of 25% or more in one eye due to a scotoma.	• The client has a permanent visual field defect of 25% or more in both eyes due to scotomas or permanent quadrantanopia.
Tactile sensation	• The client has normal sensory function (sensation of the hands is assessed under hand function).	• The client has impaired sensory function in a dermatome corresponding with objective pathology (sensation of the hands is assessed under hand function).	• The client has complete loss of sensory function in a dermatome corresponding with objective pathology (sensation of the hands is assessed under hand function).
Tasting and Smelling	• The client has normal ability to taste and smell.	• The client has significant Impairment to taste or smell as a result of an injury or disease.	• The client is permanently unable to taste, or permanently unable to smell, as a result of an injury or disease.

HAND FUNCTION

ACTIVITY	INDEPENDENT	IMPAIRED	UNABLE
Grasping and Holding	• The client has grip strength better than 2 standard deviations below the average age and gender values (according to Mathiowetz normative data for adults).	• The client has grip strength weaker than 2 standard deviations below average age and gender values (according to Mathiowetz normative data for adults).	• The client is unable to grasp.
Pinching/Tip pinch	• The client has pinch strength better than 2 standard deviations below average age and gender values (according to Mathiowetz normative data for adults).	• The client has pinch strength weaker than 2 standard deviations below average age and gender values (according to Mathiowetz normative data for adults).	• The client is unable to pinch.
Coordination/Dexterity	• This is better than two standard deviations below the norm according to standardised hand coordination tests (for example the Minnesota Rate of Manipulation).	• This is two standard deviations below the norm according to coordination test (for example the Minnesota Rate of Manipulation).	• The client is unable to perform percussive movements (finger touching or diadochokinesis).
Sensory discrimination/ Tactile sensation	• The client has normal sensory function in hands.	• The client has impairment of sensory function, but retained protective sensibility in the hands.	• The client has no sensation in hands.

ADVANCED ACTIVITIES

The following areas are assessed under this category:

- Concentration
- Memory
- Problem solving, judgement and reasoning
- Executive function including planning, initiation, organizing, error monitoring.

The above four areas can be tested by a Neuropsychologist and stratified according to percentiles.

APPENDIX 5

ACTIVITY	NO IMPAIRMENT	MODERATELY IMPAIRED	SEVERELY IMPAIRED	VERY SEVERELY IMPAIRED
Memory	• Neuropsychological testing results fall above the 30th percentile, or higher than half a standard deviation below the norm.	• Neuropsychological testing results fall between the 15th and 30th percentile, or between half and 1 standard deviation below the norm.	• Neuropsychological testing results fall between the 5th and 15th percentile, or between 1 and 2 standard deviations below the norm.	• Neuropsychological testing results fall below the 5th percentile, or 2 standard deviations below the norm (or worse).
Concentration	• Neuropsychological testing results fall above the 30th percentile, or higher than half a standard deviation below the norm.	• Neuropsychological testing results fall between the 15th and 30th percentile, or between half and 1 standard deviation below the norm.	• Neuropsychological testing results fall between the 5th and 15th percentile, or between 1 and 2 standard deviations below the norm.	• Neuropsychological testing results fall below the 5th percentile, or 2 standard deviations below the norm (or worse).
Problem solving, judgment and reasoning	• Neuropsychological testing results fall above the 30th percentile, or higher than half a standard deviation below the norm.	• Neuropsychological testing results fall between the 15th and 30th percentile, or between half and 1 standard deviation below the norm.	• Neuropsychological testing results fall between the 5th and 15th percentile, or between 1 and 2 standard deviations below the norm.	• Neuropsychological testing results fall below the 5th percentile, or 2 standard deviations below the norm (or worse).
Executive function including planning, initiation, organizing and error monitoring	• Neuropsychological testing results fall above the 30th percentile, or higher than half a standard deviation below the norm.	• Neuropsychological testing results fall between the 15th and 30th percentile, or between half and 1 standard deviation below the norm.	• Neuropsychological testing results fall between the 5th and 15th percentile, or between 1 and 2 standard deviations below the norm.	• Neuropsychological testing results fall below the 5th percentile, or 2 standard deviations below the norm (or worse).

ACCESSCOVER AND ACCESSCOVER PLUS BENEFITS

MEDICAL ACCESSCOVER CONDITIONS	CATEGORY
Claims will be assessed on objective medical evidence that supports the diagnosis and may include but is not limited to: • Histology, • Imaging and scans, and • Specialists' reports. Kindly note that Discovery Life may review the medical conditions and categories below from time to time after consultation with medical experts in its sole discretion to reflect, for example, the effect of advances in medical technology on survival rates following these conditions.	
CANCER	
A current internationally recognized staging system will be used to confirm the staging of the tumour.	
• Stage 4 Breast cancer	D
• Stage 4 Prostate cancer	D
• Stage 4 Malignant Melanoma	C
• Stage 4 Ovarian cancer diagnosed before turning 45	F
• Stage 4 Ovarian cancer diagnosed after turning 45	E
• Stage 4 Pancreatic cancer diagnosed before turning 45	B
• Stage 4 Pancreatic cancer diagnosed after turning 45	A
• Stage 4 Gastric cancer	C
• Stage 4 Colorectal cancer	C
• Stage 4 Oesophageal cancer	A
• Stage 4 Lung cancer diagnosed before turning 45	B
• Stage 4 Lung cancer diagnosed after turning 45	A
• Stage 4 Soft tissue sarcoma diagnosed before turning 45	E
• Stage 4 Soft tissue sarcoma diagnosed after turning 45	C
• Stage 4 Osteosarcoma diagnosed before turning 45	H
• Stage 4 Osteosarcoma diagnosed after turning 45	G
BRAIN TUMOURS	
• World Health Organisation Grade 3 or 4 Brain Tumours	A
TRANSPLANTS	
Receiving a transplant or being on the official South African or International waiting list for the relevant transplant	
• Lung transplant	G
• Heart and lung transplant	E
• Pancreas transplant	G

APPENDIX 6

MEDICAL ACCESSCOVER CONDITIONS	CATEGORY
CARDIOVASCULAR SYSTEM	
Permanence of the impaired Ejection Fraction will be established by means of two measurements taken three months apart unless otherwise proven to the satisfaction of Discovery Life.	
• Hypertrophic cardiomyopathy with a permanent ejection fraction of less than 30% diagnosed after turning 45	H
• Hypertrophic cardiomyopathy with a permanent ejection fraction of less than 15% diagnosed before turning 45	G
• Hypertrophic cardiomyopathy with a permanent ejection fraction of less than 15% diagnosed after turning 45	F
• Dilated cardiomyopathy with a permanent ejection fraction of less than 30% diagnosed after turning 45	H
• Dilated cardiomyopathy with a permanent ejection fraction of less than 15% diagnosed before turning 45	G
• Dilated cardiomyopathy with a permanent ejection fraction of less than 15% diagnosed after turning 45	F
• Arrhythmogenic right ventricular cardiomyopathy with biventricular failure and a permanent ejection fraction of less than 30% diagnosed after turning 45	H
• Arrhythmogenic right ventricular cardiomyopathy with biventricular failure and a permanent ejection fraction of less than 15% diagnosed before turning 45	G
• Arrhythmogenic right ventricular cardiomyopathy with biventricular failure and a permanent ejection fraction of less than 15% diagnosed after turning 45	F
• Ischaemic Heart Disease with a permanent ejection fraction of less than 30% diagnosed after turning 45	H
• Ischaemic Heart Disease with a permanent ejection fraction of less than 15% diagnosed before turning 45	G
• Ischaemic Heart Disease with a permanent ejection fraction of less than 15% diagnosed after turning 45	F
RESPIRATORY SYSTEM	
• Usual interstitial pneumonitis (Diffuse Interstitial Fibrosis)	F
• Chronic Obstructive Pulmonary Disease scoring 5-6 on the BODE index*	G
• Chronic obstructive Pulmonary Disease scoring 7-10 on the BODE index*	C

* **BODE index Table:**

	POINT SCORE OF VARIABLES			
VARIABLE	**0**	**1**	**2**	**3**
BMI (**B**)	>21	<21	N/A	N/A
FEV1% predicted (**O**)	>65	50-64	35-49	<35
MMRC (**D**)	0-1 (0 = dyspnoea with strenuous exercise; 1 = stop on slight hill)	2 (stop on level ground)	3 (91 metres)	4 (house bound)
Distance walked in 6 min **(E)**	>350m	250m-349m	150m-249m	<149m

