

## 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 "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.

# Cashback

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## Why Cashback?

Cashback is an optional benefit that can be added per life insured, subject to new business requirements at the time. With the Cashback benefit we reward clients for their loyalty by providing the planholder with the opportunity to receive a benefit payment even if there is no claim on the plan.

The Cashback benefit can in fact continue after some claims. This can happen, for example:

- if a partial claim was admitted for a benefit, or
- if a claim was admitted under a benefit that allows more than one claim (like our standalone dread disease/severe illness benefits), or
- if a claim was admitted under a benefit and that claim did not affect other benefits of the life insured.

For a plan without cover growth and for which the cover amounts for all the benefits have remained the same for 15 years, the Cashback amount at the end of year 15 will be equal to all the payments that have been made for the lives insured with the Cashback benefit. This will include all the plan charges and the payments for the Cashback benefit, but exclude any collection payments for stop order payment methods. In addition, if the client does not want the Cashback amount at the end of year 15, he or she can benefit even more by getting a larger Cashback amount later. The Cashback amount will then continue to increase after year 15, while the payment for the Cashback benefit will fall away.

If cover is increased, either as a result of contractual cover growth or a cover increase requested by the planholder, a new cover layer is formed for each of these cover increases. The payments for each layer can be returned as a Cashback amount when that layer reaches a duration of at least 15 years.

## Availability of benefit

The Cashback benefit is available for individual and business insurance.

## Cashback (RS) (for Topcover products)

The Cashback benefit is an optional benefit that is available under the Express and Premier product options of our Topcover and Income protector products. Refer to "Cashback (RS) (for Income protector products)" for information about this benefit under our Income protector products.

### Benefit description

We will pay the payments made for a life insured as a Cashback amount for specific events. For the purpose of calculating the Cashback amount, the cover amount of each benefit on the life of an insured is split into layers. The first layer is formed by the cover amount of a benefit on the later of the cover start date of that benefit and the cover start date of the Cashback benefit. Whenever the cover amount of a benefit is increased thereafter, whether due to benefit growth or a requested increase in the cover amount, a new layer is formed by the increased part of the cover amount. However, the Cashback benefit will **not** apply to a new layer with a remaining duration of less than 15 years. It will also **not** apply to a new layer that is formed from the plan anniversary before or on the life insured's 60<sup>th</sup> birthday.

A separate Cashback amount is calculated for each layer. The Cashback amount for a layer is calculated as the total payments made for that layer. The payments for the Cashback benefit for that layer as well as any compulsory payment growth linked to that layer are included in the total payments for that layer.

If we give a discount on the payments for some benefits because of a life insured's membership of Reality, we will use the discounted payments in the calculation of the Cashback amount.

The total Cashback amount to be paid for a specific event is the sum of the Cashback amounts for all the layers with a duration of 15 years and longer.

### Type of benefit

Additional benefit

### When will the Cashback benefit end?

The Cashback benefit will end

- 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.

### Age limits

#### Benefit start age

Minimum: 2 next birthday

Maximum:

- At least 15 years before the benefit cease age of the benefit that ceases last, if the life insured has no whole life benefits
- 60 next birthday, if the life insured has at least one whole life benefit.

#### Benefit cease age

At the benefit cease age of the benefit that ceases last, or at death.

### Qualifying lives

All lives qualify, subject to age limits. The Cashback benefit is selected per life insured and does not automatically apply to all the lives insured on a plan.

Cashback is available for individual and business insurance.

### Payment pattern

As selected for the plan, but NOT available under plans with the following payment patterns:

- Stepped
- Yearly-rated.

## What will be paid?

We will pay the payments made for a life insured as a Cashback amount for specific events. For the purpose of calculating the Cashback amount, the cover amount of each benefit on the life of an insured is split into layers. The first layer is formed by the cover amount of a benefit on the later of the cover start date of that benefit and the cover start date of the Cashback benefit. Whenever the cover amount of a benefit is increased thereafter, whether due to benefit growth or a requested increase in the cover amount, a new layer is formed by the increased part of the cover amount. However, the Cashback benefit will **not** apply to a new layer with a remaining duration of less than 15 years. It will also **not** apply to a new layer that is formed from the plan anniversary before or on the life insured's 60<sup>th</sup> birthday.

A separate Cashback amount is calculated for each layer. The Cashback amount for a layer is calculated as the total payments made for that layer. The payments for the Cashback benefit for that layer as well as any compulsory payment growth linked to that layer are included in the total payments for that layer.

If we give a discount on the payments for some benefits because of a life insured's membership of Reality, we will use the discounted payments in the calculation of the Cashback amount.

The total Cashback amount to be paid for a specific event is the sum of the Cashback amounts for all the layers with a duration of 15 years and longer.

