

2011-07-27 23:51:02
VAT Reg. No.

Gross Annuity Quote No. 1

A Metropolitan Life Quotation

Quotation date: 2011-07-28

Data date: 2011-05-13 00:00:00

Commencement date: 2011-03-01 00:00:00

Annuity details

Frequency of payment: monthly
Date of first annuity increase: 2011-03-31
Guarantee term in months: 2012-03-01

Post Retirement Interest Rate:	3.50%	4.00%	4.50%
Purchase Sum	R 193.02	R 193.02	R 193.02
Initial gross Annuity	R -62.76	R -62.76	R -62.75
Less Tax	R 0.00	R 0.00	R 0.00
Initial Net Annuity	R -62.76	R -62.76	R -62.75

Policy details

Policy Term: Whole Life
Tax Status: Taxable Individual
Class: With Profit
Type: Compulsory

Commission details

Commission Sacrificed: 1.50

Insured Life Details

Name: Client Client
Date of Birth: 1936-07-01
Age Next Birthday: 75
Sex: male

Application Form(s)

Annuity: 15049 (V05'07)

Administration

Metropolitan Employee Benefits will be responsible for the administration of the policy.

The Golden Growth With-Profit Annuity product

This product is underwritten by Metropolitan Employee Benefits.

In return for the purchase amount, the Golden Growth With Profit Annuity provides a gross starting income as stated above. This gross starting income is the minimum guaranteed income which the client will receive before tax has been deducted.

Under the Golden Growth With Profit Annuity, annual pension increases will amount to:

$$\{(1 + b - c) / (1 + d)\} - 1 \text{ (subject to a minimum of zero)}$$

where:

b is the rate of bonus, net of investment management fees, declared annually by Metropolitan on the Golden Growth With Profit Annuity portfolio.

c is a risk charge dependent on the valuation interest rate and mortality experience, and

d is the chosen discount rate used in the calculations.

These increases are fully vesting, so the new gross income is guaranteed not to fall.

The Choice of Discount

The client's choice of discount rate determines the level of guarantee and the extent of participation in investment returns.

A high discount rate provides a higher level of guarantee, so the starting income will be higher. A high discount rate will, however, provide a low participation in profits, so the annuity will not escalate as fast as an annuity with a lower discount rate.

Remuneration of intermediary

The intermediary receives commission for the advice and service provided during the term of the policy. This commission is used to meet expenses and to provide the intermediary with an income.

For independent brokers the full commission is payable in cash. For representatives the remuneration can consist of a reduced cash commission plus other company benefits.

Metropolitan will provide commission on the initial premium not exceeding 1.5%

Policy charges and fees

The following charges will be levied against the policy, in addition to the commission or remuneration:

Discount Rate:	3.50%	4.00%	4.50%
Fund Charges	1.100%	1.15%	1.20%
Premium Charges	R 193.02	R 193.02	R 193.02
Administrative Charges	R 56.43	R 56.43	R 56.43

Fund charges A percentage of the value of the assets.

Premium charge This charge is deducted from the single premium.

Administrative charge Administrative charges are levied to cover costs incurred in issuing and processing the policy and to cover ongoing head office overhead costs. This is a monthly renewal charge, which is subject to future increases at Metropolitan's discretion

The charges set out above are not guaranteed and can be changed at the discretion of Metropolitan.

Claims notification procedures

Payment by Metropolitan in accordance with the Contract shall absolve Metropolitan from any further liability in connection with the pensions to which the payment relates.

Annuity payments in terms of this quotation will be paid to the Principal Annuitant while the Annuitant is alive. In the event that the Annuitant dies within the Guarantee Period, the annuity instalment payable for the remainder of the Guarantee Period will be paid in accordance with point 6 below.

Every annuitant must submit a certificate of existence to Metropolitan.

A spouse's annuity (where applicable) will become payable to the spouse on the death of the Principal Annuitant. This annuity will only be payable to the spouse married to the Principal Annuitant at the Commencement Date of the Policy.