MEDICAL ACCESSCOVER CONDITIONS	CATEGORY
GASTROINTESTINAL SYSTEM	
• Liver failure as confirmed by a gastroenterologist due to cirrhosis, evidenced by permanent jaundice, and/or ascites, varices and portal hypertension	E
• Portal hypertension with an elevation of hepatic venous pressure of more than 15mmHg and either oesophageal varices, ascites or splenomegaly	E
CONNECTIVE TISSUE DISORDERS	
• Diffuse cutaneous systemic sclerosis diagnosed before turning 45 involving the skin, blood vessels and visceral organs with permanent inability to perform 4 out of 6 ADL's or 3 self-care ADL's	F
• Diffuse cutaneous systemic sclerosis diagnosed after turning 45 involving the skin, blood vessels and visceral organs with permanent inability to perform 4 out of 6 ADL's or 3 self-care ADL's	D
• Polyarteritis nodosa proven by biopsy or angiography and involving visceral, hepatic or renal arteries diagnosed before turning 45	F
• Polyarteritis nodosa proven by biopsy or angiography and involving visceral, hepatic or renal arteries diagnosed after turning 45	D
• Wegener's granulomatosis diagnosed before turning 45 with permanent inability to perform 4 out of 6 ADL's or 3 self-care ADL's	F
• Wegener's granulomatosis diagnosed after turning 45 with permanent inability to perform 4 out of 6 ADL's or 3 self-care ADL's	D
• SLE with renal, central nervous system or cardiovascular Impairment diagnosed before turning 45	F
• SLE with renal, central nervous system or cardiovascular Impairment diagnosed after turning 45	D
• Rheumatoid arthritis with renal or cardiac Impairment diagnosed before turning 45	F
• Rheumatoid arthritis with renal or cardiac Impairment diagnosed after turning 45	D
• Stage 4 sarcoidosis	G
CENTRAL NERVOUS SYSTEM	
• Diagnosis of Motor Neuron disease	D
• Definite diagnosis of Multiple Sclerosis and the permanent inability to perform 4 out of 6 Activities of Daily Living or 3 self care Activities of Daily Living	D
• Parkinson disease and the permanent inability to perform 4 out of 6 Activities of Daily Living or 3 self care Activities of Daily Living	D
• Stroke confirmed on imaging and permanent neurological deficit causing the permanent inability to perform 4 out of 6 Activities of Daily Living or 3 self care Activities of Daily Living	D
• Alzheimer disease confirmed by clinical evidence and standardized tests meeting the criteria in DSM IV or latest version	D
• Dementia (other than Alzheimer's disease) confirmed by clinical evidence and standardized tests meeting the criteria in DSM IV or latest version.	D
RENAL SYSTEM	
• Renal Impairment as defined by at least Stage 4 Chronic Kidney Disease (National Kidney Foundation classification)	E

APPENDIX 7

GLOBAL EDUCATION PROTECTOR AGE RATED ANNUAL PREMIUM INCREASES

Additional increases for the Standard, AcceleRater and FlexRater plans.

AGE NEXT	STANDARD PLANS	ACCELERATER/FLEXRATER PLANS
< = 25	2.250%	4.000%
26	2.375%	4.000%
27	2.500%	4.000%
28	2.625%	4.000%
29	2.750%	4.000%
30	2.875%	4.000%
31	3.000%	4.175%
32	3.125%	4.350%
33	3.250%	4.525%
34	3.375%	4.700%
35	3.500%	4.875%
36	3.625%	5.050%
37	3.750%	5.225%
38	3.875%	5.400%
39	4.000%	5.575%
40	4.125%	5.750%
41	4.250%	5.925%
42	4.375%	6.100%
43	4.500%	6.275%
44	4.625%	6.450%
45	4.750%	6.625%
46	4.875%	6.800%
47	5.000%	6.975%
48	5.125%	7.150%
49	5.250%	7.325%
50	5.375%	7.500%
51	5.475%	7.600%
52	5.575%	7.700%
53	5.675%	7.800%
54	5.775%	7.900%
55	5.875%	8.000%
56	5.975%	8.100%
57	6.075%	8.200%
58	6.175%	8.300%
59	6.275%	8.400%
60	6.375%	8.500%
61	6.425%	8.600%
62	6.475%	8.700%
63	6.525%	8.800%
64	6.575%	8.900%
65	6.625%	9.000%
66	6.675%	9.100%
67	6.725%	9.200%
68	6.775%	9.300%
69	6.825%	9.400%
70	6.875%	9.500%
71	6.925%	9.550%
72	6.975%	9.600%
73	7.025%	9.650%
74	7.075%	9.700%
75	7.125%	9.750%
76	7.175%	9.800%
77	7.225%	9.850%
78	7.275%	9.900%
79	7.325%	9.950%
80	7.375%	10.000%

ANNUAL PREMIUM INCREASES

Increases for the Standard, AcceleRater and FlexRater plans

	STANDARD PLANS			ACCELERATOR PLANS		FLEXRATER PLANS*	
Age Next	**ABI = 0%**	**ABI = 6.5%**	**ABI = CPI**	**ABI = 3%**	**ABI = CPI**	**ABI = 3%**	**ABI = CPI**
<=25	0%	7.750%	CPI+1.25%	6.000%	CPI+3%	8.250%	CPI+5.25%
26	0%	7.875%	CPI+1.375%	6.000%	CPI+3%	8.250%	CPI+5.25%
27	0%	8.000%	CPI+1.5%	6.000%	CPI+3%	8.250%	CPI+5.25%
28	0%	8.125%	CPI+1.625%	6.000%	CPI+3%	8.250%	CPI+5.25%
29	0%	8.250%	CPI+1.75%	6.000%	CPI+3%	8.250%	CPI+5.25%
30	0%	8.375%	CPI+1.875%	6.000%	CPI+3%	8.250%	CPI+5.25%
31	0%	8.500%	CPI+2%	6.175%	CPI+3.175%	8.425%	CPI+5.425%
32	0%	8.625%	CPI+2.125%	6.350%	CPI+3.35%	8.600%	CPI+5.6%
33	0%	8.750%	CPI+2.25%	6.525%	CPI+3.525%	8.775%	CPI+5.775%
34	0%	8.875%	CPI+2.375%	6.700%	CPI+3.7%	8.950%	CPI+5.95%
35	0%	9.000%	CPI+2.5%	6.875%	CPI+3.875%	9.125%	CPI+6.125%
36	0%	9.125%	CPI+2.625%	7.050%	CPI+4.05%	9.300%	CPI+6.3%
37	0%	9.250%	CPI+2.75%	7.225%	CPI+4.225%	9.475%	CPI+6.475%
38	0%	9.375%	CPI+2.875%	7.400%	CPI+4.4%	9.650%	CPI+6.65%
39	0%	9.500%	CPI+3%	7.575%	CPI+4.575%	9.825%	CPI+6.825%
40	0%	9.625%	CPI+3.125%	7.750%	CPI+4.75%	10.000%	CPI+7%
41	0%	9.750%	CPI+3.25%	7.925%	CPI+4.925%	10.175%	CPI+7.175%
42	0%	9.875%	CPI+3.375%	8.100%	CPI+5.1%	10.350%	CPI+7.35%
43	0%	10.000%	CPI+3.5%	8.275%	CPI+5.275%	10.525%	CPI+7.525%
44	0%	10.125%	CPI+3.625%	8.450%	CPI+5.45%	10.700%	CPI+7.7%
45	0%	10.250%	CPI+3.75%	8.625%	CPI+5.625%	10.875%	CPI+7.875%
46	0%	10.375%	CPI+3.875%	8.800%	CPI+5.8%	11.050%	CPI+8.05%
47	0%	10.500%	CPI+4%	8.975%	CPI+5.975%	11.225%	CPI+8.225%
48	0%	10.625%	CPI+4.125%	9.150%	CPI+6.15%	11.400%	CPI+8.4%
49	0%	10.750%	CPI+4.25%	9.325%	CPI+6.325%	11.575%	CPI+8.575%
50	0%	10.875%	CPI+4.375%	9.500%	CPI+6.5%	11.750%	CPI+8.75%
51	0%	10.975%	CPI+4.475%	9.600%	CPI+6.6%	11.850%	CPI+8.85%
52	0%	11.075%	CPI+4.575%	9.700%	CPI+6.7%	11.950%	CPI+8.95%
53	0%	11.175%	CPI+4.675%	9.800%	CPI+6.8%	12.050%	CPI+9.05%
54	0%	11.275%	CPI+4.775%	9.900%	CPI+6.9%	12.150%	CPI+9.15%
55	0%	11.375%	CPI+4.875%	10.000%	CPI+7%	12.250%	CPI+9.25%
56	0%	11.475%	CPI+4.975%	10.100%	CPI+7.1%	12.350%	CPI+9.35%
57	0%	11.575%	CPI+5.075%	10.200%	CPI+7.2%	12.450%	CPI+9.45%
58	0%	11.675%	CPI+5.175%	10.300%	CPI+7.3%	12.550%	CPI+9.55%
59	0%	11.775%	CPI+5.275%	10.400%	CPI+7.4%	12.650%	CPI+9.65%
60	0%	11.875%	CPI+5.375%	10.500%	CPI+7.5%	12.750%	CPI+9.75%
61	0%	11.925%	CPI+5.425%	10.600%	CPI+7.6%	12.850%	CPI+9.85%
62	0%	11.975%	CPI+5.475%	10.700%	CPI+7.7%	12.950%	CPI+9.95%
63	0%	12.025%	CPI+5.525%	10.800%	CPI+7.8%	13.050%	CPI+10.05%
64	0%	12.075%	CPI+5.575%	10.900%	CPI+7.9%	13.150%	CPI+10.15%
65	0%	12.125%	CPI+5.625%	11.000%	CPI+8%	13.250%	CPI+10.25%
66	0%	12.175%	CPI+5.675%	11.100%	CPI+8.1%	13.350%	CPI+10.35%
67	0%	12.225%	CPI+5.725%	11.200%	CPI+8.2%	13.450%	CPI+10.45%
68	0%	12.275%	CPI+5.775%	11.300%	CPI+8.3%	13.550%	CPI+10.55%
69	0%	12.325%	CPI+5.825%	11.400%	CPI+8.4%	13.650%	CPI+10.65%
70	0%	12.375%	CPI+5.875%	11.500%	CPI+8.5%	13.750%	CPI+10.75%
71	0%	12.425%	CPI+5.925%	11.550%	CPI+8.55%	13.800%	CPI+10.8%
72	0%	12.475%	CPI+5.975%	11.600%	CPI+8.6%	13.850%	CPI+10.85%
73	0%	12.525%	CPI+6.025%	11.650%	CPI+8.65%	13.900%	CPI+10.9%
74	0%	12.575%	CPI+6.075%	11.700%	CPI+8.7%	13.950%	CPI+10.95%
75	0%	12.625%	CPI+6.125%	11.750%	CPI+8.75%	14.000%	CPI+11%
76	0%	12.675%	CPI+6.175%	11.800%	CPI+8.8%	14.050%	CPI+11.05%
77	0%	12.725%	CPI+6.225%	11.850%	CPI+8.85%	14.100%	CPI+11.1%
78	0%	12.775%	CPI+6.275%	11.900%	CPI+8.9%	14.150%	CPI+11.15%
79	0%	12.825%	CPI+6.325%	11.950%	CPI+8.95%	14.200%	CPI+11.2%
>=80	0%	12.875%	CPI+6.375%	12.000%	CPI+9%	14.250%	CPI+11.25%

