

Description of Cover

Please read this document carefully. If you need help, please call **0860 123 999**.

- 1 **Owner**
Standard Bank of South Africa Limited (hereafter referred to as "Standard Bank"), Registration Number 1962/00738/06 owns this policy.
- 2 **Insured Person**
You, the insured person, must be a person with a home loan agreement with Standard Bank Home Loans, who is between 18 and 55 years old when the policy starts. You may also be a member of a sectional title scheme's body corporate that has a loan agreement with Standard Bank Home Loans.

An extra insured person may also be covered on the same plan, conditions and level of cover.

It is a condition of your Home Loan agreement that you must have active credit Life insurance or your own life insurance.
- 3 **Policy term**
The policy term is decided when the policy starts, so that it can match up with the expiry date of your loan agreement.
- 4 **Benefit Plan**
There are different plan types depending on the insured person's employment status.
 - 4.1 **Plan Q (Formally Employed individuals)**
The policy covers you for death, temporary disability, total and/or permanent disability, and Loss of Employment.
The total and permanent disability, temporary disability and Loss of Employment benefits will end when you turn 65 years. Cover will convert to death only which will end at age 75 years.
 - 4.2 **Plan R (Self-employed, informally employed, Contract workers)**
The policy covers you for death, temporary disability, total and/or permanent disability and Inability to earn an income.
The total and permanent disability, temporary disability and Inability to earn an income benefits will end when you turn 65 years. Cover will then convert to death only which will end at age 75 years.
- 5 **Benefits**
All qualifying benefits subject to the terms and conditions, will exclude any late repayments or arrears.
 - 5.1 **Payment of benefits**
Liberty Group will only pay the benefits of this policy if:
 - Your claim is valid;
 - You have paid all the premiums;
 - You followed all the rules of the policy;
 - You correctly gave your age and other important information at the application of this policy; and
 - Standard Bank is entitled to the benefit.

Limit of cover is R810 000
 - 5.2 **Benefit limits**
Subject to the maximum cover of R810 000, Liberty Group will pay up to the amount you owe on the loan agreement at the time of the claim, excluding late payments.
 - 5.3 **Surrender benefit**
The policy has no surrender cash value. This means it does not pay out anything if you cancel it.
- 6 **Waiting period**
A waiting period is a period of time that must pass before some or all coverage begins. A three (3) month waiting period applies to all benefits, except for the death benefit where there is no waiting period.
 - If temporary disability or total and permanent disability happens because of natural causes, Liberty Group will only pay benefits if the policy started three months before temporary disability or total and permanent disability occurs and you paid all your premiums on time;
 - If you die or are temporarily or totally and permanently disabled because of an accident during this waiting period, Liberty Group will pay the benefit.
- 7 **Increases to credit agreement amount**
If the loan amount for the credit agreement that this credit insurance applies to is increased, then all waiting periods and exclusions mentioned will apply in full to the increased portion from the date of the increase.
- 8 **Accident**
An accident is a sudden external, violent, unexpected event, which results in injury or death.
- 9 **Death Cover**
If you die while this policy covers you and the claim is valid, Liberty Group will pay the benefit. All cover then ends, and Liberty Group is no longer liable under this policy. The death benefit ends on age 75.
 - 9.1 **Benefit**
The death benefit (on the event date) is the amount you owe on the home loan agreement when you die (excluding late payments), together with any interest for up to 3 months, but subject to the maximum cover of R810 000 for each bond account.
 - 9.2 **Suicide exclusion**
If you die by your own deliberate actions (commit suicide/something you did on purpose) within two years of cover starting (or being reinstated), Liberty Group will not pay any benefit.
If the loan amount for the credit agreement that this credit insurance applies to is increased, then this exclusion will apply in full to the increased portion from the date of the increase.
10. **Disability benefits**
 - 10.1 **Temporary disability cover**
Temporary disability is when you cannot earn money doing your usual business or job or another job that suits you directly, because of any:
 - Illness or disease; or
 - A visible injury to the outside of your body because of an accident.
 The temporary disability benefit is equal to the amount you had to pay in terms of the original loan agreement for the next month before you became temporarily disabled, excluding late payments. If your loan repayment was not payable monthly but at some other intervals like 6 monthly, the benefit will be the equivalent monthly benefit. You do not have to pay the insurance premium while Liberty Group pays the temporary disability benefit.
 - 10.1.1 **When the benefit is paid**
Liberty Group will pay Standard Bank the temporary disability benefit while you are disabled, but:
 - The temporary disability monthly loan repayment benefit will only be paid for up to twelve (12) months.
 - You must prove that you are still temporarily disabled by providing us with acceptable medical evidence;
 - If you have only lost part of your income the benefit is less (based on how much you have lost);
 - The accident, illness or disease that caused temporary disability must happen during the term of cover and before this benefit expires;
 - The benefit will not be paid if a death or permanent disability claim was already paid previously on this policy/loan account.