In addition, any spouse who becomes eligible for an annuity on the death of a Principal Annuitant must submit the following:

- (1) Metropolitan's prescribed claim form, duly completed
- (2) The marriage certificate of the Principal Annuitant or a certified copy thereof.
- (3) In the case of a common-law union, an Affidavit deposed to before a Commissioner of Oaths, confirming that the Spouse was the common-law spouse of the Principal Annuitant prior to the annuitant's death
- (4) A certified copy of the Spouse's and Principal Annuitant's identity document.
- (5) The death certificate of the Principal Annuitant or a certified copy thereof.
- (6) All payments will be made in terms of Section 37C of the Pension Funds Act 24 of 1956

Complaints

Should the applicant have a complaint of any nature, including a complaint in terms of the Policyholder Protection Rules and/or the intermediary, he/she should contact the following department:

Call Centre

Tel: 0860 724 724

Fax: 021 940 6142

e-mail: info@metropolitan.co.za

If the complaint cannot be resolved with Metropolitan, it may be referred to:
The Ombudsman for Long-term Insurance, PO Box 45007, Claremont, 7735.

Cancellation

This policy cannot be cancelled by virtue of its terms and nature in law, but allowance can be made for the annuity to be transferred to another insurer. The policy owner has the right to request for such a transfer within 30 days of the date of the acceptance letter provided that no benefit has been paid or claimed and the event insured against has not occurred.

He/she will then be entitled to a full refund of all premiums paid less the cost of any cover and/or investment return enjoyed. After the 30-day period has lapsed then a penalty charge will be applied on transfer.

The request to transfer the annuity should be in writing and should be addressed to the head office of Metropolitan.

Insurer's Address

Metropolitan Employee Benefits
PO Box 2212
Bellville
7535

Parc du Cap
Mispel Road
Bellville
7530

Tel: 021 940 5911
Fax: 021 940 5730
e-mail: info@metropolitan.co.za

Individual Life Call Centre:
Tel: 0860 724 724
Fax: 021 940 6142

History of annuity increases

Year	Bonus on with profit annuities	Increase based on 3.5%	Increase based on 4.0%	Increase based on 4.5%	Inflation rate for previous year
2011	11.50%	7.63%	7.07%	6.51%	3.48%
2010	9.20%	5.41%	4.86%	4.31%	6.33%
2009	10.00%	6.18%	5.62%	5.07%	9.51%
2008	14.50%	10.63%	10.00%	9.38%	8.98%
2007	16.10%	12.17%	11.54%	10.91%	5.79%
2006	13.50%	9.66%	9.04%	8.42%	3.6%
2005	9.75%	6.04%	5.43%	4.83%	3.39%
2004	3.00%	0.00%	0.00%	0.00%	0.33%
2003	9.50%	5.80%	5.19%	4.59%	12.41%
2002	11.86%	8.08%	7.46%	6.85%	4.59%
2001	15.80%	11.89%	11.25%	10.63%	6.99%

Explanatory notes and conditions

This is not an offer of life insurance, but merely an illustration of benefits based on certain information. The application form and related documents together with the policy will form the basis of the contract. The issue of a policy will be subject to Metropolitan's usual application requirements and acceptance procedures. The quotation is valid only if it has been produced using the most recent version of the program. The quotation will expire on 18 April 2011 unless the quotation is accepted, and the purchase sum paid in full, by this date, and a signed application form is received by Metropolitan's head office not later than 10 days after the expiry date.

Should this quotation be accepted, the contract and therefore the actual pension that will be received initially by the pensioner, will be based on the actual amount received by Metropolitan. This new pension will be calculated on the same basis as used for this quotation (subject to the difference in amount of this quotation and the amount actually received not being excessively big). By accepting this quotation the pensioner is also accepting the new quotation that will be done for this purpose.

The annuity is taxable under South African income tax legislation. Insurance companies are obliged to deduct this tax at source. The rate at which tax is payable depends on total annual income and might differ from the amount actually deducted by Metropolitan. Any such differences will be allowed for by the South African Revenue Service in their year-end assessment. If legislation should change in the future, Metropolitan reserves the right to alter the percentage of tax deducted at source.

The currency used in this document is South African Rand.

This quotation contains privileged and confidential information. Any review, variation, dissemination or other manipulation of the information herein is prohibited. Metropolitan Holdings Ltd and its subsidiaries do not accept liability for, and disclaim, any loss, damage or expense however caused from the use of, or reliance on, such reviewed, varied, disseminated or manipulated information

I hereby accept this quotation and confirm that I understand the explanatory notes, conditions and assumptions set out in this document.

Signature of applicant/authorised official

Authorised capacity (if applicable)

Signature of guardian (if applicable)

Date

Metropolitan Life Limited is an authorised Financial Services Provider