*After 20 FlexRater increase, the applicable annual contribution increase will be 2.25% lower than those shown above

APPENDIX 9

DIFFERENCES BETWEEN CLASSIC, PURPLE AND ESSENTIAL LIFE PLANS

Please note that the table below is a brief overview of some of the differences between the Classic Life Plan, the Purple Life Plan and the Essential Life Plan. Please see the relevant section of this Life Plan Guide for a comprehensive explanation. The actual benefits you receive will depend on your chosen Life Plan and the benefits you qualify for.

	PURPLE LIFE PLAN	CLASSIC LIFE PLAN	ESSENTIAL LIFE PLAN
LIFE COVER BENEFIT			
AccessCover	✓	✓	✓
AccessCover Plus	✓	✓	✓
Vitality Fund	✓	✓*	✓*
Legacy Fund	✓	×	×
CAPITAL DISABILITY BENEFIT			
Core (Category A and D)	✓	✓	✓
Comprehensive Plus (Category A, B, C and D)	✓ (A, B, C, D)	✓ (A, B, C, D)	✓ (A, B, D)
LifeTime Benefit	✓	✓	✓
Conversion of Capital Disability Benefit to Severe Illness Benefit at benefit expiry	✓	✓	✓
Multiple claims	✓ Unlimited	✓ Unlimited	✓ Limited to Capital Disability Benefit amount
Auto-child Impairment	✓	✓	✓
SEVERE ILLNESS BENEFIT			
Comprehensive (A - D) and Comprehensive Plus (A - G) options	✓	✓	✓
LifeTime	✓	✓	✓
Automatic child and parent cover	✓ Higher limits than on Classic Life Plan applies on Automatic child cover	✓	×
Cancer Relapse Benefit	✓	✓	×
Early Cancer Benefit	✓	✓	✓
Cancer exome sequencing benefit	✓	×	×
Global Treatment Benefit	✓ Enhanced benefit compared to Classic Life Plan	✓	×
Multiple claims (also applicable to Female Severe Illness Benefit, Child Protector Benefit, Family Trauma Benefit, Childbirth Benefit)	✓ Unlimited	✓ Unlimited	✓ Limited to the Severe Illness Benefit amount and for related illnesses only pays higher severity claims
Additional Severe Illness Benefit cover (Female Severe Illness Benefit, Child Protector Benefit, Family Trauma Benefit, Childbirth Benefit)	✓	✓	✓
INCOME CONTINUATION BENEFIT			
Upgrade on Permanent Disability	✓ (If you have selected a monthly Income Continuation Benefit amount of 40% or more)	✓ (If you have selected a monthly Income Continuation Benefit amount of 40% or more)	✓ (If you have selected a monthly Income Continuation Benefit amount of 75% or more)
Top-up Income Continuation Benefit	✓	✓	✓
Automatic Sickness Benefit	✓	✓	✓
Performance Bonus Protector	✓	✓	×
Family Protector	✓	✓	×
Maternity Premium Waiver Benefit	✓	✓	×
Default Income Continuation Fund Benefit	✓	✓	×
Buy-Up Income Continuation Fund Benefit	✓	✓	×
Overhead Expenses Benefit	✓	✓	✓
MINIMUM PROTECTED FUND			
Minimum Protected Fund	✓ Reinstates all cover	✓ Reinstates all cover	✓ Reinstates all cover for non-related claims and only higher severity related claims. Maximum payout of 200% per benefit
COVER INTEGRATOR			
Post-retirement Integrated Cover	✓	✓	✓
50%, 100% and 200% Buy-up Cash Conversions	✓	✓	✓

FINANCIAL INTEGRATOR			
Annual Guaranteed PayBack	✓	✓	✗
50%, 100% and 200% Buy-Up Cash Conversions	✓	✓	✓
PREMIUM INTEGRATORS			
Integrator discounts	✓	✓	✓
PayBack	✓	✓	✗
	PURPLE LIFE PLAN	**CLASSIC LIFE PLAN**	**ESSENTIAL LIFE PLAN**
OTHER BENEFITS			
Premium Waivers	✓	✓	✓
Discovery Retirement Optimiser	✓	✓	✓
Global Education Protector	✓	✓	✓
Global Health Protector	✓	✓	✓
Dollar Swap Option	✓	✓	✗
Future Fund	✓	✓	✓
Paid-up and Lock-in options	✓	✓	✓

* Only where the Life Plan is also Bank Integrated

APPENDIX 10

MULTIPLE CLAIMS DIAGRAMS

The diagram illustrates the claim percentage and the benefit sum assured that may be used to determine the claim amount for subsequent claims under the Severe Illness Benefit and the Capital Disability Benefit. The rules discussed in Section 6.15 and Section 7.6 still apply.

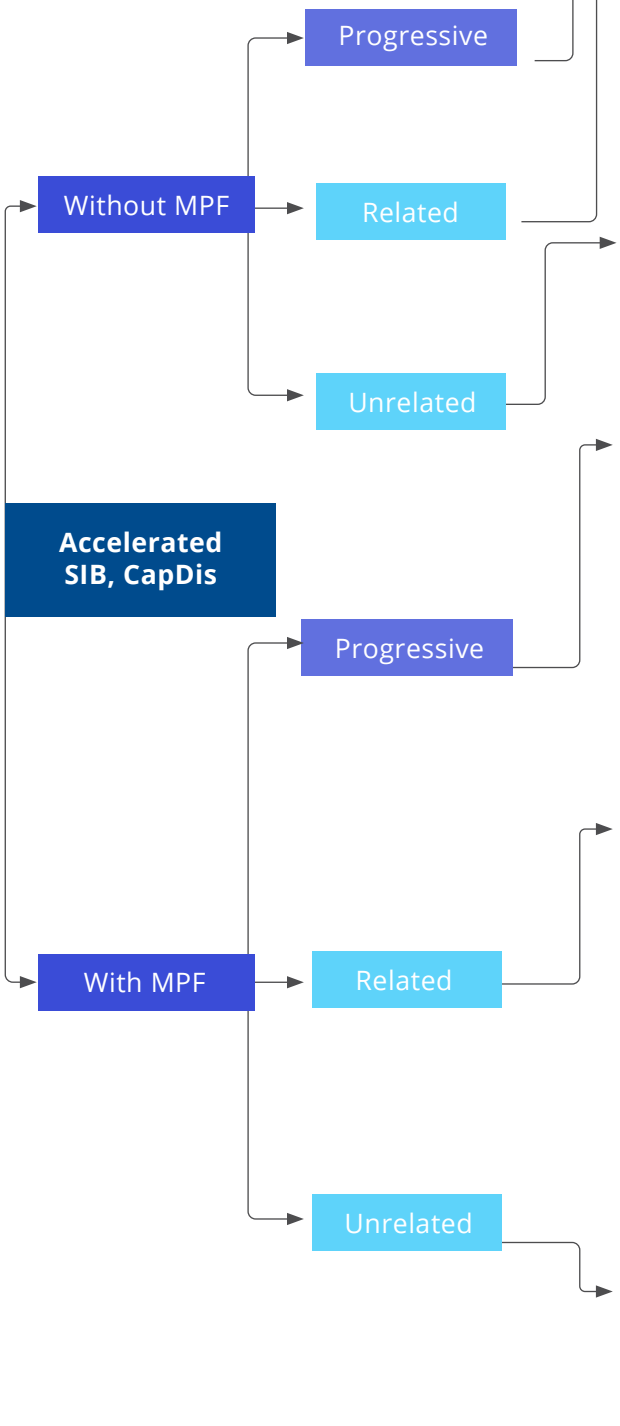
SIB = Severe Illness Benefit

CapDis = Capital Disability Benefit

Category% = Capital Disability Benefit category payout percentage

MPF = Minimum Protected Fund

MPF% = Percentage to which the Minimum Protected Fund will reinstate the Life Plan.