Liberty Group regards the temporary disability as ended when, in its opinion, the illness or bodily injury is healed or cured as far as reasonably possible, even if there is still some permanent disability.
 - 10.2 **Total and permanent disability cover**
If you become totally and permanently disabled as described below, Liberty Group will pay the total and permanent disability benefit. All cover then ends and Liberty Group is no longer liable under this policy. Total and permanent disability is when any accident, or illness or operation:
 - Completely and continuously prevents you from doing any job or activity in return for money; or
 - Causes you to lose (or permanently lose the use of) both hands, both feet, or one hand and one foot, or to lose sight in both eyes.

10.2.1 Benefit

The total and permanent disability benefit (on the event date) is the amount you owe on the loan agreement, excluding any late payments, but subject to the maximum cover limit of R810 000.

10.2.2 When the benefit is paid

Liberty Group will pay Standard Bank the total and permanent disability benefit and is then no longer liable under this policy if the claim is valid and:

- Liberty Group is convinced the disability is permanent;
- You gave Liberty Group proof of total and permanent disability;
- The accident or illness that caused total and permanent disability happened during the period of cover and before the benefit expires, and
- No claim for death has been approved.

11 Important Conditions and Exclusions applicable for Death, Temporary Disability and Total and Permanent Disability cover.

You must provide any reasonable medical evidence of death, total and permanent disability or temporary disability, and have any medical examination done (at your own cost) that Liberty Group needs.

In the event of death, temporary disability or permanent disability, the policy does not cover any claims if it was due to the following:

- The abuse of alcohol, drugs or narcotics;
- Wilful self-inflicted injury or suicide;
- Active participation in war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war be declared or not), civil war, insurrection, rebellion, revolution, civil commotion or uprisings, military power;
- The use of nuclear, biological or chemical weapons, or any radioactive contamination;
- Participation in criminal activities;
- Participation in hazardous activities such as mountain climbing, bungee jumping and speed racing
- Any pre-existing condition the consumer was aware of that affected the consumer in the 12 months preceding the commencement of cover under this policy.

If you die (or are injured or disabled) because you committed a crime or did something illegal, you will lose all benefits. Liberty Group may cancel all cover and you will lose all premiums paid.

No claim will be allowed for any condition where a previous claim for the same (or related) condition was already paid under the same or any other Liberty credit life insurance policy for the same underlying credit agreement. The claim event must also have occurred after the credit agreement was commenced.

12 Cover for Loss of Employment

12.1 Definition

Loss of employment

Loss of employment means either:

- Retrenchment, or
- The inability to earn an income.

Loss of employment is when you lose your job and remain unemployed because of redundancy or retrenchment or you are unable to earn any money from any job or occupation.

This cover does not cover your salary or income loss but covers your monthly obligations under the credit agreement that become due.

Redundancy or retrenchment

Retrenchment is if you are formally employed and your employer ends your job for a fair reason based on the needs of the business and unrelated to your conduct, performance, health or injury, in terms of Section 189 of the Labour Relations Act.

For a claim to be valid, you must remain unemployed because of redundancy or retrenchment and you do not earn any money from any job or occupation and not be receiving any income from the Unemployment Insurance Fund. It does not cover resignation, voluntary retrenchment or retirement.

Inability to earn an income (other than due to disability)

This only applies if you are self-employed or informally employed. This is when you are prevented from earning any income other than due to a disability. This must be due to factors outside your control.

You must earn no income, be totally unable to earn any income to qualify for this benefit and not be receiving any income from the Unemployment Insurance Fund.

12.2 Important Conditions and Exclusions applicable to the Loss of Employment benefit

Liberty Group will pay Standard Bank the Loss of Employment benefit. This does not cover any:

- Retrenchment or termination of employment within the first 3 months after the commencement of cover under this policy where the term of

the credit agreement is more than 6 months;

- Lawful dismissal, including dismissal as a result of wilful misconduct that is a violation of some established, definite rule of conduct, a forbidden act, wilful dereliction of duty or misconduct;
- Voluntary forfeiture of salary, wages, or other employment income;
- Voluntary retrenchment or termination of employment;
- Resignation;
- Retirement;
- Participation in an unprotected strike; and
- Retrenchment of which the consumer was aware or received notice of during the 3 months preceding the date on which cover under this policy commenced.

