

Notes

- This chapter should be read in conjunction with the contract documents. If there is any conflict or inconsistency between the contents of the contract documents and this chapter, the provisions of the contract documents will prevail.
- Take note that information contained in this technical guide is with regards to the latest versions of the applicable products/benefits. Refer to the contract documents for information about the existing products/benefits of a life insured.
- Any reference to "you" or "your" refers to the life insured. Any reference to "we", "us", "our" or "ours" refers to Sanlam Life Insurance Limited (Sanlam Life). Any reference to "plan overview" refers to the plan overview of the contract documents.

Credit Life cover

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Why Credit Life cover?

Credit life cover is normally required by credit providers as security when a loan is taken out. Current legislation requires that any credit life product must include at least the following cover:

- Death cover, for the outstanding balance of the loan
- Permanent disability cover, for the outstanding balance of the loan
- Temporary disability cover, for the loan instalments for a period of 12 months, or alternatively to the end of the loan term, or until recovery of the life insured
- Retrenchment cover, for the loan instalments for a period of 12 months, or alternatively to the end of the loan term, or until new employment has been found.

Our Credit life benefit combined with the mandatory Permanent Disability, Temporary Disability and Retrenchment rider benefits provide cover for death, permanent and temporary disability, and retrenchment.

The Credit Life benefit will not be integrated with the loan itself in terms of outstanding loan amounts and instalments, but will instead provide cover for certain defined cover amounts and claim percentages that should be sufficient to comply with legal obligations.

Availability for individual and business insurance

The Credit life benefit is available for individual insurance under all product options, and for business insurance under the Classic and Premier product options. Refer to the *Business insurance* chapter for more information.

Credit Life (DSC)

This benefit is available under the Express, Classic and Premier product options of our Topcover products and under the Premier product option of our Term cover products.

Benefit description	<p>A benefit may be claimed at the death of the life insured. If we admit a claim, we will pay the cover amount as a lump sum. This benefit and all rider benefits linked to this benefit as well as all other benefits on the life of the insured will then end.</p> <p>The conditions for admittance of a claim are set out in the <i>General information</i> chapter.</p>
Rider benefits	<p>Compulsory rider benefits</p> <ul style="list-style-type: none"> • Permanent Disability • Temporary Disability • Retrenchment (not available to lives insured who are self-employed). <p>An additional payment will be charged for a rider benefit.</p>
Additional features	<p>Additional features are features that are automatically included for a benefit. These features are free of charge. The following additional features apply:</p> <ul style="list-style-type: none"> • Terminal illness • Free cover <p>Terminal illness is discussed below for this benefit. Refer to the chapter <i>Payments, payment patterns, guarantees and cover</i> for more information about Free cover.</p>
Type of benefit	<p>Standalone</p> <p>If a Credit Life benefit with whole life cover is taken in combination with a Credit Life benefit with term cover, the two benefits must be taken on separate Topcover and Term cover plans.</p>
When will cover for this benefit end?	<p>Topcover products</p> <p>Cover is provided for whole of life. However, the cover will end earlier:</p> <ul style="list-style-type: none"> • if the plan ends for any reason before the cover end date, or • if we admit a claim. <p>Term cover products</p> <p>Cover will end</p> <ul style="list-style-type: none"> • at midnight before the cover end date set out in the plan overview, or • if the plan ends for any reason before the cover end date, or • if we admit a claim.
Cover limits per life insured	<p>The cover amount should match the total loan amount, subject to the cover limits below and financial underwriting.</p> <p>Minimum: R150 000</p> <p>Maximum:</p> <ul style="list-style-type: none"> • Express product option: R5 000 000 • Classic and Premier product options: R16 000 000
Tapering	<p>There will be no automatic decreasing of the cover amount.</p>