Every claim paid will reduce the Life Fund.

Classic/Purple/Essential SIB and CapDis
Difference in applicable severity levels/category%'s based on the Life Fund after removing the effect of all previous claims in the progression.

Classic/Purple SIB
Payments under the Cancer Relapse Benefit will be the full applicable percentage based on the reduced Life fund, subject to a maximum of two payments for a set of related claims.

Every claim paid will reduce the Life Fund.

Classic/Purple SIB and CapDis
Full applicable severity level/Category% for qualifying claims based on the reduced Life Fund.

Essential SIB and CapDis
Only claim for higher applicable severity levels/Category%'s. Full applicable severity level/category% based on the reduced Life Fund , subject to a maximum total payment of 100% of the original SIB/CapDis sum assured.

Every claim paid will reduce the Life Fund.

Classic/Purple SIB and CapDis
Full applicable severity level/Category% based on the reduced Life Fund.

Essential SIB and CapDis
Full applicable severity level/category% based on the reduced Life Fund, subject to a maximum total payment of 100% of the original SIB/CapDis sum assured.

Every claim paid will reduce the Life Fund.

Classic/Purple/Essential SIB and CapDis
Difference in applicable severity levels/Category%'s based on the Life Fund after removing the effect of all previous claims in the progression

Classic/Purple SIB
Payments under the Cancer Relapse Benefit will be the full applicable percentage based on the Life Fund reduced by previous claims and reinstated by the MPF%, subject to a maximum of two payments for a set of related claims.

Every claim paid will reduce the Life Fund. However, after 14 days, the Life Fund will be reinstated by the MPF% for subsequent claims.

Classic/Purple SIB and CapDis
Full applicable severity level/Category% for qualifying claims based on the Life Fund reduced by previous claims and reinstated by the MPF%.

Essential SIB
Only claim for higher applicable severity levels. Full applicable severity level based on the Life Fund reduced by previous claims and reinstated by the MPF%, subject to a maximum total payment for related claims of 200% of the original SIB sum assured.

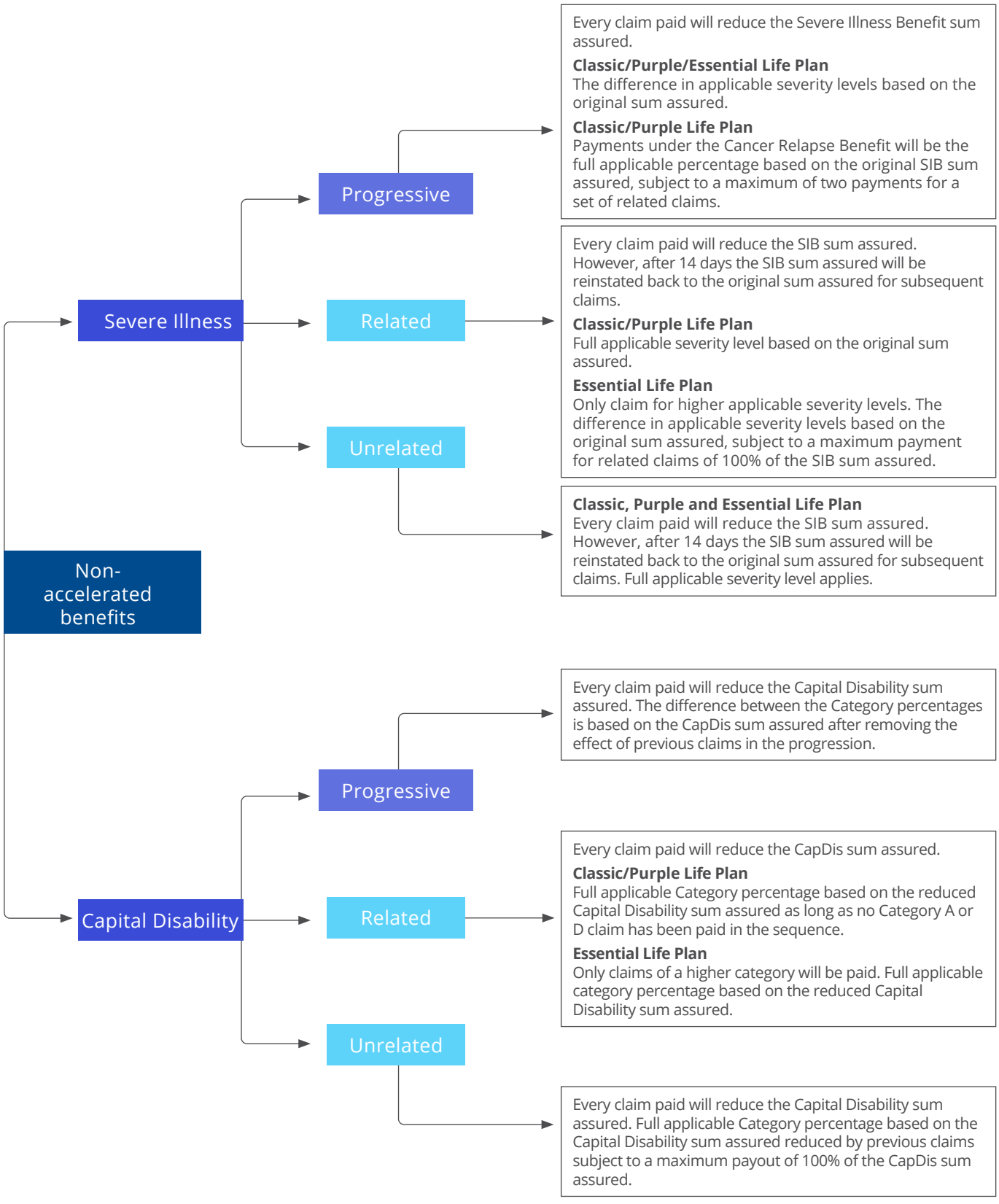
Essential CapDis
Only claim for higher applicable Category%'s. Full applicable Category% based on the Life Fund reduced by previous claims and reinstated by the MPF%, subject to a maximum total payment of 200% of the original CapDis sum assured.

Every claim paid will reduce the Life Fund. However, after 14 days the Life Fund will be reinstated by the MPF% for subsequent claims.

Classic/Purple SIB and CapDis
Full applicable severity level/Category% based on the Life Fund reduced by previous claims and reinstated by the MPF%.

Essential SIB
Full applicable severity level based on the Life Fund reduced by previous claims and reinstated by the MPF%.

Essential CapDis
Full applicable Category% based on the Life Fund reduced by previous claims and reinstated by the MPF%, subject to a maximum total payment of 200% of the original CapDis sum assured.



Every claim paid will reduce the Severe Illness Benefit sum assured.

Classic/Purple/Essential Life Plan
The difference in applicable severity levels based on the original sum assured.

Classic/Purple Life Plan
Payments under the Cancer Relapse Benefit will be the full applicable percentage based on the original SIB sum assured, subject to a maximum of two payments for a set of related claims.

Every claim paid will reduce the SIB sum assured. However, after 14 days the SIB sum assured will be reinstated back to the original sum assured for subsequent claims.

Classic/Purple Life Plan
Full applicable severity level based on the original sum assured.

Essential Life Plan
Only claim for higher applicable severity levels. The difference in applicable severity levels based on the original sum assured, subject to a maximum payment for related claims of 100% of the SIB sum assured.

Classic, Purple and Essential Life Plan
Every claim paid will reduce the SIB sum assured. However, after 14 days the SIB sum assured will be reinstated back to the original sum assured for subsequent claims. Full applicable severity level applies.

Every claim paid will reduce the Capital Disability sum assured. The difference between the Category percentages is based on the CapDis sum assured after removing the effect of previous claims in the progression.

Every claim paid will reduce the CapDis sum assured.