12.3 Benefit

The Loss of Employment benefit is your regular loan repayment (namely your obligations under the credit agreement that become due and payable) and are limited to the last amount you had to pay before you qualified for the Loss of Employment benefit. This excludes any late payment/arrears. If your loan repayment is paid other than monthly, the benefit is the equivalent monthly payment. Liberty Group will pay the benefit while you still qualify for a claim, for up to a maximum of 12 months.

You do not have to pay the insurance premium for this policy while the benefit is being paid.

The benefit will only be paid if loss of employment as defined occurs during the period of cover and before this benefit expires.

12.4 When the benefit is paid

Liberty Group will pay the Loss of Employment benefit to Standard Bank while you are unemployed, on the following conditions:

- The benefit will not be paid for more than 12 months in total (limited to the remaining original loan repayment period);
- The initial payment for the loss of employment benefit will be for up to 3 months. Should there be a need for a continuation of loss of employment claim, we require proof that the insured person is still unemployed. On receipt of this proof, Liberty will then pay for up to an additional 3 months at a time, with the proof required again at the end of that period.
- No death or permanent disability claim has been approved;
- The loss of employment must happen while cover is in place and before you turn 65; and
- You must remain unemployed if you were retrenched and be unable to earn any income.

12.5 Important: Specific limits/restrictions to liability for Retrenchment

Liberty Group does not cover any claim if:

- a) you resign, agree to be retrenched or retire from your employment;
- b) your fixed-term contract expires;
- c) you finish the job you were specifically employed to do; or
- d) you work at a branch or office outside South Africa.

Liberty Group does not pay any further amount under this benefit if you lose your employment again after the full benefit was paid to you.

13 Start of cover

The policy starts when the first premium is received, as long as all other terms of the policy are followed.

Liberty Group will pay the death benefit to Standard Bank if you die because of an accident (as defined above) before paying the first premium, as long as you had completed all appropriate applications and Liberty Group had already decided to accept the application and the insurable risk.

The death benefit is the amount you owe on your loan agreement when you die, excluding late payment, but subject to the maximum cover of R810 000.

14 Termination of Cover

14.1 For all benefits

This cover ends as soon as any of these happens:

- a) Your home loan is paid off;
- b) Your home loan is cancelled;
- c) The 31 days of grace are over and you have still not paid any outstanding premium;
- d) A benefit for death, or total and permanent disability has been paid;
- e) You turn 75. Where joint lives are covered and the oldest insured person turns 75, cover for the oldest insured person ends, but cover for death for the other insured person continues until age 75;
- f) The policy is cancelled because of legal action to recover the loan agreement debt;
- g) When Liberty Group cancels the policy; or
- h) When you request for the policy to be cancelled.

The benefits for Loss of employment, Total and Permanent Disability and Temporary Disability end when you turn 65. The plan will then convert to a Death only plan and the premium will be adjusted accordingly. The death cover will end at age 75.

If one policy covers the lives of two insured people and the oldest turns 65, the benefits end for both people. The benefit plan changes to a Death only plan and the premium will be adjusted accordingly.

15 Premiums

- The premiums are the monthly amounts you pay for insurance benefits cover. These change as you get older. The monthly premium also changes according to the average outstanding loan amount.
- The total premium you pay on joint lives (for two people) is the premium rate for the older insured person, plus a discounted rate on the premium for the younger insured person.
- The premiums you must pay after your loan has been registered are based on the amount you still owe on your loan (or credit agreement). If you have a building loan, premiums are based on the total amount of money you borrowed when the building loan converts to an ordinary loan, the premiums are based on the amount you still owe on the loan.
- If the Premium Debit Date falls on a weekend or public holiday, the nominated bank account will be debited on the first working day before or after the weekend or public holiday.

16 Debt Review

If the account from which the Premiums are debited from goes into debt review and we don't receive premiums the policy will cancel.

17 Legal Status

If your account goes into a legal status resulting in us being unable to collect the premiums due, the policy will cancel.