If a plan charge is applicable to the plan, we will pay all the plan charges from the cover start date of the Cashback benefit up to the first event for which we will pay a Cashback amount. For every event thereafter, we will pay all the plan charges from the previous event up to the current event.

The payment charge, if applicable, as well as any payment for the plan that is waived due to a claim will not be used in the calculation of the Cashback amount.

The Cashback amount is illustrated in the quotation that forms part of the contract documents for the plan.

When we allow a benefit that previously existed on a plan and was linked to the Cashback benefit to be converted without an interruption in cover to another benefit on the same plan that is also linked to the Cashback benefit, we may give a credit for the payments made on the benefit before the conversion. For the type of conversions where medical underwriting is required, the cover amount of the benefit after the conversion must be equal to or greater than the cover amount of the benefit before the conversion to qualify for a possible credit. The credit will be added as a starting balance to the first layer of the benefit after the conversion. The first layer of the benefit after the conversion with a minimum duration of 15 years will start on its cover start date as described above.

## Payment for Cashback benefit

A separate payment is calculated for each layer. When a layer reaches a duration of 15 years, **the payment for that layer will fall away**. The total payment for the Cashback benefit for a life insured is the sum of the payments for all the layers linked to that life insured.

If payment growth is applicable to the plan, the payment for the Cashback benefit for all the existing layers with a duration of less than 15 years will be increased.

## When will the Cashback amount be paid?

We will pay the Cashback amount for the events described below.

### Cashback amount paid on request

No Cashback amount is available on request within 15 years from the cover start date of the Cashback benefit.

If the planholder requests us to pay the Cashback amount for a life insured, we will pay the Cashback amounts for all the layers with a duration of 15 years and longer for all the benefits on the life of that insured linked to the Cashback benefit. The Cashback amounts for all the layers with a duration of less than 15 years will continue to increase for a possible payment later.

The Cashback benefit may be added again on request to the layers that have been paid out, subject to new business requirements at the time.

### Benefit ends due to a claim

If a benefit on the plan ends due to a claim that has been admitted, we will pay the Cashback amounts for all the layers with a duration of 15 years and longer for that benefit. The Cashback amounts for all the layers with a duration of less than 15 years will be forfeited.

### Benefit ends due to the death of a life insured

If a life insured dies, we will pay the Cashback amounts for all the layers with a duration of 15 years and longer linked to that life insured. The Cashback amounts for all the layers with a duration of less than 15 years will be forfeited.

**Benefit reaches its cover end date**

If a benefit on the plan reaches its cover end date, we will pay the Cashback amounts for all the layers for that benefit.

**Plan lapses**

If the plan lapses, we will pay the Cashback amounts for all the layers with a duration of 15 years and longer for all the benefits on the life of an insured linked to the Cashback benefit. The Cashback amounts for all the layers with a duration of less than 15 years will be forfeited.

**Life insured removed from plan on request**

If the planholder requests us to remove a life insured from the plan, we will pay the Cashback amounts for all the layers with a duration of 15 years and longer for all the benefits on the life of that insured linked to the Cashback benefit. The Cashback amounts for all the layers with a duration of less than 15 years will be forfeited.

**Cashback benefit removed from plan on request**

If the planholder requests us to remove the Cashback benefit from the plan for a life insured, we will pay the Cashback amounts for all the layers with a duration of 15 years and longer for all the benefits on the life of that insured linked to the Cashback benefit. The Cashback amounts for all the layers with a duration of less than 15 years will be forfeited.

**Effect of reduction in cover amount of a benefit**

If the cover amount of a benefit is reduced, the potential Cashback amount for that benefit will be less than before the reduction. For the purpose of calculating the Cashback amount, each layer for that benefit will be proportionally reduced. In addition, payments that have already been made for a layer with a duration of less than 15 years will be proportionally reduced. Payments that have already been made for a layer with a duration of 15 years and longer will not be reduced.

## Cashback (RS) (for Income protector products)

The Cashback benefit is an optional benefit that is available under the Express and Premier product options of our Topcover and Income protector products. Refer to "Cashback (RS) (for Topcover products)" for information about this benefit under our Topcover products.

### Benefit description

We will pay the payments made for all the benefits linked to the Cashback benefit as a Cashback amount for specific events. For the purpose of calculating the Cashback amount, the cover amount of each benefit is split into layers. The first layer is formed by the cover amount of a benefit on the later of the cover start date of that benefit and the cover start date of the Cashback benefit. Whenever the cover amount of a benefit is increased thereafter, whether due to benefit growth or a requested increase in the cover amount, a new layer is formed by the increased part of the cover amount. However, the Cashback benefit will **not** apply to a new layer with a remaining duration of less than 15 years. It will also **not** apply to a new layer that is formed from the plan anniversary before or on the life insured's 60th birthday.

A separate Cashback amount is calculated for each layer. The Cashback amount for a layer is calculated as the total payments made for that layer. The payments for the Cashback benefit for that layer as well as any compulsory payment growth linked to that layer are included in the total payments for that layer.