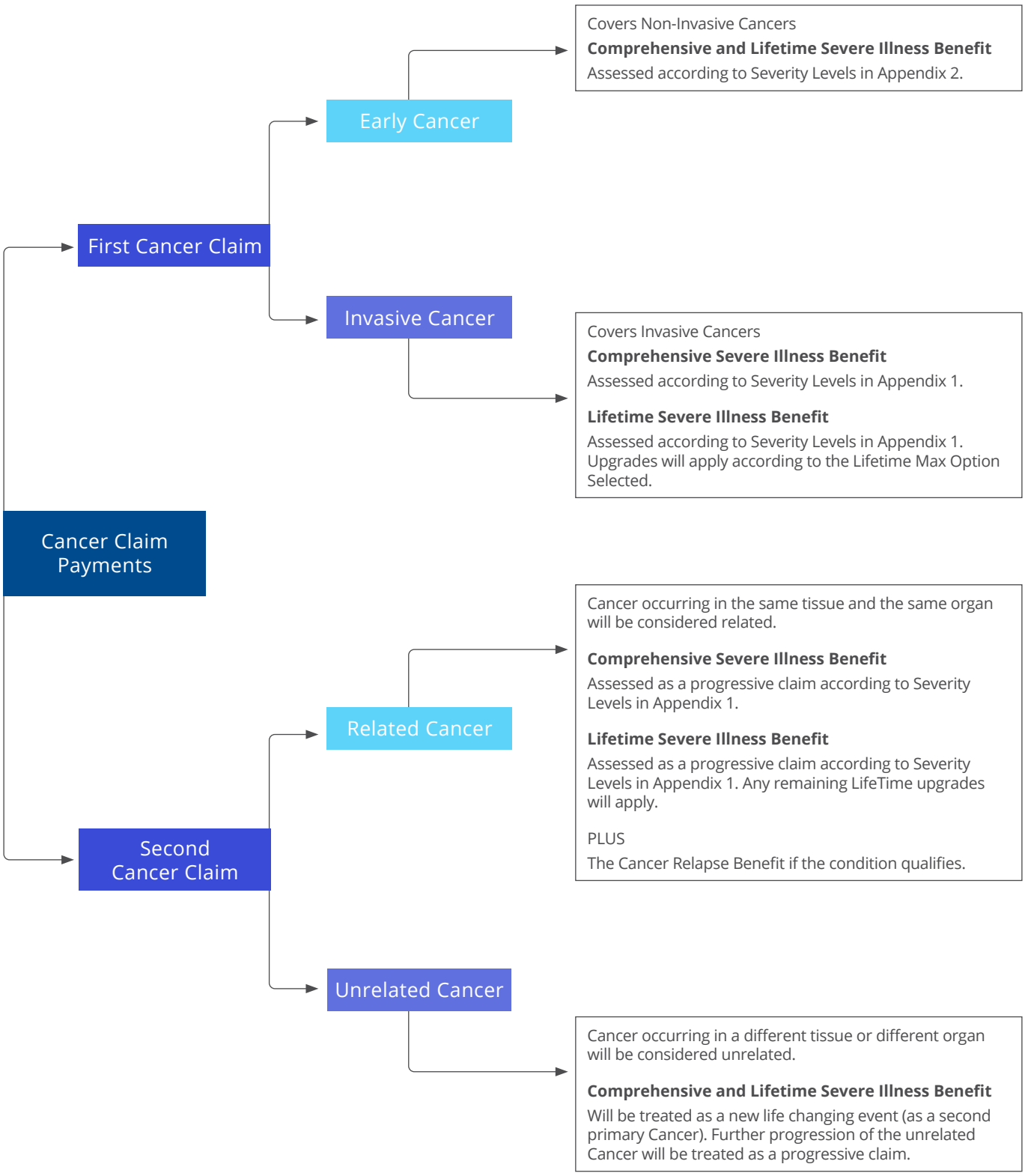
Classic/Purple Life Plan
Full applicable Category percentage based on the reduced Capital Disability sum assured as long as no Category A or D claim has been paid in the sequence.

Essential Life Plan
Only claims of a higher category will be paid. Full applicable category percentage based on the reduced Capital Disability sum assured.

Every claim paid will reduce the Capital Disability sum assured. Full applicable Category percentage based on the Capital Disability sum assured reduced by previous claims subject to a maximum payout of 100% of the CapDis sum assured.

APPENDIX 11

CANCER CLAIM PAYMENTS



POST-RETIREMENT INCOME CONTINUATION BENEFIT CRITERIA

SECTION 1: SEVERE ILLNESS CRITERIA

The Severity A conditions qualify for a payment percentage of 100% and Severity B conditions qualify for a payment percentage of 75%.

GENERAL PROVISIONS IN RESPECT OF THE LIFE ASSURED

- The life-changing event must occur after the commencement of the benefit.
- Symptoms and signs must be compatible with the diagnosis and the relevant special investigations (including blood tests, imaging, histology and other tests) must confirm the diagnosis.
- Inability to perform Activities of Daily Living must be due to and compatible with the diagnosis of the life changing event.
- Psychiatric illness, chronic fatigue syndrome (and synonyms) and fibromyalgia (and synonyms) and related terms are not covered under the Severe Illness Benefit.
- Major organ transplant claims include being on an official South African or international transplant waiting list for the relevant transplant.
- Specialist reports are required to assess all claims. A specialist is a medical practitioner registered as a specialist with the Health Professions Council of South Africa.
- The claims definitions in the Discovery Severe Illness Benefit are compliant with the Standardised Critical Illness definitions Project (SCIDEP).
- Activities of Daily Living (ADLs) are defined in Appendix 5.
- Note that a 14 day survival period is applicable to all of these definitions.

1. CANCER BENEFIT

Cancer is a malignant tumour characterised by the uncontrolled growth of cells, invasion of normal tissue and spread to distant organs. The term malignant tumour includes leukaemia, lymphoma and sarcoma.

Pre-malignancy and carcinoma-in-situ tumours except for carcinoma-in-situ of the breast treated by mastectomy are not covered under this benefit. Brain tumours are covered under the Nervous System Benefit. Specified neuroendocrine tumours are covered under the Endocrine and Metabolic Diseases Benefit.

A current internationally recognised staging system will be used to assess the claim.

A report from the treating specialist, including the histology and stage of the cancer, the relevant imaging reports and other tests must confirm the diagnosis. A specialist is a person registered as such with the Health Professions Council of South Africa in a relevant speciality.

DEFINITION
SEVERITY A
Stage IV cancer
Stage III cancer unless specified elsewhere
Acute Myelocytic Leukaemia
Chronic Lymphocytic Leukaemia: stage III or IV on the Rai classification system
Chronic Myelocytic Leukaemia
Acute Lymphoblastic Leukaemia in adults
Severe Aplastic Anaemia as defined by the International Aplastic Anaemia Study Group
Multiple Myeloma: stage III on the Durie-Salmon scale, or equivalent stage on an appropriate staging system
Hodgkin's or Non-Hodgkin's lymphoma: stage III or IV on the Ann-Arbor staging system, or equivalent stage on an appropriate staging system
Stage IV prostate cancer
Stage III or IV Malignant Melanoma
Carcinoid syndrome with evidence of liver metastasis of atypical carcinoid tumour

2. HEART AND ARTERY BENEFIT

This benefit covers conditions of the heart and arteries as specified below.

The diagnosis must be confirmed by a cardiologist, cardiothoracic surgeon, neurosurgeon, vascular surgeon or specialist physician. Relevant special investigations such as ECGs, echocardiograms, other imaging studies and blood tests must confirm the diagnosis.

Chronic diastolic heart failure is defined as NYHA class 4 and irreversible restriction demonstrated on Doppler echocardiography.

Permanence of the ejection fraction impairment will be established in two measurements taken three months apart unless otherwise proven to the satisfaction of Discovery Life.

DEFINITION
SEVERITY A
Permanent ejection fraction of less than 40%
Severe myocardial infarction with ejection fraction of less than 40% at least 14 days after the acute myocardial infarction
Chronic diastolic heart failure: NYHA Class 4
Gangrene or limb amputation due to peripheral arterial disease
SEVERITY B
Permanent ejection fraction between 40% and 50%
Myocardial infarction with ejection fraction of between 40% and 50% at least 14 days after the acute myocardial infarction

3. NERVOUS SYSTEM BENEFIT

The life assured must be treated by a neurologist or neurosurgeon registered as such with the Health Professions Council of South Africa. This benefit covers specified conditions of the brain, spinal cord nerves and arteries to the brain.

Stroke is defined as death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in neurological deficit lasting longer than 24 hours, confirmed by neuro-imaging investigation and appropriate clinical findings by a specialist neurologist. Symptoms and signs as well as imaging (Computerised Tomography or magnetic resonance imaging) must confirm a new stroke. Transient ischaemic attacks are specifically excluded.

Neurological deficits and ADL impairments must be compatible with the diagnosis and objective medical evidence. Permanence will be established after 90 days unless otherwise proven to the satisfaction of Discovery Life.

Brain tumours are assessed according the World Health Organisation's grading. Pituitary microadenomas are specifically excluded under this benefit.