18 Change of premium rates

Liberty Group does not guarantee premium rates and reviews them at least once each year. When reviewing the premium rates, Liberty Group will investigate the extent to which the pricing assumptions used to calculate the premiums varied from the actual experience and Liberty Group expectation of future experience. These assumptions include but are not limited to the expected:

- Claims incidences
- Renewal costs of providing the policy
- Lapse rates
- Interest rates; and
- The average age and demographics of the lives assured on the product as a whole.

Furthermore, Liberty Group reserves the right to appropriately adjust the benefits payable and the premium of this policy if:

- Any legislation or regulation (including tax legislation or regulation) affecting this policy or Liberty Group is introduced;
- The Legal interpretation or understanding of any legislation or regulation (including tax legislation or regulation) affecting this policy or Liberty Group has changed; or
- Any other circumstance that is beyond Liberty's reasonable control affects this policy or Liberty. Circumstances beyond Liberty's control is defined under the Force Majeure clause in this policy; or
- Such adjustment is necessary to ensure that actual benefits paid each year are similar to the expected benefits payable (which are adjusted by Liberty's expectation of current and future experience, including the economic climate, claim incidences as well as the age and demographics of the lives assured).

Liberty Group and Standard Bank will let you know about any change at least 31 days before it happens.

19 Days of grace

If you do not pay a premium on time, Liberty Group allows you 31 extra days to pay it.

If no premium is received for two consecutive months, then it will be taken that you do not want the cover anymore and the policy will be cancelled by giving you one months' notice of cancellation. If the policy is cancelled then no benefit is payable under this policy.

You may reinstate (restore) the policy within three months of the last premium payment by paying all the late premiums.

- You can only reinstate a policy once.
- We will not cover anyone before a policy is reinstated.
- If we are unable to recover missed premiums at reinstatement, there will be a waiting period applied for all benefits from date of reinstatement.

20 Commission and Fees

- Commission is charged for each premium
- Premiums are worked out based on a total commission charge of 7.5% (excl. 15% VAT), according to the Regulations under Section 49 of the Long-Term Insurance Act.
- SBIB receives binder fees of between 4% and 7.5% of premium (excl. 15% VAT), depending on the binder services rendered.
- Where the policy was sold through an external call centre, the call centre receives a binder fee for entering into the policy.

21 General Terms and Conditions (including conditions and exceptions)

21.1 Changes to the terms of the policy

- No changes to this policy are valid unless made in writing and duly authorised by an official of Standard Bank and Liberty Group.
- Standard Bank and Liberty Group may change or cancel any terms of this policy. You will be notified about any changes or cancellation at least 31 days in advance by writing to you at your last known address or email address.

21.2 Events beyond Liberty's control (Force Majeure)

Should Liberty Group be prevented from carrying out any of its obligations in terms of this policy because of Force Majeure, Liberty will notify the Policyholder/Insured Person of the circumstances and nature of the Force Majeure as well as the estimated duration and extent to which Liberty's performance is made impossible.

Under such circumstances, Liberty's obligations under the Policy will be suspended until the circumstances causing the Force Majeure ends and Liberty will not be liable to the Policyholder/Insured Person for any damages whatsoever caused to the Policyholder/Insured Person due to Liberty's inability to perform its obligations in terms of the Policy.

Force Majeure includes, acts of God, acts of the State or Government, exceptionally adverse natural disasters, riot, insurrection, sanctions, sabotage, terrorism, political or civil disturbance, war, boycotts, embargo, strikes, lock-out, shortages of labour or materials, material delays in public transport or any similar circumstances beyond the reasonable control of Liberty.

21.3 Leaving out material information (Non-disclosure)

If you do not disclose any material information that is relevant (for example about your health or medical history); or if you disclose any information that appears to be wrong (for example, your date of birth); then Liberty Group may regard any claim as invalid. It may also cancel the policy and you will lose all premiums you paid.

21.4 Important: Fraud

If you are dishonest when you claim, you give up all benefits under this policy. Liberty Group may cancel this cover and you will lose all the premiums you have paid.

21.5 Territorial limits

This policy only covers South African citizens living in South Africa. The policy only covers people who live in South Africa permanently or people who work in South Africa if they have a legal working permit of at least six months.

21.6 Jurisdiction

South African law governs this policy. The South African courts may decide any dispute about this policy.

21.7 Currency

Premiums and benefits are shown and are paid in South African Rands.