Age limits	<p>Benefit start age</p> <p>Minimum: 19 next birthday</p> <p>Maximum: Earliest of the following:</p> <ul style="list-style-type: none"> • 50 next birthday • 70 next birthday minus the term of the loan. (Note that the term of the loan must be at least 6 months for the benefit to be available.) <p>Benefit cease age</p> <p>At death.</p> <p>Under Term cover products the term of a benefit is limited to a maximum of the selected term of the plan.</p>
Conditions for availability of benefit	<p>The benefit is only available if a new loan is taken out with the application, where</p> <ul style="list-style-type: none"> • the loan must be taken from a registered credit provider, and • the term of the loan must be at least 6 months, and • the annual loan instalments must be less than 15% of the outstanding balance, and • the life insured must have been in permanent employment for at least 2 years before the quotation date, and • the life insured must not have been aware of, or have received notice of possible retrenchments in his/her company, during the last 3 months before the quotation date. <p>The following lives are not eligible for the Credit Life benefit:</p> <ul style="list-style-type: none"> • Lives in rate groups 1 or 2 • Housewives/house husbands, scholars, students, pensioners or unemployed persons. • Lives who practise sport as an occupation, or work as a pilot. <p>Other lives may be eligible, subject to age limits and underwriting.</p> <p>Under the Express product option only the planholder and his/her spouse are eligible.</p>
Combination with other benefits/rider benefits	<p>In addition to the rider benefits in this chapter, only Cashback benefits are allowed in combination with Credit Life benefits on the same plan.</p>
Cessions and beneficiaries	<ul style="list-style-type: none"> • Collateral cessions: It is required that a plan with the Credit Life benefit be ceded as security to the financial institution that provides the loan. • Outright cessions: Not allowed. • Beneficiaries: Up to 10 beneficiaries are allowed for a Credit Life benefit on the planholder's life, but the appointment of beneficiaries are not compulsory. In the event of a death claim, the rights of the collateral cessionary will take precedence over that of a beneficiary, i.e. only after the loan has been settled will any remaining amount be paid to the beneficiaries. <p>Refer to the <i>General information</i> chapter for more information.</p>
Payment pattern and cover growth	<p>Only a Level payment pattern with no cover growth is allowed.</p>

Guarantee period**Express product option**

5 years

Classic and Premier product options

As selected for the plan.

Exclusions

We will not admit a claim if death is caused by suicide, also during insanity, committed before or within 24 months from the cover start date of the benefit or the date the plan has been reinstated after an earlier lapse. If the cover amount is increased, this waiting period will also apply to the increase in the cover amount from the effective date of the increase. The claimant must prove that the life insured did not commit suicide.

Other general exclusions, if applicable, are set out in the applicable overview chapter in this technical guide. Specific exclusions, if any, are set out in the plan overview, in the special provisions for the life insured concerned.

What if the life insured is diagnosed with a terminal illness?

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

We will also consider a claim for a terminal illness payment if the plan has lapsed and the life insured qualified for a claim at the time of the lapse.

After we have made this payment, this benefit and all rider benefits linked to this benefit as well as all other benefits on the life of the insured will end.

Permanent Disability

Rider benefit	This is a compulsory rider benefit which must be chosen with the Credit Life benefit, and cannot be purchased on its own. An additional payment will be charged for this rider benefit that will fall away if this rider benefit ends for any reason.
Rider benefit description	<p>This rider benefit provides cover for permanent occupational disability. In addition to occupational disability, it also provides cover for certain defined recognised and personal disability events. If we admit a claim, we will pay the cover amount of the benefit for which this rider benefit has been chosen. That benefit and all rider benefits linked to that benefit will then end. The amount will be paid as a lump sum.</p> <p>A benefit may be claimed if the life insured becomes disabled, and the disability amounts to one of the following:</p> <ul style="list-style-type: none"> total, permanent and irrecoverable loss of <ul style="list-style-type: none"> the vision in two eyes, or the use of two hands, or the use of two feet, or the use of one hand and one foot disability to the extent that the life insured <ul style="list-style-type: none"> is totally, permanently and continuously unable to take care of his or her body, or take care of his or her personal interests, or is totally, permanently and continuously unable to fulfil the occupational demands of the occupation he or she practised for income immediately before the disability, or will be, if he or she is a full-time student when he or she becomes disabled, totally, permanently and continuously unable to fulfil the occupational demands of an occupation we may reasonably expect him or her to practise, taking into account his or her education, training, and experience.
Additional features	<p>Additional features are features that are automatically included for a benefit. These features are free of charge. The following additional feature applies:</p> <ul style="list-style-type: none"> Free cover <p>Refer to the chapter <i>Payments, payment patterns, guarantees and cover</i> for more information about Free cover.</p>
When will cover for this rider benefit end?	<p>Cover will end</p> <ul style="list-style-type: none"> at midnight before the cover end date set out in the plan overview, or if the plan ends for any reason before the cover end date, or if we admit a claim, or if the life insured dies.
Conditions for availability of rider benefit	<p>The same conditions apply as for the Credit Life benefit for which this rider benefit is chosen.</p> <p>Note that it is compulsory to choose the Permanent Disability rider benefit with the Credit Life benefit.</p>
Guarantee period	<p>Express product option</p> <p>5 years</p> <p>Classic and Premier product options</p> <p>As selected for the plan.</p>

Admittance of a claim

Besides the conditions for admittance of a claim set out in the *General information* chapter, we will admit a claim only if

- the disability is caused directly and solely by a bodily injury or by an illness;
- the claim event occurs before the earlier of retirement and the plan anniversary before or on the life insured's 70th birthday;
- the life insured survived, without life support, more than 14 days from or after the date the contractual claim event definition has been met.