DEFINITION
SEVERITY A
Stroke with permanent inability to perform one category of the Activities of Daily Living Score Sheet (as defined in Appendix 5)
Permanent inability to perform four or more categories of the Activities of Daily Living Score Sheet (as defined in Appendix 5)
Permanently unable to do three or more out of the six Self-Care Activities of Daily Living (as defined in Appendix 5)
Total permanent loss of speech including expressive or receptive aphasia
Quadriplegia
Paraplegia
Coma with a score of less than 8 on the Glasgow Coma Scale lasting for longer than 96 hours
Definite diagnosis of motor neuron disease
World Health Organisation Grade III and IV brain tumours
SEVERITY B
Permanent inability to perform three categories of the Activities of Daily Living Score Sheet (as defined in Appendix 5)
Permanently unable to do two out of the six Self-Care Activities of Daily Living (as defined in Appendix 5)

4. GASTROINTESTINAL BENEFIT

This benefit covers specified conditions of the liver, pancreas, biliary system, upper and lower gastrointestinal system. Conditions related to drug or alcohol abuse are not covered under this benefit.

The life assured must be treated by a specialist physician, gastroenterologist or surgeon registered as such with the Health Professions Council of South Africa.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

DEFINITION
SEVERITY A
Cirrhosis of the liver
Sclerosing cholangitis
Fulminant hepatic failure

5. CONNECTIVE TISSUE DISEASES BENEFIT

This benefit covers the following connective tissue diseases: Progressive systemic sclerosis, rheumatoid arthritis, systemic lupus erythematosis (SLE), sarcoidosis, polyarteritis nodosa, giant cell arteritis, Wegener's granulomatosis and polymiositis.

The life assured must be treated by a specialist Rheumatologist registered as such with the Health Professions Council of South Africa. The diagnosis must be made in accordance with current internationally recognised criteria and supported by the relevant histology, serology and imaging.

DEFINITION
SEVERITY A
Definite objective evidence of involvement of at least three of the following organ systems due to a listed Connective Tissue Disease:
- Cardiovascular
- Neurological
- Respiratory
- Renal
- Gastrointestinal
- Musculoskeletal
Permanent inability to perform four or more categories of the Activities of Daily Living Score Sheet (as defined in Appendix 5) due to a listed Connective Tissue Disease
Permanently unable to do three or more out of the six Self-Care Activities of Daily Living (as defined in Appendix 5) due to a listed Connective Tissue Disease
SEVERITY B
Definite objective evidence of involvement of two or more of the following organ systems due to a listed Connective Tissue Disease:
- Cardiovascular
- Neurological
- Respiratory
- Renal
- Gastrointestinal
- Musculoskeletal
Permanent inability to perform three categories of the Activities of Daily Living Score Sheet (as defined in Appendix 5) due to a listed Connective Tissue Disease
Permanently unable to do two out of the six Self-Care Activities of Daily Living (as defined in Appendix 5) due to a listed Connective Tissue Disease

6. UROGENITAL TRACT AND KIDNEY BENEFIT

This benefit covers specified conditions of the urogenital tract and kidneys.

The life assured must be treated by a specialist nephrologist or urologist registered as such with the Health Professions Council of South Africa. The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

DEFINITION
SEVERITY A
Chronic renal failure with ongoing permanent haemodialysis or a GFR of less than 15ml/ min/1.73m² according to the MDRD study equation
Ongoing permanent peritoneal dialysis

7. RESPIRATORY DISEASE BENEFIT

This benefit covers specified conditions of the respiratory system.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as lung function tests, blood tests, histology or imaging.

The life assured must be treated by a pulmonologist registered as such with the Health Professions Council of South Africa. Lung function tests should be performed by a pulmonologist. The test should include pre and post dilatation measurements and show less than 5% variation between three successive FVC or FEV1 readings. Two DCO tests must be done with results within 3 units. Corrections must be made for anaemia and carboxyhaemoglobin on the DCO test.

DEFINITION
SEVERITY A
Presence of irreversible cor pulmonale
Pulmonary hypertension groups 1 to 5, confirmed on cardiac catheterisation, including pulmonary veno-occlusive disease, with a pulmonary artery pressure exceeding 25mmHg
Chronic obstructive or restrictive lung disease with a permanent FEV□ or FVC or DCO of 40% or less than predicted
SEVERITY B
Pulmonary venous occlusive disease not specified elsewhere
Chronic obstructive or restrictive lung disease with a permanent FEV□ or FVC or DCO of 41% to 45% of predicted

8. ADVANCED AIDS/ACCIDENTAL HIV BENEFIT

This benefit covers advanced AIDS and accidental HIV sero conversion as specified below. A positive Human Immunodeficiency Virus antibody test and confirmatory Polymerase Chain Reaction test is required to confirm the diagnosis.

The diagnosis of the specified AIDS defining conditions must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, antibody test and histology or imaging.

DEFINITION
SEVERITY A
Advanced AIDS evidenced by positive blood tests as specified above and CD4 cell count of less than 50 while on antiretroviral therapy for at least 3 months
Advanced AIDS evidenced by positive blood tests as specified above and CD4 cell count of less than 200 while on antiretroviral therapy for at least 3 months, with definite diagnosis of any three conditions defined as stage 3 AIDS on the World Health Organisation clinical criteria list

Advanced AIDS evidenced by positive blood tests as specified above and CD4 cell count of less than 200 while on antiretroviral therapy for at least 3 months, with definite diagnosis of one or more of the following: - Kaposi's sarcoma - Pneumocystis jirovecii pneumonia (PJP) - Confirmed progressive multifocal leukoencephalopathy - Active extra-pulmonary tuberculosis - Cryptococcosis - Disseminated non-tuberculous mycobacteria infection - Confirmed diagnosis of any other condition defined as stage 4 AIDS on the World Health.
Organisation clinical criteria list
Accidental HIV as a result of: - Accidental needlestick injury acquired while rendering professional duties as a doctor/dentist/paramedic/nurse. A negative HIV test must be done on a venesection sample by an accredited laboratory, within 24 hours of the needlestick injury. - A road traffic accident - The transfusion of infected blood from a transfusion service recognised by Discovery Life - Receiving an organ transplant where the organ was previously infected with HIV - Rape, criminal assault or any other violent crime. The case must have resulted in the opening of a criminal case by the police. A negative HIV test must be done on a venesection sample by an accredited laboratory, within 24 hours of the assault and a medical examination performed directly after the assault.

9. MUSCULOSKELETAL BENEFIT

This benefit covers specified conditions of the muscle, bones, joints and nerves.

The life assured must be treated by a specialist registered as such with the Health Professions Council of South Africa. The diagnosis must be supported by the relevant investigations and reports.

DEFINITION
SEVERITY A
More than 25% full thickness body surface area burns
Total and permanent loss of use or amputation of both lower limbs at the level of the ankle or higher (proximal to the ankle)
Total and permanent loss of use or amputation of both upper limbs at the level of the wrist or higher (proximal to the wrist)
Total and permanent loss of use or amputation of one upper limb above the wrist (proximal to the wrist) and one lower limb above the ankle (proximal to the ankle)
SEVERITY B
Full thickness burns involving 15% to 25% of the body surface area
Total and permanent loss of use or amputation of a lower limb at the level of the ankle or higher (proximal to the ankle)
Total and permanent loss of use or amputation of a upper limb at the level of the wrist or higher (proximal to the wrist)

10. EYE BENEFIT

This benefit covers specified conditions of the globe, retina, optic nerve, cornea and orbit.

The life assured must be treated by an ophthalmologist registered as such with the Health Professions Council of South Africa. The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as visual acuity tests or imaging.

DEFINITION
SEVERITY A
Total blindness
SEVERITY B
Best corrected binocular Snellen rating of less than 20/125
Enucleation of eye

APPENDIX 12

11. EAR, NOSE AND THROAT BENEFIT

This benefit covers specified conditions of the ear and neural pathways that relate to hearing.

The life assured must be treated by a specialist ear, nose and throat surgeon, registered as such with the Health Professions Council of South Africa. The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

DEFINITION
SEVERITY A
Complete deafness under the age of 70 years as defined by hearing loss of 90dB or more in both ears, measured over 500Hz, 1000Hz, 2000Hz and 3000Hz frequencies, measured six months apart with a hearing aid
SEVERITY B
Greater than 75% permanent binaural hearing loss (as defined by the AMA guide) under the age of 70 years
Bilateral hearing loss under the age of 70 years of 70dB or more, measured over 500Hz, 1000Hz, 2000Hz and 3000Hz frequencies, measured six months apart with a hearing aid

SECTION 2: FRAILCARE DEFINITIONS

Meeting any of the frail care definitions qualify for a payment percentage of 100%:

GENERAL PROVISIONS

- A specialist report must confirm the disease causing the impairment.
- All definitions reflected in the Appendix must be permanent despite optimal treatment according to recognised medical protocols.
- These new life changing events must have occurred since the date of commencement of the policy.
- Activities of Daily Living (ADLs) are defined in Appendix 5.
- A 14 day survival period will apply to all of these definitions.

FRAIL CARE DEFINITIONS:

Unable to perform 3 Self-care ADLs

Impaired in performing 6 Self-care ADLs

Permanent, full time admission to a registered Frail care, hospice or nursing home facility

SECTION 3: CAPITAL DISABILITY CRITERIA

The Category A conditions qualify for a payment percentage of 100% and Category B conditions qualify for a payment percentage of 50%.