22 Important: Consent to collect and share your personal information

Liberty Group or Standard Bank or both of them may need to collect and share certain personal information about you (and the other insured person in a joint policy) for administration purposes and to assess risks or consider claims for benefits under this policy.

Liberty Group and Standard Bank may legally only collect, share and process information specifically related and relevant to this policy. Liberty Group and Standard Bank undertake to keep that information confidential and secure, and not to keep it for longer than it is needed.

You consent to Liberty Group and Standard Bank (including their staff, representatives and certain subcontractors):

- collecting any personal, medical or financial information about you that they regard as necessary from any person and processing it; and
- sharing information in any related policy or other document with any other insurance company, directly or indirectly.

This consent may limit your right to privacy. But it applies only for the above purposes and you may ask at any time for access to the information collected, processed or shared.

Your consent is effective after you die.

23 Information on Unpaid or Unclaimed Benefits

It is the responsibility of the insured person to ensure that Liberty and SBIB always have up to date contact information (including that of any potential beneficiary).

Where we become aware that benefits are payable, we will seek to communicate at the last address provided to us. If this is unsuccessful, we will take reasonable steps to find those who are entitled to the benefits, which steps may entail the appointment by us of external tracing agents. The insured person consents to us appointing an external tracing agent and providing them with the necessary personal information to conduct such tracing. A tracing and management fee as determined at time of tracing may be deducted by us from the benefits payable. Note that in certain circumstances, an additional amount may be payable in relation to any late payment.

24 Cooling-off period

As this is a mandatory policy subject to the National Credit Act Credit Life Regulations you as the Insured Person cannot cancel the policy unless you provide Standard Bank with alternative cover as security. You may cancel this policy within 31 days after receiving the policy summary issued by Standard Bank and Liberty Group if no benefit was paid or a claim made or an event insured against has occurred. The Policy Summary is considered to have been received 10 days after the date that Policy Summary was issued by Standard Bank and Liberty Group.

After receiving any cancellation or change request, and subject to any law, Standard Bank and Liberty Group may take any of the actions below:

- Change the policy in line with the requested change;
- Inform the policyholder where in law the policy cannot be cancelled; or
- Cancel the policy and refund any premiums you have already paid less any expenses related to the cover you have enjoyed up until the cancellation of the policy.

25 Cancellation

As this is a mandatory policy, if you wish to cancel this policy, you need to provide us with 31 days' notice of your request to cancel the policy and within such 31 days provide us with the details of the alternative cover you wish to cede. The policy you cede must provide for all the benefits covered under this protection plan.

If we wish to cancel this policy, we will provide you with 31 days' notice at your last known postal or email address. We will not refund any unused proportion of premiums if the policy is cancelled.

26 Ceding of own Life insurance

You need to fax the signed cession form from your broker and Insurer, and a copy of your insurance to **011 858 7280** within 31 days and full premiums for this policy will be refunded. Premiums will be refunded for the period when there is dual insurance for same cover.

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Claims

To claim a benefit on your policy please contact your nearest Standard Bank Branch, contact the claims service centre on **0860 123 999** or email: creditlifereg@standardbank.co.za.

You must report your claim within three years of the insured event after which your claim will no longer be valid.

28

Queries or Complaints

Discuss your query or complaint with your Standard Bank adviser. If you are not happy with how the matter is handled, contact:

- **The Credit Life**

Help Line on: **0860 123 999**

Email: Complaint.resolutioncentre@standardbank.co.za; or

Email: relations@liberty.co.za

Fax number: **011 408 4488**; or

IF you are still not satisfied you may contact:

- **Financial Sector Conduct Authority**

PO Box 35655, Menlo Park, 0102.

Phone number: **012 428 8000 / 0800 203 722**

Fax number: **012 346 6941**

Website: www.fsca.co.za

- **FAIS Ombudsman**

PO Box 74571, Lynwood Ridge, 0040.

Kasteelpark Office Park

Orange Building, 2nd Floor,

546 Jochemus Street,

Erasmuskloof, Pretoria.

Phone number: **012 762 5000 / 0860 663 247**

Email: info@faisombud.co.za

Website: www.faisombud.co.za

- **Ombudsman for Long-term Insurance**

Private Bag X45, Claremont,

Cape Town, 7735.

Sunclare Building, 3rd floor,

21 Dreyer Street, Claremont

Cape Town, 7700.

Phone number: **021 657 5000 / 0860 103 236**

Fax number: **021 674 0951**

E-mail: info@ombud.co.za

Website: www.ombud.co.za