If the life insured retires before the plan anniversary before or on his or her 70th birthday, it is the planholder's responsibility to request us in writing to cancel this rider benefit.

The planholder will be responsible for the cost of medical proof when a claim is submitted.

If the life insured travels or lives outside South Africa when the claim event occurs, we will require the medical proof issued in a foreign country to be in English to consider a claim.

Exclusions

We will not admit a claim if the disability of the life insured can be substantially removed or improved by surgery or other medical treatment, which we can reasonably expect him or her to undergo, taking into account the risks involved and the chances of success of such surgery or treatment.

If the life insured at any time practises sport as an occupation, or works as a pilot, and becomes continuously unable to fulfil the occupational demands of that occupation, we will not admit a claim as a result of such inability.

Other general exclusions are set out in the applicable overview chapter in this technical guide. Specific exclusions, if any, are set out in the plan overview, in the special provisions for the life insured concerned under the benefit for which this rider benefit has been chosen.

Explanations

Retirement

We regard the life insured as retired if he or she is 55 years or older, and does not earn an income over and above a passive income. Passive income refers to income that can continue without the life insured's intervention, for example pension or rental income.

Temporary Disability

Rider benefit	This is a compulsory rider benefit which must be chosen with the Credit Life benefit, and cannot be purchased on its own. An additional payment will be charged for this rider benefit that will fall away if this rider benefit ends for any reason.
Rider benefit description	<p>This rider benefit provides cover for temporary occupational disability. If we admit a claim, we will pay 3.75% of the cover amount of the benefit for which this rider benefit has been chosen. The amount will be paid as a lump sum.</p> <p>A benefit may be claimed if the life insured becomes disabled to the extent that he or she is continuously unable to fulfil the occupational demands of the regular occupation he or she practised for income immediately before the disability.</p> <p>A benefit may be claimed after every three months of continuous disability as described above, with a maximum of four benefit payments for a particular cause of the claim event. The three-month periods may not overlap and the disability must be continuous within each period of three months. Further claims are possible if the cause of the claim event is not related to the cause of a previously admitted claim event.</p> <p>(Note that a claim under this rider benefit will not reduce the cover amount of the benefit for which this rider benefit has been chosen, and also not the cover amounts of any other rider benefits chosen for that benefit.)</p>
Additional features	<p>Additional features are features that are automatically included for a benefit. These features are free of charge. The following additional feature applies:</p> <ul style="list-style-type: none"> • Free cover <p>Refer to the chapter <i>Payments, payment patterns, guarantees and cover</i> for more information about Free cover.</p>
When will cover for this rider benefit end?	<p>Cover will end</p> <ul style="list-style-type: none"> • at midnight before the cover end date set out in the plan overview, or • if the plan ends for any reason before the cover end date, or • if the life insured dies.
Conditions for availability of rider benefit	<p>The same conditions apply as for the Credit Life benefit for which this rider benefit is chosen.</p> <p>Note that it is compulsory to choose the Temporary Disability rider benefit with the Credit Life benefit.</p>
Guarantee period	<p>Express product option</p> <p>5 years</p> <p>Classic and Premier product options</p> <p>As selected for the plan.</p>

Admittance of a claim

Besides the conditions for admittance of a claim set out in the *General information* chapter, we will admit a claim only if

- the disability is caused directly and solely by a bodily injury or by an illness;
- the cause of the claim event is not related to the cause of a previously admitted claim event;
- the disability has lasted continuously for three months, starting on the date the life insured becomes disabled, as described under “Rider benefit description”, or the day after the previous three-month period has expired;
- the claim event occurs before the earlier of retirement and the plan anniversary before or on the life insured’s 70th birthday.

If the life insured retires before the plan anniversary before or on his or her 70th birthday, it is the planholder’s responsibility to request us in writing to cancel this rider benefit.

The planholder will be responsible for the cost of medical proof when a claim is submitted.

If the life insured travels or lives outside South Africa when the claim event occurs, we will require the medical proof issued in a foreign country to be in English to consider a claim.

Exclusions

If the life insured at any time practises sport as an occupation, or works as a pilot, and becomes continuously unable to fulfil the occupational demands of that occupation, we will not admit a claim for disability as a result of such inability.

We will also not admit a claim if it directly or indirectly resulted from

- normal pregnancy, or
- normal childbirth.

Other general exclusions are set out in the applicable overview chapter in this technical guide. Specific exclusions, if any, are set out in the plan overview, in the special provisions for the life insured concerned under the benefit for which this rider benefit has been chosen.