GENERAL PROVISIONS

- A specialist report must confirm the disease causing the impairment.
- All definitions reflected in the Appendix must be permanent despite optimal treatment according to recognised medical protocols.
- These new life changing events must have occurred since the date of commencement of the Income Continuation Benefit.
- A 14 day survival period will apply to all of these definitions.

CARDIOVASCULAR

DISEASE	CATEGORY A	CATEGORY B
Heart failure due to Myocardial Infarction or Valvular heart disease or Cardiomyopathy or Cardiac Arrhythmias or Congenital heart disease or Hypertensive heart disease	NYHA III and EF less than 40% or	Maximum METs achieved on effort ECG less than 5 or
	Maximum METs achieved on effort ECG less than 2 or	EF less than 45% or
	EF less than 35% or	NYHA III and confirmed with raised Pro BNP levels according to age bands (age below 50: ProBNP more than 450 pg/mL; age 50 and above: ProBNP more than 900 pg/mL)
	Awaiting cardiac transplantation or	
DISEASE	**CATEGORY A**	**CATEGORY B**
	NYHA IV and confirmed with raised Pro BNP levels according to age bands (age below 50: ProBNP more than 450 pg/mL; age 50 and above: ProBNP more than 900 pg/mL)	
Hypertension	Cardiac end organ damage as defined by an estimated LV mass Males: more than 255 g (greater than 131g/m2) Females: more than 193g (greater than 113g/m2) or Inter-ventricular septum or posterior wall thickness of more than 17mm	
Constrictive Pericarditis	Constrictive pericarditis as confirmed on transthoracic echocardiography with all of the following: Dilatation of the inferior vena cava and hepatic veins, calcifications, abnormal septal wall motion and atrial enlargement.	Constrictive pericarditis as confirmed on transthoracic echocardiography with two of the following: Dilatation of the inferior vena cava and hepatic veins, calcifications, abnormal septal wall motion and atrial enlargement.
Peripheral arterial disease	Permanent ABI less than 0.4 following vascular surgery unless surgery is medically contra-indicated or	Severe claudication defined as an inability to complete a treadmill exercise stress test due to claudication with a post-exercise ankle systolic pressure of less than 50mmHg
	Gangrene of a limb or	
	Amputation of a limb or	
	Arterial ulceration	
Peripheral venous disease		Non-healing venous ulcer for more than 3 months duration with evidence of deep venous insufficiency as confirmed by duplex ultrasonography with a reflux time that is more than 0.5sec in duration at the level of the ulcer

APPENDIX 12

RESPIRATORY SYSTEM

Disease	Category A	Category B
Chronic obstructive airways disease (chronic bronchitis emphysema) or Asthma or Restrictive or Mixed Lung Disease	FVC less than 40% of predicted* or FEV1 less than 40% of predicted* or Dco less than 40% predicted* or Constant use of prescribed oxygen due to blood oxygen saturation levels below 88%	FVC 40% – 49% of predicted* or FEV1 40% – 49% of predicted* or Dco 40% – 49% predicted*

* Pulmonary function tests should be performed by a pulmonologist, including post-bronchodilatation testing, and show less than 5% variation between three successful readings - these tests must be technically acceptable to the treating specialist as well as to Discovery Life's medical panel

NERVOUS SYSTEM

CATEGORY A	CATEGORY B
Total and permanent loss of speech	Loss of speech as confirmed by abnormal strobovideolaryngoscopy
Total and permanent loss of comprehension of language	Permanent inability to perform 2 out of 6 Activities of Daily Living or
Permanent inability to perform 4 or more out of 6 Activities of Daily Living or	Permanent inability to perform 2 Self-Care Activities of Daily Living or
Permanent inability to perform 3 or more Self-care Activities of Daily Living or	Permanent bilateral hemianopia or
Persistent vegetative state for more than 3 months	Complete blindness* defined as best corrected binocular Snellen rating of less than 20/125
Permanent loss of memory recall or orientation to person, place and time, confirmed by a persistent MMSE score of less than 21	Complete loss of sight in one eye or
Permanent non-progressive cognitive impairment with a MMSE score of less than 21	Greater than 75% binaural hearing impairment* or
Dementia or progressive neurocognitive disorders with a permanent CDR score of 2 or more	Persistent monoplegia
	Hearing loss* of 70dB in both ears measured over the frequencies (500, 1000, 2000, 3000 Hz) in 2 measurements over six months with a hearing aid
Persistent quadriplegia, hemiplegia or paraplegia	Total hearing loss or deafness in one ear*
Complete blindness* defined as best corrected binocular Snellen rating of less than 20/200	Three generalised epileptic attacks per week despite optimal therapy confirmed by long-term EEG monitoring. Non-epileptic seizures are excluded.
70% visual acuity impairment** or	50% visual acuity impairment*
Hearing loss* (deafness) of 90db or more in both ears measured over the frequencies (500, 1000, 2000 Hz) in two measurements over 6 months with a hearing aid	Permanent visual field defect of at least 25% in each eye resulting from a scotoma

All changes must be permanent

* All measurements are with appropriate aids

** AMA Guides to the Evaluation of Permanent Impairment: Latest Edition

Neuropsychometric and any other appropriate testing must be done to demonstrate permanency and pathology with regard to soft neurological signs.

Functional psychiatric disorders are excluded.

All definitions to be confirmed by corresponding findings on specialist investigation.

DIGESTIVE SYSTEM

DISEASE	CATEGORY A	CATEGORY B
Upper and lower digestive tract disease	Anatomical loss and alteration in the gastrointestinal tract with medical evidence of established gastrointestinal pathology and weight loss of more than 25% below the lower limit of normal BMI or BMI of less than 14	Anatomic loss of alteration in gastrointestinal tract with medical evidence of established gastrointestinal pathology and weight loss of more than 15% below the lower limit of normal BMI or BMI less than 16
	Faecal incontinence defined as permanent, continuous uncontrolled passage of faecal material. Colostomies and ileostomies are not covered under this definition	
DISEASE	**CATEGORY A**	**CATEGORY B**
	Permanent disturbance of bowel function resulting in a malabsorption syndrome with evidence of any two of the following: 1) Steatorrhoea or more than 20g of fat in the stool 2) Refractory anaemia of Hb less than 9g/dl 3) Refractory hypoalbuminaemia of less than 28g/l	
	Irreparable hernia with previous bowel obstruction and the permanent inability to perform 4 or more out of 6 Activities of Daily Living	
	Permanent inability to swallow due to an anatomical or neurological abnormality as confirmed by abnormal oesophageal manometry or imaging studies	
Liver and biliary disease	Chronic liver disease classified as Child Pugh Class C or	Chronic liver disease classified as Child Pugh B
	Primary sclerosing cholangitis or	
	Primary biliary cirrhosis or	
	Awaiting liver transplant on a recognised SA or international transplant list	

Functional disorders with no demonstrable gastrointestinal pathology are excluded under this benefit

RENAL DISEASE

CATEGORY A	CATEGORY B
Permanent kidney dysfunction with a GFR of less than 15ml/min/1.73m^2 according to the MDRD study equation	Permanent kidney dysfunction with a GFR of less than 30ml/min/1.73m^2 according to the MDRD study equation
Ongoing peritoneal dialysis or haemodialysis	
Total or continuous permanent urinary incontinence	

APPENDIX 12

ENDOCRINE SYSTEM

DISEASE	CATEGORY A	CATEGORY B
Diabetes mellitus	Claims as a result of type 1 or type 2 diabetes mellitus with evidence of end-organ damage are assessed under the relevant body systems	Claims as a result of type 1 or type 2 diabetes mellitus with evidence of end-organ damage are assessed under the relevant body systems
Other: including Cushing's syndrome, phaeochromocytoma, syndrome of inappropriate anti-diuretic hormone secretion (SIADH), chronic adrenal insufficiency, parathyroid associated chronic hypo- or hypercalcaemia, chronic hyperaldosteronism	Claims as a result of any endocrine disease are assessed under the relevant body systems	Claims as a result of any endocrine disease are assessed under the relevant body systems

HAEMATOLOGY

CATEGORY A	CATEGORY B
A permanent treatment resistant pancytopaenia (anaemia leukopenia, thrombocytopenia) resulting in ongoing monthly transfusions of at least 4 units of blood or blood products. This excludes cancer-related pancytopaenias	A permanent treatment resistant anaemia or leukopenia or thrombocytopenia resulting in ongoing monthly transfusions of at least 4 units of blood or blood products. This excludes cancer-related anaemias, leukopenia or thrombocytopenia.