If we give a discount on the payments for some benefits because of the life insured's membership of Reality, we will use the discounted payments in the calculation of the Cashback amount.

The total Cashback amount to be paid for a specific event is the sum of the Cashback amounts for all the layers with a duration of 15 years and longer.

### Type of benefit

Additional benefit

### When will the Cashback benefit end?

The Cashback benefit will end

- 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.

### Age limits

#### Benefit start age

- Payment patterns other than fixed compulsory growth:
  - 18 next birthday otherwise
- Fixed compulsory growth: 30 next birthday
- Maximum:
  - At least 15 years before the benefit cease age of the benefit that ceases last, if the life insured has no whole life benefits
  - 60 next birthday, if the life insured has at least one whole life benefit.

#### Benefit cease age

At the benefit cease age of the benefit that ceases last, or at death.

### Qualifying lives

All lives qualify, subject to age limits.

Cashback is available for individual and business insurance.

### Payment pattern

As selected for the plan.

## What will be paid?

We will pay the payments made for all the benefits linked to the Cashback benefit as a Cashback amount for specific events. For the purpose of calculating the Cashback amount, the cover amount of each benefit is split into layers. The first layer is formed by the cover amount of a benefit on the later of the cover start date of that benefit and the cover start date of the Cashback benefit. Whenever the cover amount of a benefit is increased thereafter, whether due to benefit growth or a requested increase in the cover amount, a new layer is formed by the increased part of the cover amount. However, the Cashback benefit will **not** apply to a new layer with a remaining duration of less than 15 years. It will also **not** apply to a new layer that is formed from the plan anniversary before or on the life insured's 60th birthday.

A separate Cashback amount is calculated for each layer. The Cashback amount for a layer is calculated as the total payments made for that layer. The payments for the Cashback benefit for that layer as well as any compulsory payment growth linked to that layer are included in the total payments for that layer.

If we give a discount on the payments for some benefits because of the life insured's membership of Reality, we will use the discounted payments in the calculation of the Cashback amount.

The total Cashback amount to be paid for a specific event is the sum of the Cashback amounts for all the layers with a duration of 15 years and longer.

The payment charge, if applicable, as well as any payment for the plan that is waived due to a claim will not be used in the calculation of the Cashback amount.

The Cashback amount is illustrated in the quotation that forms part of the contract documents for the plan.

## Payment for Cashback benefit

A separate payment is calculated for each layer. When a layer reaches a duration of 15 years, **the payment for that layer will fall away**. The total payment for the Cashback benefit is the sum of the payments for all the layers.

If payment growth is applicable to the plan, the payment for the Cashback benefit for all the existing layers with a duration of less than 15 years will be increased.

## When will the Cashback amount be paid?

We will pay the Cashback amount for the events described below.

### Cashback amount paid on request

No Cashback amount is available on request within 15 years from the cover start date of the Cashback benefit.

If the planholder requests us to pay the Cashback amount, we will pay the Cashback amounts for all the layers with a duration of 15 years and longer for all the benefits linked to the Cashback benefit. The Cashback amounts for all the layers with a duration of less than 15 years will continue to increase for a possible payment later.

The Cashback benefit may be added again on request to the layers that have been paid out, subject to new business requirements at the time.

### Benefit ends due to a claim

If a benefit on the plan ends due to a claim that has been admitted, we will pay the Cashback amounts for all the layers with a duration of 15 years and longer for that benefit. The Cashback amounts for all the layers with a duration of less than 15 years will be forfeited.

### Benefit ends due to the death of the life insured

If the life insured dies, we will pay the Cashback amounts for all the layers with a duration of 15 years and longer. The Cashback amounts for all the layers with a duration of less than 15 years will be forfeited.

### Benefit reaches its cover end date

If a benefit on the plan reaches its cover end date, we will pay the Cashback amounts for all the layers for that benefit.

### Plan lapses

If the plan lapses, we will pay the Cashback amounts for all the layers with a duration of 15 years and longer for all the benefits linked to the Cashback benefit. The Cashback amounts for all the layers with a duration of less than 15 years will be forfeited.

### Cashback benefit removed from plan on request

If the planholder requests us to remove the Cashback benefit from the plan, we will pay the Cashback amounts for all the layers with a duration of 15 years and longer for all the benefits linked to the Cashback benefit. The Cashback amounts for all the layers with a duration of less than 15 years will be forfeited.



## **Effect of reduction in cover amount of a benefit**

If the cover amount of a benefit is reduced, the potential Cashback amount for that benefit will be less than before the reduction. For the purpose of calculating the Cashback amount, each layer for that benefit will be proportionally reduced. In addition, payments that have already been made for a layer with a duration of less than 15 years will be proportionally reduced. Payments that have already been made for a layer with a duration of 15 years and longer will not be reduced.