Explanations

Cause

A health event such as an accident, injury, illness or operation, resulting in the claim event as described for this rider benefit.

Retirement

We regard the life insured as retired if he or she is 55 years or older, and does not earn an income over and above a passive income. Passive income refers to income that can continue without the life insured’s intervention, for example pension or rental income.

Retrenchment

Rider benefit	This is a compulsory rider benefit which must be chosen with the Credit Life benefit, and cannot be purchased on its own. An additional payment will be charged for this rider benefit that will fall away if this rider benefit ends for any reason.
Rider benefit description	<p>This rider benefit provides cover for up to two retrenchments. If we admit a claim, we will pay 3.75% of the cover amount of the benefit for which this rider benefit has been chosen. The amount will be paid as a lump sum.</p> <p>A benefit may be claimed if the life insured's employment is terminated by the employer as a result of or in anticipation of business conditions, or as a result of any other business decision of the employer resulting in a staff reduction. The date of retrenchment is the date from which the life insured is no longer employed by the employer.</p> <p>A benefit may be claimed on the date of retrenchment and after every three months of continuous unemployment thereafter, with a maximum of four benefit payments for one occurrence of retrenchment. After the life insured has been employed again for at least two years one further benefit with a maximum of four benefit payments as described may be claimed. If the life insured becomes employed again before we have made the maximum of four benefit payments for this second occurrence of retrenchment, it is the planholder's responsibility to request us in writing to cancel this rider benefit.</p> <p>(Note that a claim under this rider benefit will not reduce the cover amount of the benefit for which this rider benefit has been chosen, and also not the cover amounts of any other rider benefits chosen for that benefit.)</p>
Additional features	<p>Additional features are features that are automatically included for a benefit. These features are free of charge. The following additional feature applies:</p> <ul style="list-style-type: none"> • Free cover <p>Refer to the chapter <i>Payments, payment patterns, guarantees and cover</i> for more information about Free cover.</p>
When will cover for this rider benefit end?	<p>Cover will end</p> <ul style="list-style-type: none"> • at midnight before the cover end date set out in the plan overview, or • if the plan ends for any reason before the cover end date, or • if we admit a second claim, or • if the life insured dies.
Conditions for availability of rider benefit	<p>The same conditions apply as for the main benefit for which this rider benefit is chosen. In addition to this, this rider benefit is not available to lives insured who are self-employed. (Note that this rider benefit can also not be added later for lives insured who were self-employed when applying for the Credit Life benefit but are no longer self-employed.)</p>
Guarantee period	<p>Express product option</p> <p>5 years</p> <p>Classic and Premier product options</p> <p>As selected for the plan.</p>

Admittance of a claim

Besides the conditions for admittance of a claim set out in the *General information* chapter, we will admit a claim only if

- we have not already admitted claims for two occurrences of retrenchment;
- the life insured was not self-employed when the claim event occurred;
- the life insured can provide proof of his or her retrenchment;
- the life insured received notification of his or her retrenchment after the waiting period to claim for retrenchment has expired;
- the claim event occurs before the earlier of retirement and the plan anniversary before or on the life insured's 70th birthday.

If the life insured retires or becomes self-employed before the plan anniversary before or on his or her 70th birthday, it is the planholder's responsibility to request us in writing to cancel this rider benefit.

Waiting period to claim for retrenchment

The waiting period to claim for retrenchment will apply for 3 months from the original cover start date of the rider benefit. This waiting period will also apply from the date the plan has been reinstated after an earlier lapse. If the cover amount is increased, the waiting period will also apply to the increase in the cover amount from the effective date.

Exclusions

We will not admit a claim if

- the life insured was aware of retrenchment or received notice of retrenchment during the three months before the date on which the cover for this rider benefit started;
- the retrenchment is voluntary;
- the life insured volunteered to forfeit his or her salary, wages or other employment income;
- the life insured resigned or retired;
- the life insured was lawfully dismissed, including dismissal as a result of wilful misconduct that is a violation of any established, definite rule of conduct, a forbidden act, or wilful dereliction of duty;
- the life insured participated in an unprotected strike.

Explanations

Self-employment

Self-employment is the state of working for oneself rather than an employer. Self-employed means the life insured's primary income is earned from being a sole proprietor, or partner in a firm or association, or a member of a close corporation, or a director of a company, or a trustee of a trust, or an employee in a family-owned business.

Retirement

We regard the life insured as retired if he or she is 55 years or older, and does not earn an income over and above a passive income. Passive income refers to income that can continue without the life insured's intervention, for example pension or rental income.