ADVANCED AIDS

CATEGORY A
Despite optimal treatment and full adherence to prescribed antiretroviral therapy, a permanent CD4 count less than 50 and a positive PCR
OR
Despite optimal treatment and full adherence to prescribed antiretroviral therapy, a CD4 cell count of less than 200 and a positive PCR
AND
At least one of the following diseases must be diagnosed:
1) Kaposi's sarcoma
2) Pneumocystis jirovecii pneumonia (PJP)
3) Confirmed progressive multifocal leukoencephalopathy
4) Active extra-pulmonary tuberculosis
5) Cryptococcosis
6) Disseminated non-tuberculous mycobacteria infection
7) Confirmed diagnosis of any other condition as defined as stage 4 on the WHO clinical criteria list

CANCER

CATEGORY A
Stage IV Cancer
Stage III Cancer scoring 4 on the ECOG performance scale continuously for a period of over 6 months
Lymphoma with any of the following:
1)Anne Arbor stage III or IV
2)Rai stage III or IV
3)Binet C
4)Falling into the high risk category on the international prognostic index
Leukaemia scoring 4 on the ECOG performance scale continuously for a period of over 6 months
Brain Tumour WHO Grade III or IV
Stage III Multiple Myeloma

OTHER

CATEGORY A	CATEGORY B
Permanent inability to perform 4 out of 6 Activities of Daily Living or Permanent inability to perform 3 Self-care Activities of Daily Living	Permanent inability to perform 2 or more Activities of Daily Living or Permanent inability to perform 2 Self-care Activities of Daily Living

All changes must be permanent

APPENDIX 13

PROFESSIONAL QUALIFYING OCCUPATIONS

A	B	C	D	E
Actuarial analyst	Biokineticist*	Cardiologist	Dental Surgeon	Electrical Engineer - manual duties
Actuarial student	Biomedical Engineer	Chartered Accountant	Dentist	Electrical Engineer - supervisory only
Actuary	Business Owner - < 20% manual duties*	Chemical Engineer	Dermatologist	Engineer
Advocate	Business Owner - < 20% manual duties and travel*	Chemist – Pharmaceutic	Director - < 20% manual duties*	Engineering Technologist
Aeronautical Engineer	Business Owner - > 50% manual duties*	Civil Engineer	Director - > 50% manual duties*	Executive Director*
Agricultural Engineer	Business Owner - > 50% manual duties and travel*	Computer Engineer*	Director - 21%-50% manual duties*	
Anaesthetist	Business Owner - 21%-50% manual duties*		Director - admin only < 20% travel*	
Architect	Business Owner - 21%-50% manual duties and travel*		Director - no manual > 20% travel*	
Articled Accoutant	Business Owner - admin only < 20% travel*		Doctor - Medical	
Articled Lawyer	Business Owner - no manual > 20% travel*			
Attorney				
Audiologist				
Auditor				

F	G	H	I	J
Financial Director*	Gastroenterologist	Haematologist	Industrial Engineer	Judge
	General Practitioner		Insurance Broker (CFP) - < 20% travel	
	Geneticist		Insurance Broker (CFP) - > 20% travel	
	Gynaecologist		Internist	

L	M	N	0	P
Land Surveyor	Magistrate	Neurologist	Occupational Specialist	Pathologist
Lawyer	Managing Director*	Neurosurgeon	Occupational Therapist	Paediatrician
	Marine Engineer		Oncologist	Periodontist
	Mechanical Engineer		Ophthalmologist	Pharmacist
	Medical intern - first year after qualifying		Optometrist	Physician - Specialist
	Medical Physicist		Orthodontist	Physiotherapist
	Medical Practitioner		Orthopaedic Surgeon	Plastic Surgeon
	Medical Specialist			Podiatrist
	Metallurgical Engineer			Professor
	Mining Engineer - < 20 hours underground per week			Prosthesis Maker
				Prosthodontist
	Mining Engineer - > 20 hours underground per week			Psychiatrist
				Psychologist

Q	R	S	T	U & V
Quantity Surveyor	Radiographer	Speech Therapist	Town Planner	Urologist
	Radiologist	Stomatherapist	Trauma Doctor	Professional Valuer
	Radiotherapist	Student - Professional		Veterinarian - Non wildlife
	Regional planner	Surgeon		Veterinarian - Wildlife
		Surveyor		Veterinary Ophthalmologist
				Veterinary Surgeon

Clients with occupations marked with (*) only qualify as professionals if they select (and meet the requirements for) the professional qualification. The following outlines the requirements for the professional qualification:

- Medical and dental practitioners: general practitioners, dentists and other medical or dental specialists with a specialist registration with the Health Professions Council of South Africa (HPCSA).
- Lawyers, attorneys, accountants, actuaries, auditors, architects, engineers, psychologists and veterinarians, who are registered with their appropriate professional bodies.

Please note that benefits and premiums may be adjusted should you have selected 'professional' as your educational qualification, but do not meet the above criteria.

APPENDIX 14

HOW DISCOVERY LIFE ASSESSES YOUR HEALTH CLAIMS

Discovery Life considers your submitted claims, as per the date the claims are processed by Discovery Health for any medical scheme which is administered by Discovery Health, over the previous 12 month period preceding the three months before your policy anniversary. If there are less than 12 months of claims, for example at three months prior to the first anniversary, the submitted claims will be pro-rated to account for the shorter period.

The submitted claims taken into account on the Health Plan (on a medical scheme which is administered by Discovery Health) include:

- All claims submitted by you or your medical service provider, without any qualification that they were paid or were submitted to be paid.
- Chronic medicine and in-hospital benefits (excluding childbirth claims and colonoscopy claims for lives over the age of 50) including other risk benefits paid by your medical scheme attributable to the principal life and spouse insured under the Life Plan. In the case of the Priority Plan, the claims taken into account include the amount of the hospital deductibles payable by the member.
- Medical expenses (on all Health Plans except for the Core Plan) accumulating towards and above the Above Threshold Benefit if your Health Plan includes the Above Threshold Benefit, or what would have accumulated towards and above the Above Threshold Benefit if your Health Plan does not include the Above Threshold Benefit. These medical expenses will be taken into account at the rates at which they accumulate (or would have accumulated) towards and above the Above Threshold Benefit. These medical expenses will include those from both the principal member and spouse member (if applicable) on the Health Plan. Medical expenses are included whether they are paid from the MSA, the health wallet or out of pocket. The following medical expenses will be excluded from this calculation:
  - optometry claims (however, opthalmology claims will still be included in the calculation)
  - dentistry claims
  - claims for childbirth
  - claims related to registered counsellors, social workers and dietitians
  - hearing aid acoustician claims
  - podiatry claims
  - speech therapy/audiology claims
  - Vitality Fitness Assessments
  - blood glucose tests
  - blood pressure tests
  - cholesterol tests
  - Body Mass Index assessments
  - mammograms
  - pap smears
  - prostate-specific antigen tests
  - HIV tests
  - flu vaccines
  - Lipogram
  - HBA1C
  - Mole mapping
  - Bone density
  - One general or routine check-up consultation with a GP annually per life assured
  - Colonoscopy claims for lives older than age 50, where the colonoscopy was for screening purposes
  - Shingles and pneumococcal vaccinations.
  - COVID-19 / SARS-Cov-2 screening test and vaccinations.

Discovery Life may from time to time review the claims taken into account on the Health Plan and exclude certain claims where it is to your benefit.

The above health claims definition is used in your Personal Health Matrix, Personal PayBack Matrix, Cover Integrator Adjustment Matrix and Financial Integrator Adjustment Matrix, as applicable to your policy.

Discovery Life may alter these matrices from time to time. Your personal matrices will depend on your Discovery Health Medical Plan where for schemes administered by Discovery Health the equivalent Discovery Health Medical Scheme Plans is assumed (as shown on your Policy Schedule) as well as whether your Life Plan has one or multiple lives assured. A change in your Health Plan or the number of lives assured on your Life Plan may result in a different matrix being applied to your Life Plan at the following policy anniversary.

ACCIDENTAL DISABILITY BENEFIT

CONDITION PAYOUT AT 100%
Loss of one foot or one hand: Total and irreversible loss or loss of use of a foot or a hand, where a foot is defined as the extremity of the leg above the ankle and a hand at the level of the wrist.
Blindness: Total, permanent and irreversible loss of all sight in one eye.
Deafness: Total, permanent and irreversible loss of all hearing in one ear.
Loss of speech: Total, permanent loss of the ability to speak. (Functional disorders are excluded)
ADL impairment The total and permanent inability to perform four categories of ADLs as defined in appendix 5.
Major burns: Full thickness burns covering at least 15% of body surface area that involve damage or destruction of the skin to its full depth through to the underlying tissue covering at least the specified body surface area.
Major head trauma: A traumatic injury to the brain, caused by an external physical force, resulting in significant and permanent impairment of cognitive abilities and/or physical functioning. The diagnosis must be confirmed by a neurologist or neuropsychologist. Resulting in a severe permanent deficit, assessed as moderately impaired in all four domains of the advanced activity ADL category or severely impaired in two domains of this the advanced activity ADL category defined in Appendix 5, or total hemiplegia.
Spinal debility: Paraplegia or Quadriplegia. Total and irreversible loss of muscle function and sensation of two limbs resulting from injury to spinal cord. The disability must be permanent and supported by appropriate neurological evidence.

NOTES

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